NGM RESOURCES LIMITED

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20 March 2009

Company Announcements Office
Australian Stock Exchange Limited
Electronic Lodgement System

ELS 28 2009

Dear Sir

Paladin Energy Invests in NGM Resources

NGM Resources Limited (ASX:NGM) is pleased to announce that Uranium producer Paladin Energy Limited (Paladin) will invest $500,000 into NGM which will allow it to recommence work on its Niger uranium concessions. Subject to NGM shareholder approval, Paladin will emerge with a stake of up to 14% in NGM.

The terms of the agreement with Paladin are:

- Under ASX rule 7.1, which allows NGM to place up to 15% of its existing capital without shareholder approval, NGM will place 18.135m shares to Paladin at 2.5 cents per share, a premium of approximately 80% to the last three months' average traded price;
- Subject to NGM shareholder approval a further 1.865m shares will be placed to Paladin, also at 2.5 cents per share;
- The Company can place a further $300,000 worth of shares subject to Paladin having a first right of refusal over those shares to the extent Paladin does not breach the 20% take over thresh hold;
- Paladin has agreed to provide technical assistance for work on the Company's Niger uranium concessions, which NGM will operate;
- 80% of the funds invested by Paladin are to be spent on the Company's Niger concessions by way of an agreed work program with the balance available for operating overheads; and
- NGM has agreed to the following standstill and operating terms in the Niger concessions
    - NGM will complete a work program that includes a minimum of 1,500m of drilling;
    - The Company will not seek or enter any agreements with any other entity on its Niger Concessions, not acquire or dispose of any significant asset or issue further securities, other than those mentioned above (Standstill Agreement) for a period of up to 6 months from the date of signing the Agreement or, in any event, until one month after the minimum drilling program is complete, whichever is the longer; and
    - The Standstill Agreement will end on 31 December 2009, regardless of work undertaken.

As previously announced, NGM has carried out technical review work on historical data and work programs undertaken by Cogema (now Areva) and the Niger Government. The data includes drilling, rock chipping, aeromagnetic and radiometric surveys.

Director, Robert Kirtlan, said “This is a vote of confidence in the concession areas NGM has secured in Niger and we are pleased to be working in collaboration with Paladin who is a proven developer of uranium deposits.”

“Recent security issues appear to have abated and we are confident of finally getting to work on our exciting concession areas. Of particular note is the Areva go ahead at the nearby Imouraren Project which is an open cut deposit reported to contain in excess of 150,000 tonnes of uranium and will produce at 5,000 tonnes of uranium per annum.”

“The review of historical data including down hole radiometrics and drill hole logs has identified the NGM concessions contain the same stratigraphic traps which host the Imouraren and other uranium deposits in the Agadez-Arlit region,” Mr Kirtlan said. “We have, from the data review, immediate drill targets which we expect to confirm the previous work undertaken.”

Further announcements of work programs will follow as contracts are signed.

For further information, please contact:

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Visit: *www.ngmresources.com.au*

About NGM

NGM Resources Limited (ASX:NGM) is a diversified exploration company focusing on uranium and base metals. Head quartered in Perth, the company has agreements covering uranium exploration projects in Niger, West Africa, and itabirite and mineral sands in Madagascar.

In Niger, West Africa, NGM Resources holds three granted uranium concessions in the highly prospective Tim Mersoï basin in Niger, the world’s fourth largest producer of uranium.

