



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 112371

10 November 2008

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

September 2008 Quarterly Financial Report and MD&A

Attached please find Quarterly Report for the three months ended 30 September 2008 including Report to Shareholders, Management Discussion and Analysis, Interim Financial Statements and Certifications as required in accordance with Canadian reporting requirements.

Yours faithfully
Paladin Energy Ltd

GILLIAN SWABY
Company Secretary



PALADIN ENERGY LTD

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NEWS RELEASE

For Immediate Distribution

FINANCIAL REPORT FOR QUARTER ENDING 30 SEPTEMBER 2008

Perth, Western Australia – 10 November 2008: Paladin Energy Ltd (“Paladin” or “the Company”) (**TSX:PDN / ASX:PDN**) announces the release of its Financial Report for the quarter ending 30 September 2008.

Projects:

- Production of 650,554lb of U₃O₈ at the Langer Heinrich Uranium Project in Namibia for the quarter. Quarterly production at design equates to 2,602,000lb on an annualised basis.
- Langer Heinrich Stage II production expansion to 3.7Mlb per annum on budget and on schedule for completion at end of calendar 2008. Expenditure to 30 September 2008 was US\$21M. Planning continuing on Stage III expansion to 6.0Mlb per annum.
- Sales of Langer Heinrich uranium concentrate for the quarter of 878,000lb U₃O₈ averaging US\$58/lb.
- Kayelekera Uranium Project construction work remained on schedule and on budget. Project is scheduled for commissioning and ramp-up from the beginning of the March quarter 2009 with the Project currently 75% complete.
- Paladin and Cameco Joint Venture granted Exploration Licence for the Angela Uranium Deposit in Northern Territory.
- Focus on exploration and evaluation of Australian projects continued, in particular the Mount Isa Uranium Joint Venture and Isa North Uranium Project in Queensland, and the Bigryli Uranium Joint Venture in Northern Territory. Total exploration and evaluation expenditure was US\$3.6M for the quarter.

Corporate:

- Loss after tax for the quarter ending 30 September 2008 of US\$4.7M – consisting of US\$13.3M profit for Langer Heinrich as a consequence of improved performance; US\$3.6M investment in exploration and evaluation expenditure; US\$9.2M finance costs; and US\$12.2M in other expenses including corporate/marketing costs, employee benefits and an impairment of inventory expense of US\$3.7M. During the quarter a total of US\$3.1M relating to non-cash share based payments was expensed.
- Strong balance sheet at 30 September 2008 with net assets of US\$1.2Bn including US\$279.7M in cash (US\$100M invested in US treasury bonds with the balance invested with Australian banks with a minimum AA Standard & Poor's credit rating).
- Net cash inflow from operating activities for the quarter of US\$15.5M primarily due to uranium sales receipts.
- Credit committee approved offers received for finance totalling US\$167M for the Kayelekera Uranium Project, subject to legal documentation and fulfillment of other conditions precedent usual for this type of funding.

These results may be found shortly with the Company's other documents filed on Sedar (<http://www.sedar.com>) or through the Company's website (<http://www.paladinenergy.com.au>). The documents filed comprise the Financial Report for the quarter ending 30 September 2008, including the Management Discussion and Analysis, Report to Shareholders, Financial Report and Certifications.

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PALADIN ENERGY LTD

A.C.N. 061 681 098

FINANCIAL REPORT

FOR THE QUARTER ENDING

30 SEPTEMBER 2008

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MARKET COMMENTS

The Ux spot price was US\$53/lb at the end of September which was \$6/lb lower than at the end of June 2008. The long term price indicator was US\$75/lb, down \$5/lb from the end of June. The spot uranium price has weakened since the end of the quarter (down to US\$46/lb this week according to the price reporter UXC) which is consistent with the sell down of most commodities as a result of the continuing international credit problems and the liquidation of commodity investment positions.

It is important to note that the fundamental under-supply position of the existing, as well as planned, nuclear fleet worldwide has not changed. On the contrary, the US Congressional approval of the 123 Agreement with India and its subsequent signing into law finally allows India to participate in the global market for nuclear fuel and to acquire modern light water reactors from the major international vendors. It has been reported that India is considering buying up to 5Mlb U₃O₈ in the long term market this year.

Reactor construction and forward planning for new plants continues strongly in China and other major Asian countries as well as in Russia. Demand for uranium in the medium to long term remains extremely strong.

LANGER HEINRICH URANIUM PROJECT, Namibia (Paladin 100%)

Production

Paladin is pleased to announce that it achieved nameplate production at Langer Heinrich for the quarter ending 30 September 2008, producing 650,554lb U₃O₈ for this period. This quarterly production equates to 2,602,239lb on an annualised basis. Stage I design (or nameplate) production is specified at 2,600,000lb U₃O₈ per annum.

The Board regards this as a significant milestone event for the Company, highlighting that Paladin is establishing itself as the premier emerging uranium mining house. This achievement should provide further confidence that the current Stage II expansion which is underway and the follow up Stage III expansion that is contemplated will reach their stated production targets with the group showing strong evidence of its production and operational competency.

Sales

Sales for the quarter were US\$51M comprising 878,000lb U₃O₈ (average realised price US\$58/lb) which now brings sales into line with original contract schedules.

Mining

Total mining production for the quarter was 666,369bcm including 232,157bcm (557,154t) of Run of Mine or ROM ore.

Tonnages from the mine have increased throughout the year both as plant throughput has increased through the ramp up period and also in anticipation of meeting the operation expansion needs for 2009. Mine schedules and plans have been revised to include post expansion requirements and efforts are underway to mobilise the doubling of mining equipment essential to carry out these plans.

Pit A was dewatered as planned during the quarter, with completion of mining expected near year-end. This pit will now be utilised as a water catchment area to harvest future rainfall and to protect other mining areas from any significant rainfall events.

Process Plant

Many initiatives in the crushing and scrubbing circuits have now been completed resulting in increased ore throughput rates. Design throughput of 4,200t per day was exceeded with regularity during the latter part of the quarter and will gradually be increased across the next quarter as the Stage II construction nears completion and ramp-up begins. Scrub efficiency has also been increased, running consistently at greater than 90% with a reject ratio (ROM:Barren solids tonnages) of greater than 50%, in line with original design value, and will improve further as additional screening capacity is introduced in the next quarter.

Leach heating systems were expanded to facilitate higher and more consistent temperatures in the circuit. In addition, efforts were focused on reducing the downtime of the heat exchangers through optimisation of operating conditions and planned maintenance programmes. These efforts have been very successful in both increasing availability and hence leach tonnages, and also enhancing leach extraction (increased by over 3% across the quarter) as a result of the higher leach temperatures.

The CCD and IX circuits ran efficiently during the quarter and have been further improved with the installation of a sandfilter circuit providing additional clarification to IX feed. The benefits of this installation include improved resin loadings of uranium and elutions, lower barren solution tenors and hence reduced soluble losses to tailings.

Precipitation and drying performance continued to operate above design rates with product specifications continuing to meet customer demands. A new SDU thickener will be commissioned during the next quarter which will lead to improved efficiencies across the precipitation circuit and reduce product recycling.

Periods of reduced plant throughput and availabilities during the quarter (as a result of installing and implementing the above up-grades) were mitigated by periods of increased feed grades which were maintained between 1,000 and 1,100ppm U₃O₈ for much of the quarter.

As a result of the improvements, overall recovery increased in excess of 4% July to September. Further, recent recoveries have regularly exceeded 80% indicating that a normal recovery into the high 80s is achievable. This improvement is on a steady upward trend and most importantly should not be affected by the Stage II ramp up.

Stage II Upgrade Progress

The Stage II expansion to 3.7Mlb/yr U_3O_8 is now well into the construction phase. All long-lead delivery items and bulk materials have been ordered, detailed engineering is 80% complete and the delivery of equipment to site continues.

The construction of the two additional leach tanks is progressing well and they should be ready for hydro testing by late November and early December respectively. Completion of the four new thickeners is forecast to be mid December. The IX expansion civil work is complete and ready to receive the eight new columns, which are scheduled to arrive on site in November.

Stage III Expansion Planning

In addition to the Stage II expansion, a further study has been initiated to evaluate a further expansion to 6Mlb pa for 2010. This study is scheduled for completion in November 2008 when it will be presented to the Board to consider a decision to go ahead.

In addition, the potential for heap leaching of the low grade ore currently being stockpiled is also being explored. An initial leach test program is underway in Johannesburg which, if successful, will be expanded to include some on-site investigations.

Electricity Supply

To date, Namibia, and hence LHU has not been subject to any of the power outage events plaguing South Africa.

The design, procurement and manufacture of the six 1.7 MW motor generator sets and ancillary equipment making up the 10 MW Package Power Station has been completed. The units are currently en route to site. The erection of the installation will begin in the next quarter, thereby providing the site with emergency power from early 2009.

