



PALADIN ENERGY LTD

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10 September 2009

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

By Electronic Lodgement

Dear Sir/Madam

Paladin Energy Ltd Prices Institutional Placement of Shares

Paladin Energy Ltd ("Paladin" or the "Company") yesterday announced that it has agreed to undertake an institutional private placement of 93.45 million ordinary shares (representing 15% of Paladin's issued capital) to raise approximately A\$419 million (approximately C\$391 million) net of fees payable to the placing agents.

The placement was priced at A\$4.60 (approximately C\$4.30) per share which represents a 6.1% discount to Paladin's last closing price on ASX and a 0.5% discount to Paladin's 5 day volume weighted average price on ASX. The new shares will rank equally with existing shares. The placement is being 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. It is anticipated that the transaction will be completed and that shares will be issued on Wednesday 16 September 2009. No adjustment will be required to the terms of either of Paladin's convertible bond series.

Azure Capital acted as Corporate Adviser to Paladin. RBC Capital Markets and UBS AG, Australia Branch acted as Global Joint Lead Placing Agents and Cormark Securities Inc., Dundee Securities Corporation and GMP Securities L.P. were Co-Managers to the placement.

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 3 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.

John Borshoff, Paladin Managing Director/CEO commented, "The strong institutional support of today's transaction underlines Paladin's unique position as an independent and internationally diversified uranium producer. Proceeds from today's raising will enable Paladin to advance its existing portfolio of uranium assets. Additionally, Paladin believes that with its balance sheet strength and development expertise, the Company is well placed to partner both junior uranium companies and downstream companies seeking to commercialise uranium opportunities."

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 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 U₃O₈ and a mine life maintainable at approximately 20 years. The Kayelekera Uranium Mine in Malawi was officially opened in April 2009 and has been successfully commissioned with the plant showing full 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.

Paladin's ordinary shares were in trading halt on ASX yesterday and will re-commence trading on ASX at market open today.

For further information, please contact:

In Australia

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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.