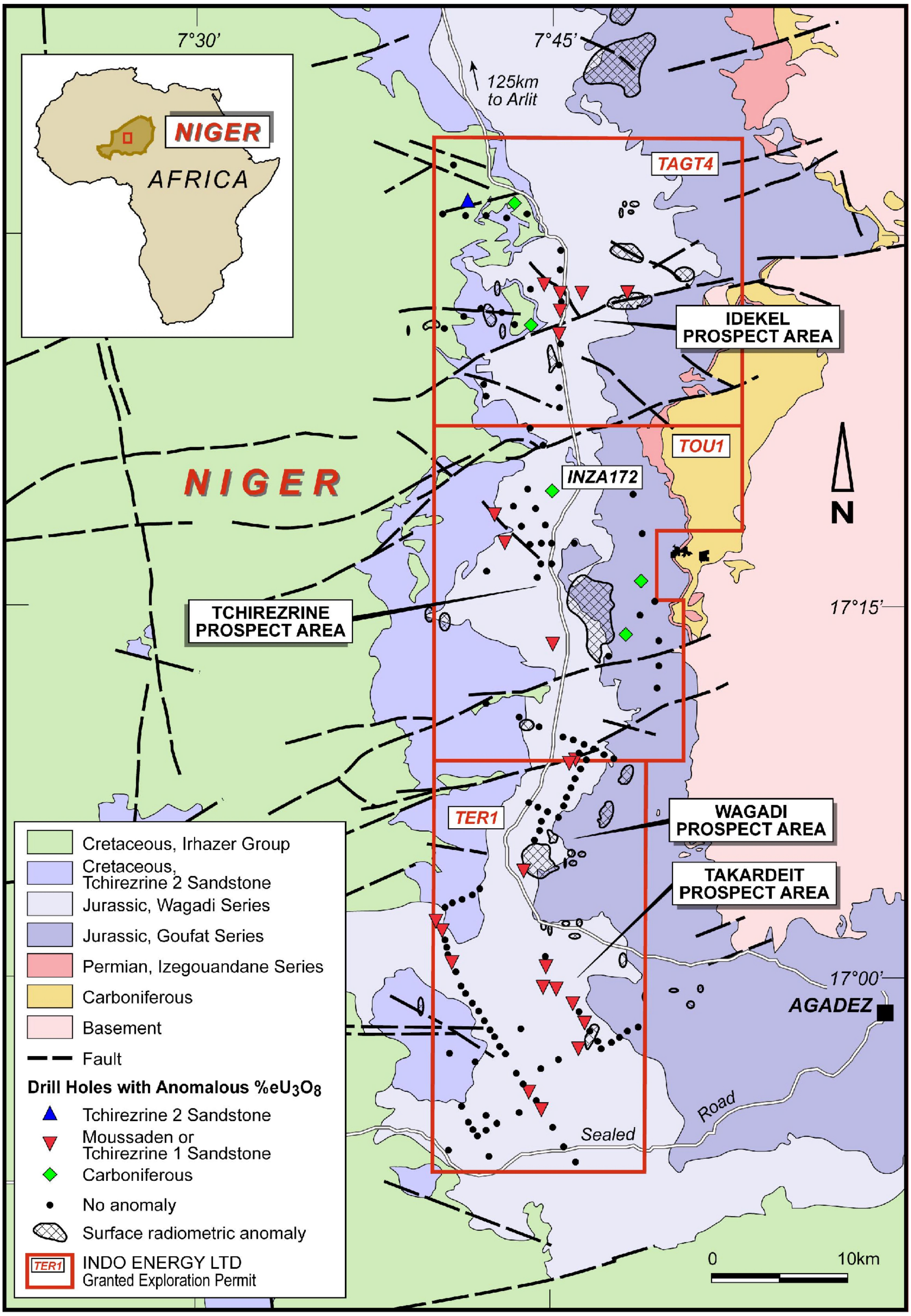
In addition, the company holds more than 3,000 km^2 of tenement applications within the North Telfer region of Western Australia.