New Resource and Reserve Estimations

As announced during the quarter new JORC and NI 43-101 Mineral Resource and Reserve estimations have now been completed adding significantly to the previous resource and reserves status of Langer Heinrich.

NEW MINERAL RESOURCE ESTIMATE for Details 1 to 7, (after mining depletion)

250ppm Cut-off	M t	Grade % U_3O_8	t U_3O_8	Mlb U_3O_8
Measured Resources	32.8	0.06	19,582	43.158
Indicated Resources	23.6	0.06	13,276	29.260
Measured+ Indicated	56.4	0.06	32,858	72.418 (46% increase)
Inferred Resources	70.7	0.06	41,557	91.591 (64% increase)

Compared to the previous Mineral Resources announced in 2006 the new 2008 resource estimates outlined herein represent a 55% increase in contained U_3O_8 and comprise:

- 46% increase in the Measured and Indicated Resources from 22,548t (49.7Mlb) to 32,858t (72.4Mlb) contained U_3O_8 , after depletion for mining.
- 64% increase in the Inferred Resources from 25,308t (55.8Mlb) to 41,557t (91.6Mlb) contained U_3O_8 .

Mineral Resources are quoted exclusive of Run of Mine (ROM) stockpiles which, at the end of May 2008, contained 3.5Mt at a grade of 514ppm U_3O_8 for 1,796t (3.96Mlb) U_3O_8 . Mineral Resources are quoted inclusive of any Mineral Reserves.

NEW ORE RESERVE ESTIMATE for Details 1, 2, 3 and 5

250ppm Cut-off	M t	Grade % U_3O_8	t U_3O_8	Mlb U_3O_8
Proved Ore Reserve	30.0	0.06	17,924	39.50
Probable Ore Reserve	20.6	0.06	11,950	26.34
Total Ore Reserve*	50.6	0.06	29,874	65.84 (75% increase)

*Ore Reserve has been depleted for mining

Compared to the previous ore reserve announced in 2005 (also reported at a 250ppm cut off) grade the new 2008 reserve estimate outlined herein represents a 28.3Mlb (75%) increase in contained U_3O_8 . The Ore Reserve has been estimated from the above outlined Measured and Indicated Mineral Resource of 56.4Mt at a grade of 0.06% U_3O_8 . The resource estimate is based on Multi Indicator Kriging and incorporates a specific adjustment based on expected mining parameters. As a result additional dilution and mining recovery are not included in the Ore Reserve estimation.

The cost parameters used in the reserve estimation are now well established and as such their inclusion can be reasonably justified. The revenue rate used in the estimate was US\$60/lb which is regarded as conservative when compared to the existing term contracts.

These reserves will form the basis of the detailed mine planning for the Project. The revised mine model will allow a remaining mine life of 11 years, based on the expansion of processing capability to 6.0Mlb per year. The mine model does not include any contribution from the 91.6Mlb of Inferred Mineral Resources.

The Ore Reserve is quoted exclusive of ROM stockpiles which, at the end of May 2008, contained 3.5Mt at a grade of 514ppm U_3O_8 for 1,796t (3.96Mlb) U_3O_8 .

Additional Resource Potential

The potential for increasing the resource base even further within ML140 is still regarded as high. All Details contain substantial mineralisation which remains in the Inferred category and future drilling will concentrate on raising resource confidence in these areas. Whilst the majority of the mineralisation has been closed off laterally, there are still a number of substantial areas which need to be in-filled within the main body of the resource.

A considerable amount of currently sub-economic mineralisation exists above a cut off grade of 100ppm U_3O_8 and below the current economic cut off grade of 250ppm U_3O_8 . This has the potential to be of significant value should heap leach processing of calcrete uranium mineralisation be viable. The new resource that has been estimated indicates (in the cut off grade range of 100ppm and 250ppm U_3O_8) that there is 29.1Mt at a grade of 176ppm for 11.3Mlb U_3O_8 in the Measured and Indicated categories and 47.5Mt at a grade of 172ppm for 17.9Mlb in the Inferred category. Heap leach studies are currently underway to determine the feasibility of processing this material.

EPL 3500 Drilling

The initial exploration drilling program on EPL 3500 has been completed. The RC drilling included 31 holes totalling 2,919m. The drilling was carried out along six lines, 400m apart with drill hole spacing of 100m to 200m. At this stage, the drilling has identified narrow mineralisation of low grade only. Further exploration drilling is planned in 2009.

KAYELEKERA URANIUM PROJECT, Malawi (Paladin 85%)

The 3.3Mlb per annum Kayelekera Uranium Project remains on schedule to commence commissioning and production ramp-up from the beginning of the March quarter 2009 with the Project currently 75% complete. The Project also remains within budget. The Project achieved 2,500,000 lost time injury free man hours during the quarter.

Project Development

The current Project workforce on and off site has increased to over 1,500 with 80% of workers being Malawian. Activities continue to be wide-ranging involving civil works, concrete and foundation preparation (crusher, SAG mill and tailings thickener) and equipment and facility installation (SAG mill, power station, main pipe rack and acid storage tanks).

The following activities were completed or substantially completed during the quarter:

- Intermediate upgrade works to M26 public road to allow heavy equipment access
- SAG mill major components on civil foundations
- Acid and leach tanks plate work hydro tested
- Acid storage tanks (95% complete)
- Mine to plant haul roads
- Run-of-mine (ROM) pad (90% complete)
- Fresh water storage pond
- Stage I tailings storage facility (80% complete)

The tender evaluation for plant reagents and electrical & instrumentation packages were completed. Planning for Project commissioning continues and commissioning production ramp-up is expected to commence in the March quarter. The Chinese road building contractor mobilised at the beginning of September and is currently upgrading the first 13 km of the M26 public road from the town of Karonga to the mine site.

New Sales Contract

A contract for the sale of 1,500,000lb U₃O₈ has been signed with a significant Asian power utility for delivery over the period 2009 to 2011 at prices reflective of the longer term nature of the contract. The contract does not reference the spot price.

Operations

All key senior management staff have been appointed and second level operational staff positions are currently being recruited. The main focus now is on recruiting operations and maintenance personnel, of which the majority will be Malawian. Preparations are ongoing for commissioning and handover of facilities from Construction to Operations.

First fill reagents have been ordered and preparations are being made for delivery and storage.

Open pit mining activities are in full operation with the focus on opening up ore zones and providing sandstone rock for material to cover the walls of the tailing storage facility and water ponds. A total of 333,105 bcm of waste has been removed from the pit since July, 2008, with a total of 375,865 bcm from the area since operations began in 2007. No ore has yet been uncovered, but the open pit is on schedule to deliver ore in readiness for commissioning in the March 2009 quarter.

Environmental and radiation monitoring continues as does the training of new staff and pit crews in these disciplines. The Safety & Health and Environmental Management plans have been completed, while the Radiation Management plan is 80% complete.

Exploration Activity/Resource Drilling

The second resource drilling program targeting a previously unknown extension of the lower arkose sandstone unit west of the planned Kayelekera pit was completed. RC drilling included 31 holes totalling 3,090m. The new drill data will be incorporated into the Kayelekera resource dataset to carry out a new resource and reserve estimation.

Ground surveying including mapping and radiometry was completed in the Mpata area approximately 15km north east of the mine site on EPL 0170. RC drilling in the area started late September targeting two radiometric anomalous arkose units. The drilling program was completed late October.

During the quarter, UTS Geophysics Pty Ltd was commissioned to carry out a low-level airborne magnetic and radiometric survey over the Company's tenements in Malawi. The survey involved 16,950 line km flown on 50m spacing at an average altitude of 50m.

It is anticipated that the data acquired during the survey will become a highly valuable exploration tool to assist planned exploration activities over all tenements. Drilling targets for uranium should be identified following thorough and detailed analysis of these data.

OVERALL PRODUCTION GUIDANCE FOR LANGER HEINRICH AND KAYELEKERA

At the commencement of July 2008, the production guidance including Langer Heinrich Stages I, II and III and Kayelekera was provided out to 2012 but changed from calendar year to fiscal year, so that forecast production could better equate with annual financial reporting.

The production forecast for the next 2 years incorporating Stages I and II of Langer Heinrich and Kayelekera was advised as follows: FY08/09 – 3.6Mlb U₃O₈ (3.1Mlb Langer Heinrich with Stage II in ramp up and 0.5Mlb Kayelekera in ramp up) and FY09/10 – 6.6Mlb U₃O₈ (3.7Mlb Langer Heinrich and 2.9Mlb Kayelekera with only Kayelekera in ramp up during the first half of this period).

The smooth integration of Stage II into Stage I at Langer Heinrich and an uninterrupted commissioning of Kayelekera (which may be affected for example by an abnormal wet season) will be critical for achieving the stated guidance outcome for FY08/09. However, even with the impact of such influences the combined production from both mines is not expected to vary more than 250,000lb from the 3.6Mlb U₃O₈ which has been forecast for this period.

