PALADIN ENERGY LTD

ACN 061 681 098

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9 September 2009

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

By Electronic Lodgement

Dear Sir/Madam

Paladin Energy Ltd Announces Proposed Institutional Placement of Shares

Paladin Energy Ltd ("Paladin") today announced that it intends to undertake an institutional private placement of ordinary shares. The placement is expected to be for up to 15% of Paladin's issued capital.

The price and terms of the offering will be determined by Paladin after an overnight marketing effort to be undertaken by RBC Capital Markets and UBS AG Australia Branch acting as Global Joint Lead Placing Agents and Cormark Securities Inc., Dundee Securities Corporation and GMP Securities L.P. as Co-Managers to the placement. The placement will be made pursuant to exemptions from registration and prospectus requirements under applicable securities laws and is subject to receipt of all applicable regulatory approvals, including approval of the Toronto Stock Exchange.

Paladin intends to use the funds raised to:

- provide Paladin with the financial capacity to advance M&A and inorganic growth opportunities;
- progress the Langer Heinrich Stage III project (recently approved by the Board);
- expand exploration and pre-development programs in Australia; and
- enhance Paladin's balance sheet flexibility to ensure Paladin remains well placed to take advantage of other international nuclear industry opportunities as they arise.

About Paladin Energy Ltd

Paladin is listed on the Australian Securities Exchange, the Toronto Stock Exchange and the Namibian Stock Exchange under the symbol "PDN". Paladin is a uranium production company with two operating mines in Africa, projects in Australia and a strategy to become a major uranium mining house. Since 1998, during a period of sustained downturn in global uranium markets, Paladin has accumulated a quality portfolio of advanced uranium projects each having production potential.

The Langer Heinrich Uranium Mine in Namibia is now operational with a targeted annual production of 5.2Mlb U_3O_8 and a mine life maintainable at approximately 20 years. The Kayelekera Uranium Mine in Malawi was officially opened in April 2009 and has been commissioned with the plant showing capability to operate throughout its flowsheet with yellowcake produced during this phase. The 3.3Mlb pa project is currently in its production ramp-up phase. Paladin recently announced the first drawdown under the Kayelekera Project Financing Loan.

This private placement is subject to a trading halt in Australia which will remain in place until the markets resume trading on the ASX on Thursday, 10 September 2009. Paladin expects that trading will continue normally on the TSX on Wednesday, 9 September 2009.

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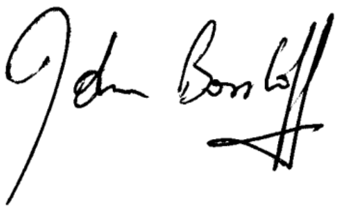
Yours faithfully
Paladin Energy Ltd



JOHN BORSHOFF
Managing Director/CEO

Additional Notes:

This news release does not constitute an offer of shares for sale in the United States or in any other jurisdiction in which such an offer would be illegal. The shares referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless the shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

Caution regarding forward-looking information: Except for historical information contained in this news release, this news release contains "forward-looking statements" and "forward-looking information" within the meaning of securities laws of applicable jurisdictions. The forward-looking statements and forward-looking information include, but are not limited to, statements with respect to Paladin's intentions to undertake a private placement of shares and the uses for the funds raised, Paladin's strategy to become a major uranium mining house, the targeted annual production and mine life of Paladin's Langer Heinrich Uranium Mine in Namibia and plans to proceed with the Stage 3 expansion of the Langer Heinrich Uranium Mine, and the commissioning and projected operational capability of Paladin's Kayelekera Uranium Mine in Malawi. Assumptions upon which such forward-looking statements and forward-looking information are based include that all regulatory approvals to the private placement will be obtained, and all other conditions to completion of the transaction will be satisfied or waived, and that the Stage 3 expansion of the Langer Heinrich Uranium Mine will proceed as planned, the Langer Heinrich Uranium Mine will meet its targeted annual production and commissioning and projected operational capability of the Kayelekera Uranium Mine will be accomplished. Management believes these assumptions are reasonable. However, the forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Paladin, and its officers, employees, agents or associates. Such risks, uncertainties and other factors include, but are not limited to: risks related to mining operations, including political risks and instability and risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section entitled "Risk Factors" in Paladin's most recent Annual Information Form available under Paladin's profile on SEDAR at www.sedar.com. Although Paladin has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements and forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Actual results, performance or achievements may vary materially from those suggested by such forward-looking statements and forward-looking information. Readers are cautioned not to place undue reliance on forward-looking statements and forward-looking information and Paladin assumes no obligation to update such information, except as required by applicable law.