Competent Person’s Statement

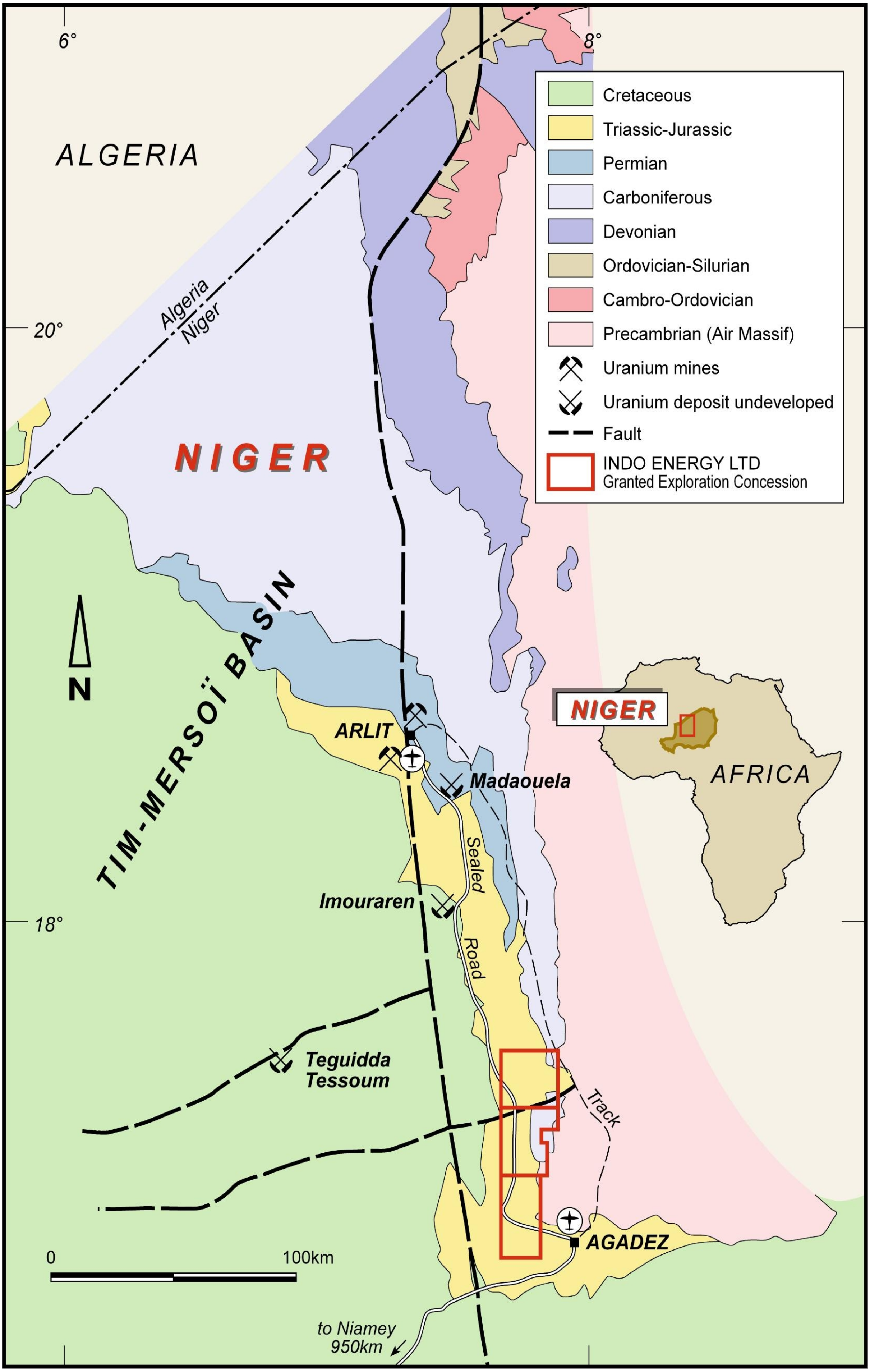
The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Peter Rolley, who is a Member of the Australian Institute of Geoscientists and is a consultant to the Company.

Mr Peter Rolley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’.

Mr Peter Rolley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



7°30'
7°45'
125km to Arlit
NIGER
AFRICA
TAGT4
IDEKEL PROSPECT AREA
TOU1
INZA172
NIGER
TCHIREZRINE PROSPECT AREA
17°15'
WAGADI PROSPECT AREA
TER1
TAKARDEIT PROSPECT AREA
17°00'
AGADEZ
Road
Sealed
N
0
10km
Cretaceous, Irhazer Group
Cretaceous, Tchirezrine 2 Sandstone
Jurassic, Wagadi Series
Jurassic, Goufat Series
Permian, Izegouandane Series
Carboniferous
Basement
Fault
Drill Holes with Anomalous %eU3O8
Tchirezrine 2 Sandstone
Moussaden or Tchirezrine 1 Sandstone
Carboniferous
No anomaly
Surface radiometric anomaly
TER1
INDO ENERGY LTD
Granted Exploration Permit


6°
8°
20°
18°
ALGERIA
Algeria
Niger
NIGER
TIM-MERSOÏ BASIN
N
ARLIT
Madaouela
Imouraren
Sealed
Road
Teguidda
Tessoum
Track
AGADEZ
0
100km
to Niamey
950km
NIGER
AFRICA
Cretaceous
Triassic-Jurassic
Permian
Carboniferous
Devonian
Ordovician-Silurian
Cambro-Ordovician
Precambrian (Air Massif)
Uranium mines
Uranium deposit undeveloped
Fault
INDO ENERGY LTD
Granted Exploration Concession