ISA URANIUM JOINT VENTURE, Queensland - (Paladin Energy Ltd 50%, Summit Resources (Aust) Pty Ltd 50% Operator)

The Mount Isa Joint Venture includes the Valhalla and Skäl uranium deposits. Drilling is underway at the Valhalla uranium deposit and is also planned to start again at the Skäl deposit in the next quarter, with the aim of extending the existing resource envelopes along strike and improving the current resource classification. The Environmental Baseline Study is underway. Hydrogeological monitoring bores are planned to be drilled in the next quarter.

Valhalla Deposit:

The joint venture completed 7,956m of RC drilling in 34 holes and 2,558m of diamond drilling in 21 holes at the Valhalla deposit during the quarter as part of a 50,000m resource drilling program to be completed in October with an updated Mineral Resource estimation expected late in the December quarter.

Skäl Uranium Deposit:

The mineral resource study in conjunction with ground geological studies and a detailed ground magnetic survey identified additional resource potential at Skäl. Testing of these targets began in October, after the Valhalla drilling program was completed.

MOUNT ISA NORTH URANIUM PROJECT (100% Summit)

Exploration continues on Summit's 100% owned Mount Isa North Project where Summit holds 1,938km² of applications and granted tenements that are prospective for uranium, copper and base metals. The project includes the Bikini, Watta and Anderson uranium deposits as well as numerous other uranium prospects.

Detailed geological and geophysical groundwork started at the Bikini deposits, including the Woomera and Mirrioola Prospects to the north and south of Bikini, to identify new drill targets in this extensively uranium mineralised region. Ground work at Anderson identified new uranium mineralisation 500m south east of the deposit, which is currently being investigated in more detail.

Fugro Airborne Surveys conducted an airborne magnetic and radiometric survey over two specified areas. This involved 22,650 line km and was flown at 50m spacing at an altitude of 50m. The survey was flown in the previous quarter and the final located and processed data were received in August.

The primary objective of the survey is to provide higher resolution geophysical data than is already available over the tenements and, therein, better delineate the known anomalies and hopefully to identify further anomalies.

Detailed analysis is underway. Initial indications suggest that the geophysical data will provide invaluable assistance in the future ongoing exploration programs.

BIGRLYI URANIUM JOINT VENTURE, Northern Territory - Australia (Paladin 42.06%)

This project is a joint venture between Paladin's wholly owned subsidiary, Valhalla Uranium Ltd (42.06%), Energy Metals (53.74%), and Southern Cross Exploration NL (4.2%), with Energy Metals as manager. The project is located approximately 390km north west of Alice Springs in the Northern Territory.

The current Mineral Resource for Bigrlyi stands at 2.33Mt @ 1,739ppm for 4,053t U₃O₈ Indicated Resources and 5.23Mt @ 1,250ppm for 6,537t U₃O₈ Inferred Resources. Full details of the resource estimation can be found on the Energy Metals Limited website www.energymetals.net.

The joint venture partners approved a A\$4.8M exploration budget for the period. Drilling commenced in August and is currently continuing to extend and improve the known mineralisation. Environmental baseline studies are planned to commence in 2008.

ANGELA JOINT VENTURE, Northern Territory - Australia (Paladin 50%)

As previously announced Exploration Licence 25758 which contains the Angela Uranium Deposit has been granted by the Northern Territory Government to the Cameco/Paladin 50:50 Joint Venture. Cameco Australia Pty Ltd is manager of the exploration stage of this joint venture. Cameco has set up an office in Alice Springs and hired an experienced Project Manager to start in November.

Resource drilling is planned to start in 2009 after all necessary government approvals and agreements with the Traditional Owners have been obtained.

Participation in the Angela/Pamela project is fundamental to Paladin's strategy to become a significant contributor to the anticipated growth of the uranium mining industry in Australia, with the Company holding projects in the Northern Territory, Queensland and Western Australia.

CORPORATE

New Staff Appointment – Paladin Nuclear Limited

Paladin is pleased to announce the appointment of Mr Gary Stoker to the position of Marketing Manager – Europe. Gary brings a wealth of nuclear industry experience including nine years in various roles with British Nuclear Fuels Limited and eight years in a senior commercial role with Nufcor International Limited. Gary holds a BSc (Hons) Physics and a Post-Graduate Diploma in Management Studies. Gary joins the other experienced members of Paladin's marketing group, Dustin Garrow, based in Denver, and James Eggins, based in Perth, and will operate from the UK.

Acquisition of Shares in Deep Yellow Ltd

During the quarter Paladin acquired 44,700,000 shares in Deep Yellow Ltd (ASX:DYL) (**Deep Yellow**) taking its investment in this company from 15.3% to 19.29%.

Paladin recognises the extensive tenement position of Deep Yellow and Deep Yellow's strong uranium management and exploration team. The acquisition of the additional shares is a strategic investment for Paladin. Paladin looks forward to continuing to be a supportive shareholder of Deep Yellow and information on Deep Yellow can be found at www.deeppyellow.com.au

Yours faithfully
Paladin Energy Ltd

A handwritten signature in black ink, appearing to read 'John Borshoff', with a stylized flourish at the end.

JOHN BORSHOFF
Managing Director/CEO

The following Management Discussion and Analysis ("MD&A") for Paladin Energy Ltd ("Company") should be read in conjunction with the Report to Shareholders and the Condensed Consolidated Financial Statements for the quarter ended 30 September 2008. The effective date of this report is 10 November 2008.

The financial information presented in this MD&A has been prepared in accordance with applicable International Financial Reporting Standards (IFRS), other mandatory professional reporting requirements and the Corporations Act 2001. Applicable Accounting Standards include Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting*.

In addition to these Australian requirements further information has been included in the Condensed Consolidated Financial Statements for the quarter ended 30 September 2008 in order to comply with applicable Canadian securities law, as the Company is listed on the Toronto Stock Exchange.

Additional information relating to the Company, including the Company's most recent Annual Report for the year ended 30 June 2008 and other public announcements are available at www.paladinenergy.com.au.

FORWARD LOOKING STATEMENTS

Some of the statements contained in this MD&A, including those relating to strategies and other statements, are predictive in nature, and depend upon or refer to future events or conditions, or include words such as "expects", "intends", "plans", "anticipates", "believes", "estimates" or similar expressions that are forward looking statements. Forward looking statements include, without limitation, the information concerning possible or assumed further results of operations as set forth herein. These statements are not historical facts but instead represent only expectations, estimates and projections regarding future events and are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations generally.

The forward looking statements contained in this MD&A are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. The future results of the Company may differ materially from those expressed in the forward looking statements contained in this MD&A due to, among other factors, the risks and uncertainties inherent in the business of the Company. The Company does not undertake any obligation to update or release any revisions to these forward looking statements to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events.

OVERVIEW

The Company operates in the minerals resources industry with a principal business focus on development and operation of uranium projects in Africa and Australia, as well as evaluation and acquisition opportunities throughout the world. The Company is incorporated under the laws of Western Australia with a primary share market listing on the Australian Securities Exchange and additional listings on the Toronto Stock Exchange in Canada; Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa.

The main activities undertaken during the quarter ended 30 September 2008 were:

- Langer Heinrich Uranium Project reaches nameplate production for the quarter.
 - *75% increase in Ore Reserves*
 - *46% increase in Measured and Indicated Resources*
 - *64% increase in Inferred Resources*
 - *Sales revenue of US\$51M for the quarter. Sales volume of 878,000lb at an average realised price of US\$58/lb.*
 - *Production for the quarter of 650,554lb*
 - *Stage II expansion to 3.7Mlb/yr U₃O₈ is now well into the construction phase.*
 - *A further study has been initiated to evaluate the Stage III expansion to 6Mlb/a for 2010.*
- Kayelekera Uranium Project construction remains on schedule and on budget to commence commissioning and production ramp-up from the beginning of the March quarter 2009 with the Project currently 75% complete
 - *Commissioning and operations teams being recruited*
 - *Key long term uranium contract signed with major Asian utility*
- Valhalla/Skal Uranium Deposits – resource drilling and evaluation continues at the Valhalla uranium deposit and is also planned to start again at the Skal deposit in the next quarter
- Paladin and Cameco Joint Venture granted Exploration Licence for the Angela Uranium Deposit by the Northern Territory Government.
- Corporate
 - Deep Yellow Limited – increase in shareholding to 216,258,461 (19.29% interest) after exercise of 12.5 million options and purchase of an additional 44.7 million shares.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Quarter Ended 30 September 2008
(All figures are in US dollars unless otherwise indicated)

INCOME STATEMENTS

	Quarter Ended 30 September	
	2008 US\$m	2007 US\$m
Revenue from continuing operations	52.4	28.3
Gross profit	22.0	4.1
Exploration and evaluation expenses	(3.6)	(3.8)
Other expenses and income	(10.1)	(9.3)
Finance costs	(9.2)	(6.8)
Income tax (expense)/benefit	(4.2)	0.8
Minority interests	0.4	0.5
Loss after tax from continuing operations attributable to the ordinary equity holders of the Company	(4.7)	(14.5)
	US\$	US\$
Loss per share - basic & diluted	(0.01)	(0.02)

Quarter Ended 30 September 2008

Note – references to 2007 refer to the equivalent September quarter in 2007.

Revenue from Continuing Operations increased to US\$52.4 million in 2008 as a result of sales of uranium of US\$51.0 million. Total sales volume for the quarter was 878,000lb and total production for the quarter was 650,554lb.

Gross Profit in 2008 of US\$22.0 million is higher than in 2007 as a consequence of LHUP achieving nameplate production during the quarter ended 30 September 2008.

Exploration and Evaluation Expenditure of US\$3.6 million remained approximately the same in 2008 compared to 2007 as a result of ongoing expenditure on the Valhalla/Skal, Isa North, Bigrlyi, Langer Heinrich and Kayelekera Uranium Projects. Of this total, US\$2.2 million was spent on the Valhalla/Skal joint venture project.

Other Expenses and Income increased in 2008 to US\$10.1 million mainly due to the recognition of an impairment of inventory expense of US\$3.7 million in 2008 as a result of the inventory held for trading by Paladin Nuclear Ltd being reduced to net realisable value at spot prices. This is partly offset by a net foreign exchange gain of US\$2.3 million. The foreign exchange gain was attributable to the translation of monetary assets and liabilities in Namibian dollars at LHUP and Australian dollars at Paladin Energy Ltd. This was offset by higher corporate/marketing costs, employee benefits expense and share based payments.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Quarter Ended 30 September 2008
(All figures are in US dollars unless otherwise indicated)

Finance Costs increased to US\$9.2 million in 2008. This relates to interest payable on the US\$250 million convertible bonds issued 15 December 2006, the US\$325 million convertible bonds issued 11 March 2008, and the LHUP project finance facilities.

Income Tax Expense of US\$4.2 million relates to the recognition of Namibian tax expense on operations and the reversal of deferred tax liabilities relating to the convertible bonds over the term of the respective bonds.

Minority Interests credit of US\$0.4 million has been recorded in 2008 attributable to the 18.0% of Summit Resources Ltd not owned by the Group.

The loss after tax for 2008 of US\$4.7 million was lower than the loss after tax for 2007 of US\$14.5 million as a result of higher sales revenue as a consequence of achieving nameplate production.

Summary of Quarterly Financial Results

	2008 Sep Qtr US\$m	2008 Jun Qtr US\$m	2008 Mar Qtr US\$m	2007 Dec Qtr US\$m
Total revenues	52.4	38.9	15.3	19.4
Loss after tax	(4.7)	(1.9)	(8.4)	(11.2)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)
	2007 Sep Qtr US\$m	2007 Jun Qtr US\$m	2007 Mar Qtr US\$m	2006 Dec Qtr US\$m
Total revenues	28.3	6.7	3.1	0.9
Loss after tax	(14.5)	(17.4)	(11.4)	(4.9)
Basic and diluted loss per share	(0.02)	(0.03)	(0.02)	(0.01)

Total revenues have increased for each of the quarters when compared to the equivalent comparative quarter as a result of improved production at LHUP. LHUP production costs were capitalised to 31 March 2007.

Loss after tax has decreased for each of the quarters when compared to the equivalent comparative quarter as a consequence of the increase in gross profit due to the improving production at LHUP. The loss after tax for the December quarter of 2007 represents a substantial increase over the equivalent period in 2006 due to higher other expenses and finance costs.

Loss Per Share

The *Loss per Share* noted on the Income Statements reflects the underlying result for the specific reported periods and the additional shares issued in 2008 compared to 2007.

Segment Disclosure

In the Namibian geographical segment the Group reflected a profit after tax of US\$13.3 million as a consequence of the increased sales volume for the quarter. The Malawian geographical segment loss after tax of US\$1.1 million relates to exploration and evaluation expenditure and corporate costs. In the Australian geographical segment the Group reflected the remaining Income Statement activities.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Quarter Ended 30 September 2008
(All figures are in US dollars unless otherwise indicated)

BALANCE SHEETS	30 September 2008 unaudited US\$m	30 June 2008 audited US\$m
Total current assets	384.6	447.9
Total non current assets	1,917.8	2,115.2
Total assets	2,302.4	2,563.1
Total current liabilities	60.3	54.1
Total non current liabilities	1,019.0	1,079.7
Total liabilities	1,079.3	1,133.8
Net Assets	1,223.1	1,429.3

Current Assets have decreased to US\$384.6 million at 30 September 2008 attributable to a decrease in cash and inventories.

Cash has decreased to US\$279.7 million at 30 September 2008 as a result of spend on the construction of the Kayelekera Uranium Project, exploration and evaluation project expenditure, additional Deep Yellow Ltd share investment, finance costs, and corporate costs for the quarter ended 30 September 2008.

Of the US\$279.7 million held in cash as at 30 September, US\$100.0 million has been invested in short-term US\$ treasury bonds. The balance of cash is invested with Australian banks with a minimum AA Standard & Poor's credit rating. The rationale for the investment strategy with Australian banks is supported by their strong credit standing combined with the higher returns offered over treasury bonds.

Trade and other receivables have increased to US\$40.6 million during the quarter ended 30 September 2008 mainly as a result of trade receivables relating to US\$29.6 million in uranium sales.

Inventories have decreased to US\$63.1 million at 30 September 2008 despite higher production levels quarter-on-quarter due to increased sales volumes during the quarter ended 30 September 2008. The uranium held for trading by Paladin Nuclear Ltd, the Group's recently-established marketing entity, has been reduced to net realisable value at spot prices resulting in an impairment loss of US\$3.7 million for the quarter.

Non Current Assets have decreased to US\$1,917.8 million at 30 September 2008 mainly attributable to negative foreign exchange movement on the A\$ exploration assets which more than offset the increase in mine construction at the Kayelekera Uranium Project and Stage II expansion at LHUP. During the quarter the Group exercised 12.5 million options in Deep Yellow Ltd at a price of A\$0.081 and purchased an additional 44.7 million shares to further increase the Group's stake in Deep Yellow Ltd. At 30 September 2008 the Group holds 216,258,461 shares in Deep Yellow Ltd (19.29% interest) with a market value of US\$39.0 million.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Quarter Ended 30 September 2008
(All figures are in US dollars unless otherwise indicated)

The allocation of the Summit Resources Ltd Australian dollar acquisition value to exploration and evaluation projects resulted in the following allocation: Valhalla/Skal Projects (50% share) A\$1,273.5 million, Isa North Project A\$405.9 million. The allocation of this acquisition value in US\$ has decreased from US\$1,613.0 million at 30 June 2008 to US\$1,378.1 million at 30 September 2008 due to the foreign exchange translation of the A\$ asset. The foreign exchange translation movement is taken to the Foreign Currency Translation Reserve.

Current Liabilities have increased from US\$54.1 million to US\$60.3 million at 30 September 2008 mainly as a result of construction activities for the Kayelekera Uranium Project.

Non Current Liabilities have decreased from US\$1,079.7 million to US\$1,019.0 million at 30 September 2008 mainly attributable to a decrease in existing deferred tax liabilities from a negative foreign exchange movement on A\$ exploration carrying value translated to US\$. Provisions have increased from US\$8.4 million to US\$13.7 million due to the initial recognition of rehabilitation and mine closure provisions for the Kayelekera Uranium Project.

The deferred tax liability relating to the recognition of acquired exploration and evaluation expenditure from the allocation of consideration paid for Summit Resources Ltd has decreased from US\$479.0 million to US\$409.2 million due to the foreign exchange movement of the A\$ liability.

Segment Disclosure

In the Balance Sheet at 30 September 2008 the Group reflected a decrease in the Australian geographical segment assets and liabilities for the quarter as a result of the foreign exchange movement on the A\$ exploration assets, decreased cash as a result Stage II expansion at LHUP and the mine construction at the Kayelekera Uranium Project and foreign exchange movement on A\$ deferred tax liabilities. For the Namibian geographical segment an increase occurred in the quarter in assets and liabilities attributable to the Stage II expansion, operations and exploration and evaluation activities for the LHUP. For the Malawi geographical segment an increase occurred in the quarter in assets and liabilities as a result of mine construction, and exploration and evaluation activities for the Kayelekera Uranium Project.

STATEMENTS OF CHANGES IN EQUITY

	Quarter Ended 30 September	
	2008 US\$m	2007 US\$m
Total equity at the beginning of the financial period	1,429.3	1,308.3
Loss for the quarter ended 30 September, after minority interests	(4.7)	(14.5)
Foreign currency translation	(200.4)	56.9
Movement in reserves, net of foreign currency	(4.9)	(3.7)
Movement in equity, net of foreign currency	3.1	0.2
Minority interests, net of foreign currency	0.7	(0.5)
Total Equity at the End of the Financial Period	1,223.1	1,346.7

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Quarter Ended 30 September 2008
(All figures are in US dollars unless otherwise indicated)

Loss for the Quarter Ended 30 September 2008 is discussed under the Income Statements section and is a decrease from the loss in the comparative period.

Foreign Currency Translation Reserve relates to the translation of subsidiaries with Australian dollar functional currencies into the Group presentation currency of US dollars on an ongoing basis and for the comparative period.

Movement in Other Reserves in 2008 of a US\$4.9 million decrease relates to the revaluation decrement attributable to the decrease in Deep Yellow Ltd share price from the prior period (net of tax and foreign exchange movements) which more than offset the recognised value of unlisted employee options. Unlisted employee options exercised during the quarter amounted to 500,000 with exercise prices ranging from A\$2.80 to A\$5.50. No employee options were granted and 630,617 were cancelled during the quarter with exercise prices ranging from A\$4.50 to A\$8.77 per share.

Movement in Equity in 2008 of a US\$3.1 million increase relates to the exercise of unlisted employee options. The number of fully paid ordinary shares on issue at 30 September 2008 is 613,997,369, an increase of 500,000 during the period.

Share options of 17,946,455 remain outstanding at 30 September 2008 to the employees, and consultants directly engaged in corporate, mine construction, operations, exploration and evaluation work.

Minority Interests recognised during the quarter relate to the 18.0% interest in Summit Resources Ltd not owned. The minority interest changed from 18.1% during the quarter as a result of a renounceable rights issue by Summit Resources Ltd. The Development Agreement for the Kayelekera Uranium Project signed on 23 February 2007 entitles the Government of Malawi to a 15% equity interest in Paladin (Africa) Ltd, the owner of the project, in exchange for reductions of 2.5% in corporate tax, nil rent resource tax payable and royalty offsets. No minority interests have been reflected for this as at 30 September 2008 as Paladin (Africa) Ltd is in a net liability position as a consequence of the Group's policy to previously expense exploration and evaluation expenditure prior to the decision made to proceed to development.

CASH FLOW STATEMENTS

	Quarter Ended 30 September	
	2008 US\$m	2007 US\$m
Net cash inflow from operating activities	15.5	7.9
Net cash outflow from investing activities	(75.6)	(26.3)
Net cash inflow from financing activities	3.0	1.4
Net decrease in cash held	(57.1)	(17.0)
Cash at the beginning of the financial period	337.6	182.8
Effects of exchange rate changes	(0.8)	-
Cash at the End of the Financial Period	279.7	165.8

PALADIN ENERGY LTD

Management Discussion and Analysis

*For the Quarter Ended 30 September 2008
(All figures are in US dollars unless otherwise indicated)*

Quarter Ended 30 September 2008

Net Cash Inflow from Operating Activities was US\$15.5 million in 2008 primarily due to uranium sales receipts of US\$50.1 million which was partly offset by payments to suppliers and employees of US\$26.6 million mainly relating to the mine operations at the LHUP, the growth of the Group and interest payments of US\$9.1 million on project finance facilities and convertible bonds.

Net Cash Outflow from Investing Activities was US\$75.6 million in 2008 as a result of mine construction at the Kayelekera Uranium Project, Stage II expansion at LHUP, exploration and evaluation project expenditure, the acquisition of additional investments in Deep Yellow Ltd and third party uranium purchases.

Net Cash Inflow from Financing Activities of US\$3.0 million in 2008 is attributable to proceeds from the exercise of 500,000 unlisted employee options and proceeds from external parties from the Summit Resources Ltd renounceable rights issue.

Net Decrease in Cash in 2008 was US\$57.1 million, an increase over the previous corresponding period in 2007 of US\$17.0 million as a result of the higher cash outflows from investing activities, despite increased cash inflows from operating and financing activities.

Effects of Exchange Rate Changes are a loss of US\$0.8 million for 2008 due to exchange rate fluctuations.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal source of liquidity as at 30 September 2008 is cash of US\$279.7 million (30 June 2008 – US\$337.6 million). Of this amount US\$100.0 million has been invested in short-term US\$ treasury bonds and the balance of cash held with banks.

The Group's principal sources of cash for the three months ended 30 September 2008 were uranium sales receipts, interest received from cash investments, proceeds from exercise of unlisted employee options and the rights issue for Summit Resources Ltd.

The Group has in place Langer Heinrich project finance facilities of US\$66.3 million which have been fully drawn down, leaving available facilities of US\$Nil.

For the Kayelekera Uranium Project the Group has accepted credit committee approved offers of financing totalling US\$167 million, consisting of a seven year Project Finance Facility of US\$145 million, a Standby Cost Overrun Facility of US\$12 million and a Performance Bond Facility of US\$10 million. The facilities are being provided by Société Générale Corporate and Investment Banking (as inter-creditor agent and commercial lender), Nedbank Capital a division of Nedbank Limited (ECIC lender) and The Standard Bank of South Africa Ltd (as ECIC facility agent and lender). Drawdown on the financing is subject to completion of legal documentation and fulfilment of other conditions precedent usual for this type of funding.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Quarter Ended 30 September 2008
(All figures are in US dollars unless otherwise indicated)

The following is a summary of the Group's outstanding commitments as at 30 September 2008:

	Total	Less than 1 yr	1 to 5yrs	5yrs+ or unknown
Payments due by period	US\$m	US\$m	US\$m	US\$m
Tenements	5.4	5.4	-	-
Mine construction	25.1	25.1	-	-
Operating leases	5.5	0.6	2.8	2.1
Manyingee acquisition costs	0.6	-	-	0.6
Total commitments	36.6	31.1	2.8	2.7

In relation to the Manyingee Uranium Project, the acquisition terms provide for a payment of A\$0.75 million (US\$0.6 million) by the Group to the vendors when all project development approvals are obtained.

In addition to the outstanding commitments above, the Group acquired a call option on 19 June 1998 in relation to the purchase of the Oobagooma Uranium Project and, in turn, granted a put option to the original holder of the Project. Both the call and put options have an exercise price of A\$0.75 million (US\$0.6 million) and are subject to the Western Australian Department of Minerals & Energy granting tenements comprising 2 exploration licence applications. The A\$0.75 million (US\$0.6 million) is payable by the Group within 10 business days of the later of the grant of the tenements or the exercise of either the call or put option. The options will expire 3 months after the date the tenements are granted.

The Group has no other off balance sheet arrangements.

As at 10 November 2008 Paladin had 613,997,369 fully paid ordinary shares issued and outstanding. The following table sets out the fully paid ordinary outstanding shares and those issuable under the Company Executive Share Option Plan and in relation to the Convertible Bonds:

As at 10 November 2008	Number
Outstanding shares	613,997,369
Issuable under Executive Share Option Plan	18,696,455
Issuable in relation to the US\$250 million Convertible Bonds	32,530,904
Issuable in relation to the US\$325 million Convertible Bonds	49,317,147
Total	714,541,875

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the following: carrying value or impairment of inventories, financial investments, property, plant and equipment, intangibles, mineral properties and deferred tax assets, carrying value of rehabilitation, mine closure, sales contracts provisions and deferred tax liabilities, calculation of share based payments expense and assessment of reserves.

FINANCIAL INSTRUMENTS

At 30 September 2008 the Group has exposure to interest rate risk which is the risk that the Group's financial position will be adversely affected by movements in interest rates that will increase the cost of floating rate project finance debt or opportunity losses that may arise on fixed rate convertible bonds in a falling interest rate environment. Interest rate risk on cash and short-term deposits is not considered to be a material risk due to the short-term nature of these financial instruments.

The Group's main foreign currency translation risk is for monetary assets and liabilities of the Namibian and Malawian operations. These are deemed to have a functional currency of United States dollars, and the Group has adopted a presentation currency of United States dollars therefore eliminating any foreign currency translation risk for non-monetary assets and liabilities. The Group also has significant foreign currency translation risk for non-monetary assets and liabilities of the Australian exploration and evaluation operations as these are deemed to have a functional currency of Australian dollars, and the Group has adopted a presentation currency of United States dollars. The Group has no significant monetary foreign currency assets and liabilities apart from Namibian dollar cash, receivables, payables and provisions and Australian dollar cash, payables and deferred tax liabilities.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate or foreign currency risks.

TRANSACTIONS WITH RELATED PARTIES

During the quarter ended 30 September 2008 no payments were made to Director related entities. Directors of the Company receive standard personal based compensation.

DISCLOSURE CONTROLS

The Company has applied its Disclosure Control Policy to the preparation of the Condensed Consolidated Financial Statements for the quarter ended 30 September 2008, associated Management Discussion and Analysis and Report to Shareholders. An evaluation of the Company's disclosure controls and procedures used has been undertaken and concluded that the disclosure controls and procedures were effective.

INTERNAL CONTROLS

The Company has designed appropriate internal controls over financial reporting (ICFR) and ensured that these were in place for the quarter ended 30 September 2008. An evaluation of the design of ICFR has concluded that it is adequate to prevent a material misstatement of the Company's Condensed Consolidated Financial Statements as at 30 September 2008.

During the year the Company continued to have an internal audit function externally contracted to Deloitte Touche Tohmatsu. Internal audit reports and follow up reviews were completed during the quarter and the Company continues to address their recommendations.

The resultant changes to the internal controls over financial reporting have improved and will continue to improve the Company's framework of internal control in relation to financial reporting.

SUBSEQUENT EVENTS

Angela/Pamela Uranium Project, Northern Territory Australia Licence Granted to Cameco/Paladin Joint Venture

On 6 October 2008, the Company announced that Exploration Licence 25758 which contains the Angela Uranium Deposit had been granted by the Northern Territory Government to the Cameco/Paladin 50:50 Joint Venture. Cameco Australia Pty Ltd is manager of the exploration stage of this joint venture.

Issue of Employee Options

On 14 October 2008 the Company announced the granting of 750,000 unlisted incentive options, exercisable at A\$2.54 vesting after 3 years, subject to performance conditions as outlined in the Executive Share Option Plan, with a 5 year expiry.

Appointment of Mr Mark Bolton

On 28 October 2008, the Company announced the appointment of Mr Mark Bolton as acting Chief Financial Officer (CFO) of the Paladin group of companies, commencing 17 November 2008. Mr Bolton has almost 20 years of experience in the resources industry, where he has held positions including Chief Financial Officer and Vice President Corporate Development. Mr Bolton replaces Mr Ross Glossop who left by mutual agreement within the allowed 3 month settling in period to seek other opportunities.

Increased Holding in Deep Yellow Ltd

On 8 October 2008, the Consolidated Entity acquired an additional 4,000,000 shares in Deep Yellow Ltd on market at an average price of A\$0.22. The additional investments totalled A\$0.9 million (US\$0.8 million). After this acquisition the Consolidated Entity now holds 19.64% of Deep Yellow Ltd.

The accompanying Condensed Consolidated Financial Statements for the quarter ended 30 September 2008 and 30 September 2007 have been prepared in accordance with International Financial Reporting Standards. The effective date of these Condensed Consolidated Financial Statements is 10 November 2008.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INCOME STATEMENTS
EXPRESSED IN US DOLLARS

		Quarter Ended 30 September	
	Notes	2008 US\$m	2007 US\$m
Revenue from continuing operations			
Revenue	4(a)	52.4	28.3
Cost of sales	4(c)	<u>(30.4)</u>	<u>(24.2)</u>
Gross profit		<u>22.0</u>	<u>4.1</u>
Other income	4(b)	2.3	-
Exploration and evaluation expenses	10	(3.6)	(3.8)
Other expenses	4(e)	(12.2)	(9.3)
Finance costs	4(d)	(9.2)	(6.8)
Movement in financial assets held for trading		<u>(0.2)</u>	<u>-</u>
Loss before income tax benefit		(0.9)	(15.8)
Income tax (expense)/benefit		<u>(4.2)</u>	<u>0.8</u>
Net loss after tax from continuing operations		<u>(5.1)</u>	<u>(15.0)</u>
Attributable to:			
Minority interests	15	(0.4)	(0.5)
Members of the parent		<u>(4.7)</u>	<u>(14.5)</u>
Loss per share			
Loss after tax from continuing operations attributable to ordinary equity holders of the Company		US\$	US\$
- basic and diluted		(0.01)	(0.02)

The above Condensed Consolidated Income Statements should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEETS
EXPRESSED IN US DOLLARS

	Notes	30 September 2008 Unaudited US\$m	30 June 2008 Audited US\$m
ASSETS			
Current assets			
Cash and cash equivalents	5	279.7	337.6
Trade and other receivables	6	40.6	40.0
Inventories	7	63.1	68.9
Financial assets held for trading		1.2	1.4
TOTAL CURRENT ASSETS		384.6	447.9
Non current assets			
Other financial assets		39.6	41.7
Investment in associate		2.6	2.6
Deferred borrowing costs		1.8	1.7
Property, plant and equipment	8	298.0	229.5
Mine development	9	15.3	12.2
Exploration and evaluation expenditure	10	1,536.1	1,797.9
Deferred tax asset		8.0	13.0
Intangible assets	11	16.4	16.6
TOTAL NON CURRENT ASSETS		1,917.8	2,115.2
TOTAL ASSETS		2,302.4	2,563.1
LIABILITIES			
Current liabilities			
Trade and other payables		47.3	41.4
Unearned revenue		0.2	0.2
Interest bearing loans and borrowings	12	11.3	11.0
Provisions	13	1.5	1.5
TOTAL CURRENT LIABILITIES		60.3	54.1
Non current liabilities			
Unearned revenue		0.4	0.5
Interest bearing loans and borrowings	12	575.1	571.5
Deferred tax liabilities		429.8	499.3
Provisions	13	13.7	8.4
TOTAL NON CURRENT LIABILITIES		1,019.0	1,079.7
TOTAL LIABILITIES		1,079.3	1,133.8
NET ASSETS		1,223.1	1,429.3
Equity			
Contributed equity	14(a)	1,091.5	1,088.4
Reserves		59.1	234.1
Accumulated losses		(105.7)	(101.0)
Parent interests		1,044.9	1,221.5
Minority interests	15	178.2	207.8
TOTAL EQUITY		1,223.1	1,429.3

The above Condensed Consolidated Balance Sheets should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
EXPRESSED IN US DOLLARS

	Contributed Equity US\$m	Reserves US\$m	Accumulated Losses US\$m	Minority Interests US\$m	Total US\$m
At 1 July 2007	1,075.3	113.2	(65.0)	184.8	1,308.3
Changes in fair value of available-for-sale financial assets	-	(8.3)	-	-	(8.3)
Loss for the period	-	-	(14.5)	(0.5)	(15.0)
Recognised value of unlisted employee options over vesting period	-	2.1	-	-	2.1
Contributions of equity, net of transactions costs	0.2	-	-	-	0.2
Income tax on items taken directly to equity	-	2.5	-	-	2.5
Foreign currency translation	-	48.5	-	8.4	56.9
At 30 September 2007	1,075.5	158.0	(79.5)	192.7	1,346.7
At 1 July 2008	1,088.4	234.1	(101.0)	207.8	1,429.3
Changes in fair value of available-for-sale financial assets	-	(6.4)	-	-	(6.4)
Loss for the period	-	-	(4.7)	(0.4)	(5.1)
Recognised value of unlisted employee options over vesting period	-	3.5	-	-	3.5
Exercise of unlisted employee options	0.8	(0.8)	-	-	-
Contributions of equity, net of transactions costs	2.3	-	-	1.1	3.4
Income tax on items taken directly to equity	-	(1.2)	-	-	(1.2)
Foreign currency translation	-	(170.1)	-	(30.3)	(200.4)
At 30 September 2008	1,091.5	59.1	(105.7)	178.2	1,223.1

The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
EXPRESSED IN US DOLLARS

	Quarter Ended 30 September	
	2008 US\$m	2007 US\$m
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	50.1	20.0
Payments to suppliers and employees	(26.6)	(13.9)
Interest received	1.1	2.9
Interest paid	(9.1)	(1.3)
Other income	-	0.2
NET CASH INFLOW FROM OPERATING ACTIVITIES	15.5	7.9
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure	(4.2)	(3.0)
Payments for property, plant and equipment	(55.2)	(5.6)
Proceeds from sale of property, plant and equipment	0.2	-
Payments for available-for-sale financial assets	(10.4)	(17.7)
Payments for uranium	(6.0)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(75.6)	(26.3)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from rights issue	1.1	-
Equity fundraising costs	(0.1)	-
Proceeds from exercise of share options	2.3	0.2
Loans and borrowings establishment costs	(0.3)	(0.1)
Proceeds from borrowings	-	1.3
NET CASH INFLOW FROM FINANCING ACTIVITIES	3.0	1.4
NET DECREASE IN CASH AND CASH EQUIVALENTS	(57.1)	(17.0)
Cash and cash equivalents at the beginning of the financial period	337.6	182.8
Effects of exchange rate changes on cash and cash equivalents	(0.8)	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	279.7	165.8

The above Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2008
EXPRESSED IN US DOLLARS

NOTE 1. CORPORATE INFORMATION

The condensed financial report of Paladin Energy Ltd (the Company) for the quarter ended 30 September 2008 was authorised for issue in accordance with a resolution of the directors on 10 November 2008.

Paladin Energy Ltd is a company limited by shares incorporated and domiciled in Australia whose shares, are publicly traded on the Australian Securities Exchange with additional listings on the Toronto Stock Exchange in Canada; Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa.

The nature of the operations and principal activities of the Group are described in the Management Discussion and Analysis on pages 12 to 23.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This condensed financial report for the quarter ended 30 September 2008 has been prepared in accordance with applicable International Financial Reporting Standards (IFRS), the Corporations Act 2001 and other mandatory professional reporting requirements. Applicable Accounting Standards include Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting*.

In addition to these Australian requirements further information has been included in the Condensed Consolidated Financial Statements for the quarter ended 30 September 2008 in order to comply with applicable Canadian securities law, as the Company is listed on the Toronto Stock Exchange.

This condensed financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2008 and any public announcements made by Paladin Energy Ltd during the interim reporting period in accordance with the continuous disclosure requirements of ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

The financial report is presented in United States dollars and all values are rounded to the nearest hundred thousand dollars (US\$100,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Class Order 98/100. The Company is an entity to which the class orders applies.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2008
EXPRESSED IN US DOLLARS

NOTE 3. SEGMENT INFORMATION

The Group's primary segment reporting format is geographical segments as the Group's risks and rates of return are affected predominately by differences in the particular economic environments in which it operates. The Group does not separately disclose any financial information for business segments (secondary reporting) as it only operates in the resources industry.

Geographical segments - primary reporting

The Company operates in Australia, Namibia and Malawi. The principal activity in these locations is the exploration, evaluation, development, construction and operation of uranium projects. The Group's geographical segments are determined based on the location of the Group's assets.

The following tables present revenue, expenditure and certain asset, liability and cash flow information regarding geographical segments for the quarter ended 30 September 2008 and 30 September 2007.

Quarter Ended 30 September 2008	Australia US\$m	Namibia US\$m	Malawi US\$m	Consolidated US\$m
Sales to external customers	-	51.0	-	51.0
Other revenue	1.3	0.1	-	1.4
Total segment revenue	1.3	51.1	-	52.4
(Loss)/Profit from continuing operations before income tax benefit	(18.1)	18.3	(1.1)	(0.9)
Income tax benefit/(expense)	0.8	(5.0)	-	(4.2)
(Loss)/Profit from continuing operations after income tax benefit/segment result	(17.3)	13.3	(1.1)	(5.1)
Total assets/segment assets	1,889.0	238.1	175.3	2,302.4
Segment liabilities	1,028.8	18.4	32.1	1,079.3
Acquisitions of non current assets	11.6	16.1	60.8	88.5
Cash flow information				
Net cash (outflow)/inflow from operating activities	(6.2)	22.0	(0.3)	15.5
Net cash outflow from investing activities	(20.8)	(13.3)	(41.5)	(75.6)
Net cash inflow/(outflow) from financing activities	3.3	-	(0.3)	3.0
Non cash expenses:				
Depreciation and amortisation	0.3	2.9	-	3.2
Inventory impairment losses	3.7	-	-	3.7
Share based payments	2.8	0.4	0.3	3.5
Finance costs	3.7	0.5	-	4.2

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 3. SEGMENT INFORMATION (continued)

Geographical segments – primary reporting (continued)

Quarter Ended 30 September 2007	Australia US\$m	Namibia US\$m	Malawi US\$m	Consolidated US\$m
Sales to external customers	-	26.0	-	26.0
Other revenue	2.2	0.1	-	2.3
Total segment revenue	2.2	26.1	-	28.3
Loss from continuing operations before income tax benefit	(13.2)	(2.1)	(0.5)	(15.8)
Income tax benefit	0.5	0.3	-	0.8
Loss from continuing operations after income tax benefit/ segment result	(12.7)	(1.8)	(0.5)	(15.0)
Segment assets/total assets	1,922.7	178.2	19.7	2,120.6
Segment liabilities	756.1	13.7	4.1	773.9
Acquisitions of non current assets	18.2	0.9	6.6	25.7
Cash flow information				
Net cash (outflow)/inflow from operating activities	(0.5)	8.7	(0.3)	7.9
Net cash outflow from investing activities	(21.7)	(0.5)	(4.1)	(26.3)
Net cash inflow/(outflow) from financing activities	1.5	-	(0.1)	1.4
Non cash expenses:				
Depreciation and amortisation	0.2	1.9	-	2.1
Inventory impairment losses	-	1.4	-	1.4
Sales contract impairment provision	-	2.9	-	2.9
Share based payments	2.0	0.2	-	2.2
Finance costs	1.9	-	-	1.9

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 4. REVENUE AND EXPENSES

	Quarter Ended 30 September	
	2008	2007
	US\$m	US\$m
(a) Revenue		
Sale of uranium	51.0	26.0
Interest income from non related parties	1.3	2.1
Database licence revenue	0.1	0.1
Other revenue	-	0.1
Total revenue	52.4	28.3
(b) Other income		
Foreign exchange gain (net)	2.3	-
Total other income	2.3	-
(c) Cost of sales		
Cost of production	(24.7)	(21.2)
Royalties	(2.4)	(1.0)
Depreciation – property, plant and equipment	(2.7)	(1.5)
Amortisation – intangibles	(0.2)	(0.4)
Product distribution costs	(0.4)	(0.1)
Total cost of sales	(30.4)	(24.2)
(d) Finance costs		
Interest expense	(5.0)	(4.2)
Non-cash convertible bond interest	(2.8)	(1.9)
Mine closure provision discount interest expense	(0.2)	(0.2)
Facility costs	(1.2)	(0.5)
Total finance costs	(9.2)	(6.8)

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 4. REVENUE AND EXPENSES (continued)

	Quarter Ended 30 September	
	2008	2007
	US\$m	US\$m
(e) Other expenses		
Corporate and marketing costs	(3.5)	(2.6)
Employee benefits expense	(1.6)	(0.8)
Share-based payments expense	(3.1)	(2.1)
Minimum lease payments – operating lease	-	(0.1)
Sales contracts expense	-	(2.9)
Impairment of inventory	(3.7)	-
Foreign exchange loss (net)	-	(0.6)
Depreciation – property, plant and equipment	(0.3)	(0.2)
Total other expenses	(12.2)	(9.3)

NOTE 5. CASH AND CASH EQUIVALENTS

	30 September 2008	30 June 2008
	US\$m	US\$m
Cash at bank and in hand	5.1	15.5
Short-term bank deposits	174.6	72.4
US\$ treasury bonds	100.0	249.7
Total cash and cash equivalents	279.7	337.6

NOTE 6. TRADE AND OTHER RECEIVABLES

Current

Trade receivables	29.6	28.7
Less provision for doubtful debts	-	-
Net trade receivables	29.6	28.7
Interest receivable	0.3	0.1
Prepayments	1.6	1.1
GST and VAT	5.7	5.0
Sundry debtors	3.4	5.1
Total current receivables	40.6	40.0

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 7. INVENTORIES

	30 September 2008 US\$m	30 June 2008 US\$m
Stores and spares	5.2	3.9
Stockpiles	15.8	13.4
Work-in-progress	4.2	5.6
Finished goods	37.9	46.0
Total inventories at the lower of cost and net realisable value	63.1	68.9

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment – at cost	132.1	125.8
Less provision for depreciation	(13.0)	(10.5)
Total plant and equipment	119.1	115.3
Technical database – at cost	0.7	0.9
Less provision for amortisation	(0.7)	(0.9)
Total technical database	-	-
Land and buildings – at cost	6.0	5.3
Less provision for depreciation	(0.4)	(0.2)
Total land and buildings	5.6	5.1
Construction work in progress – at cost	173.3	109.1
Total non current property, plant and equipment	298.0	229.5

NOTE 9. MINE DEVELOPMENT

Mine development – at cost	17.2	13.8
Less provision for depreciation	(1.9)	(1.6)
Total mine development	15.3	12.2

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 10. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the expenditures on interests in mineral properties by area of interest for the quarter ended 30 September 2008:

Areas of interest	Valhalla/Skal Projects ⁽¹⁾ US\$m	Isa North Project ⁽¹⁾ US\$m	Georgina Basin Project ⁽¹⁾ US\$m	Other Projects Non Uranium ⁽¹⁾ US\$m	Bigirlyi Project US\$m	Kayelekera Project US\$m	Langer Heinrich Project US\$m	Other Uranium Projects US\$m	Total US\$m
Balance 30 June 2008 (audited)	1,389.810	389.857	-	-	17.052	-	-	1.279	1,797.998
Acquisition property payments	-	-	-	-	-	-	-	-	-
Project exploration and evaluation expenditure									
Tenement costs	0.002	0.003	(0.010)	-	-	-	-	0.026	0.021
Labour	0.378	0.117	0.001	0.006	0.012	0.079	-	0.117	0.710
Consultants and contractors	0.135	0.015		0.002	0.005	-	-	0.019	0.176
Materials and utilities	0.054	0.005		-	0.002	0.036	-	0.034	0.131
Transportation and communications	0.051	0.018		-	0.003	0.065	-	0.022	0.159
Outside services	1.390	0.031		-	-	0.254	-	0.009	1.684
Legal and accounting		-		-	-	-	0.095	0.004	0.099
Camp expenses	0.016	0.005		-	0.002	0.022	-	0.004	0.049
Overheads	0.082	0.019		-	0.008	0.008	-	0.013	0.130
Joint venture contributions	-			-	0.538	-	-	-	0.538
Other expenses	0.066	0.028		-	-	0.004	-	0.001	0.099
Total Expenditure	2.174	0.241	(0.009)	0.008	0.570	0.468	0.095	0.249	3.796
Exploration expenditure expensed	(2.174)	(0.241)	0.009	(0.008)	(0.570)	(0.321)	(0.122)	(0.249)	(3.676)
Exploration expenditure capitalised	-	-	-	-	-	0.147	(0.027)	-	0.120
Cost of tenements sold	-	-	-	-	-	-	-	-	-
Foreign exchange differences	(202.454)	(56.790)	0.050	-	(2.484)	-	-	(0.186)	(261.864)
Transferred to Property, Plant & Equip	-	-	-	-	-	(0.147)	0.027	-	(0.120)
Balance 30 September 2008 (unaudited)	1,187.356	333.067	0.050	-	14.568	-	-	1.093	1,536.134

⁽¹⁾ Summit has a 50% interest in the Valhalla/Skal Projects with the other 50% interest held by the Paladin Group. As a consequence of the takeover of the Summit Group, the above table now reflects 100% of the Valhalla/Skal Projects with the minority interest reflected on the face of the Balance Sheet.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 11. INTANGIBLE ASSETS

	30 September 2008 US\$m	30 June 2008 US\$m
Cost – right to supply of power and water	17.8	17.8
Accumulated amortisation	(1.4)	(1.2)
Net carrying amount of non current intangible assets	16.4	16.6

NOTE 12. INTEREST BEARING LOANS AND BORROWINGS

	Maturity		
Current			
Secured bank loan		11.3	11.0
Non Current			
Unsecured convertible bonds	2011	220.6	218.4
Unsecured convertible bonds	2013	300.4	299.0
Secured bank loan	2012	54.1	54.1
Total non current interest bearing loans and borrowings		575.1	571.5

NOTE 13. PROVISIONS

	30 September 2008 US\$m	30 June 2008 US\$m
Current		
Employee benefits	1.5	1.5
Total current provisions	1.5	1.5
Non Current		
Employee benefits	0.1	0.1
Rehabilitation provision	7.5	4.4
Mine closure	6.1	3.9
Total non current provisions	13.7	8.4

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 14. CONTRIBUTED EQUITY

(a) Issued and paid up capital

	30 September		30 September	
	2008	2007	2008	2007
Ordinary shares	Number of Shares		US\$m	US\$m
Issued and fully paid	613,997,369	602,687,369	1,091.5	1,075.5

(b) Movements in ordinary shares on issue

Date	Number of Shares	Issue Price A\$	Exchange Rate US\$: A\$	Total US\$m
Balance 30 June 2007	602,437,369			1,075.3
September 2007 Option conversions	250,000	1.00	1.22122	0.2
Balance 30 September 2007	602,687,369			1,075.5

Date	Number of Shares	Issue Price A\$	Exchange Rate US\$: A\$	Total US\$m
Balance 30 June 2008	613,497,369			1,088.4
July 2008 Option conversions	400,000	5.50	1.04005	2.1
September 2008 Option conversions	100,000	2.80	1.16633	0.2
Transfer from reserves	-	-	-	0.8
Balance 30 September 2008	613,997,369			1,091.5

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 14. CONTRIBUTED EQUITY (continued)

(c) Options

Issued unlisted employee options outstanding to the employees and consultants directly engaged in corporate, mine construction, operations and exploration and evaluation work for the Company are as follows:

	30 September 2008
	Number
Number of unlisted employee options	<u>17,946,455</u>

Consisting of the following:

Date options granted	Exercisable	Expiry date	Exercise price of options	Number under option
13 January 2006	13 January 2007	13 January 2009	A\$2.80	170,000
13 January 2006	13 January 2008	13 January 2009	A\$2.80	650,000
19 January 2006	13 January 2008	13 January 2009	A\$2.80	500,000
16 February 2006	13 January 2007	13 January 2009	A\$2.80	600,000
16 February 2006	13 January 2008	13 January 2009	A\$2.80	500,000
27 April 2006	31 October 2007	28 April 2009	A\$5.50	782,500
27 April 2006	31 October 2008	28 April 2009	A\$5.50	782,500
5 July 2006	5 January 2008	5 July 2009	A\$5.50	100,000
5 July 2006	5 January 2009	5 July 2009	A\$5.50	500,000
20 July 2006	5 January 2008	5 July 2009	A\$5.50	200,000
20 July 2006	5 January 2009	5 July 2009	A\$5.50	200,000
1 February 2007	1 February 2010	1 February 2012	A\$8.77	2,697,970
29 January 2008	29 January 2011	29 January 2013	A\$4.50	7,588,485
15 February 2008	15 February 2009	15 February 2011	A\$5.37	700,000
15 February 2008	15 February 2011	15 February 2013	A\$5.37	450,000
18 April 2008	18 April 2011	18 April 2013	A\$4.59	1,075,000
18 June 2008	18 June 2011	18 June 2013	A\$5.27	450,000
Total				<u>17,946,455</u>

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 15. MINORITY INTERESTS

	30 September 2008 US\$m	30 June 2008 US\$m
Minority interests comprise:		
Share capital	12.1	11.0
Opening accumulated losses	(8.1)	(6.9)
Reserves	174.6	204.9
Current period loss	(0.4)	(1.2)
Total minority interests	178.2	207.8

The minority interests recognised relate to the 18.0% interest in Summit Resources Ltd not acquired from the takeover bid that closed on 1 June 2007. The minority interest changed from 18.1% during the quarter as a result of a renounceable rights issue by Summit Resources Ltd. No minority interests have been reflected for the 15% of Paladin (Africa) Ltd to which the Government of Malawi is entitled as this company is in a net liability position as a consequence of the policy to expense exploration and evaluation expenditure prior to the decision made to proceed to development.

NOTE 16. CONTINGENT LIABILITIES

No change has occurred in the contingent liabilities for the Company from those reported in the Annual Report for the year ended 30 June 2008.

NOTE 17. EVENTS AFTER THE BALANCE SHEET DATE

Angela/Pamela Uranium Project, Northern Territory Australia Licence Granted to Cameco/Paladin Joint Venture

On 6 October 2008, the Company announced that Exploration Licence 25758 which contains the Angela Uranium Deposit had been granted by the Northern Territory Government to the Cameco/Paladin 50:50 Joint Venture. Cameco Australia Pty Ltd is manager of the exploration stage of this joint venture.

Issue of Employee Options

On 14 October 2008 the Company announced the granting of 750,000 unlisted incentive options, exercisable at A\$2.54 vesting after 3 years, subject to performance conditions as outlined in the Executive Share Option Plan, with a 5 year expiry.

Appointment of Mr Mark Bolton

On 28 October 2008, the Company announced the appointment of Mr Mark Bolton as acting Chief Financial Officer (CFO) of the Paladin group of companies, commencing 17 November 2008. Mr Bolton has almost 20 years of experience in the resources industry, where he has held positions including Chief Financial Officer and Vice President Corporate Development. Mr Bolton replaces Mr Ross Glossop who left by mutual agreement within the allowed 3 month settling in period to seek other opportunities.

Increased Holding in Deep Yellow Ltd

On 8 October 2008, the Consolidated Entity acquired an additional 4,000,000 shares in Deep Yellow Ltd on market at an average price of A\$0.22. The additional investments totalled A\$0.9 million (US\$0.8 million). After this acquisition the Consolidated Entity now holds 19.64% of Deep Yellow Ltd.

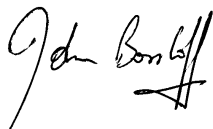
APPENDIX A

Form 52-109F2 – Certification of Interim Filings

I, John Borshoff, Managing Director of Paladin Energy Ltd, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Paladin Energy Ltd (the issuer) for the interim period ending 30 September 2008;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared;
 - (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Dated: 10th November 2008



John Borshoff
Managing Director/CEO

APPENDIX A

Form 52-109F2 – Certification of Interim Filings

I, Gillian Swaby, Company Secretary of Paladin Energy Ltd, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Paladin Energy Ltd (the issuer) for the interim period ending 30 September 2008;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared;
 - (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Dated: 10th November 2008



Gillian Swaby
Company Secretary