PALADIN ENERGY LTD

ACN 061 681 098

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

By Electronic Lodgement

Dear Sir/Madam

QUARTERLY ACTIVITIES REPORT
FOR PERIOD ENDING – 30 SEPTEMBER 2009

HIGHLIGHTS

- **September quarter overall production of 744,188lb – slight increase from last quarter.**
  - Langer Heinrich to achieve Stage 2 production of 3.7Mlb pa for Dec 09 quarter.
  - Kayelekera ramp-up behind schedule, however, design production of 3.3Mlb pa still on target for March 2010 quarter.
- **Financial Year 2010 guidance revised to a range of 5.6Mlb to 6.1Mlb due to slower production ramp-up at Langer Heinrich and Kayelekera.**
- **Sales of 703,000lb at an average price of US$54.5/lb for revenue of US$38.3M for quarter.**
- **Major new production expansion plans for Africa (increasing from 8.5Mlb pa to 13.8Mlb pa) to clearly establish Paladin as a Tier 1 producer.**
  - Stage 4 Langer Heinrich expansion targeting 10Mlb pa (includes 1Mlb heap leach) with nameplate production by mid 2014.
  - Kayelekera optimisation to 3.8Mlb pa by mid 2013.
- **US$374M private placement completed.**

OVERALL SAFETY

The Kayelekera Mine suffered two fatalities in August and early October both related to mobile equipment/vehicles. The second fatality involved a bus overturning with 20 employees on board, which resulted in several additional injuries.

Paladin management has taken immediate actions to audit and, where necessary, improve safety throughout the organisation. Both Kayelekera and Langer Heinrich will initiate the National Occupational Safety Association (NOSA) system by mid November. NOSA, which combined with the strengthening safety culture at Langer Heinrich, is expected to consolidate the necessary improvements in safety performance.

Evidence clearly points to vehicle traffic as a major safety risk for both operations and Paladin Senior Management is committed to developing an appropriate safety regime also focussing on the Company's global transportation requirements.

LANGER HEINRICH MINE, Namibia

Production

For the quarter, Langer Heinrich produced 654,516lb U_3O_8 (Stage 1 nameplate capacity), which was less than that of the previous quarter, due to numerous interruptions from Stage 2 integration (plant tie-ins and equipment commissioning) and low equipment availability on the front end of the plant. At quarter end, all major Stage 2 integration had been completed and ramp-up to the Stage 2 production level was in progress. Although significant improvements to the scrubber units on the plant front end have been completed in the past, the 40% increase in tonnage necessitated adjustments to their operation and maintenance schedules, particularly for the liners. Additionally, the two new leach tanks in the second leach circuit required a replacement of faulty agitators.

Recent production figures indicate that Stage 2 levels are now almost being realised with the October production forecast to be approximately 275,000lb U_3O_8 (90% of Stage 2 nameplate design).

Sales

Sales for the quarter were 703,000lb U_3O_8 at a value of US$38.3M, representing an average sales price of US$54.48/lb U_3O_8.

Mining

Mining has continued in both Pit A and Pit D. A new pit, Pit F, which lays adjacent to the temporary tailings facility, will be prepared for mining early in 2010 to facilitate the planned tailings management systems and to provide an optimal blend of feed material to the plant.

The plant ore feed during the quarter was as follows:

	July	Aug	Sept	Total
Crushed tonnes, dry	130,436	141,434	151,086	422,956
Feed Grade, ppm	896	939	917	918

Process Plant

Process efficiencies were affected by the stopping and starting of the plant as Stage 2 equipment was brought on line and the processes fine-tuned. Despite these disruptions an overall efficiency of 78.5% was achieved for the quarter. Scrub efficiency dropped from previous high levels but is expected to improve by mid October once the remaining upgrades to the screens are completed. Leach efficiency for the quarter was excellent (93.2%) despite the issues with the new agitators. Iron exchange (IX) efficiency was briefly affected by the carryover of solids from prepared reagent solutions that were not completely dissolved.

Tailings

Current emphasis is on the design and construction of extensions to the berm walls of the existing temporary tailings facility. The design of the first in-pit new tailings facility to the west of the plant is in progress with construction expected to commence in early 2010.

Preparation for the establishment of Pit F, adjacent to the temporary tailings facility, commenced during the quarter. Once mined out, this pit will be utilised for flood water control and rain water harvesting, thereby releasing Pit A and Pit B for tailings storage much earlier than previously planned.

Stage 2 Upgrade Progress

Despite some initial problems with scrubber availability, screen efficiency and leach agitators, the plant feed tonnage was increased during the quarter, particularly in the last half of September. Daily tonnages of over 6,000t per day have been achieved for 60% of this time (Stage 2 design is 6,453tpd) reaching close to 7,000t on occasions.

All outstanding items for Stage 2 commissioning have now been brought online, with the exception of a second dryer, which has no significance to current plant production. Difficulties experienced during the commissioning period included delays to front end installation, dust controls and pumping and piping issues from the new counter current decantation (CCD) thickeners.

All these issues have been addressed and resolved during the quarter and the Stage 2 production target is now expected to be achieved for this current December quarter.

Stage 3 Upgrade

In accordance with previously released information, the final design parameters have been set for a Stage 3 expansion on the following basis:

- Nominal production to increase to 5.2Mlb pa U_3O_8 (an increase of 1.5Mlb pa or 40% from the nominal Stage 2 level of 3.7Mlb pa)
- Target completion date set for the December quarter 2010
- Capital cost estimated at US$71M
- No significant additional infrastructure

The flowsheet will involve a number of significant upgrades across the processing plant, particularly a second crushing & scrubbing feed line with increases to the existing screening plant, an additional leach tank (with heat exchangers etc), two additional CCD thickeners and expansion of the ion exchange circuit.

The Stage 2 expansion has already incorporated capacity for the Stage 3 expansion in the pre-leach thickening, precipitation, product drying and some reagent dosing facilities.

No upgrade to the water supply, nor expansion of the power supply facilities are necessary with ample grid and generator capacities already available.

Exploration Activity EPL3500

Exploration drilling on EPL3500, west of the Langer Heinrich Mining Lease, was undertaken during the quarter. A total of 27 RC holes, for 2,199m were drilled. All holes were downhole gamma logged and equivalent U_3O_8 grade values have been calculated.

The drilling succeeded in extending the Langer Heinrich mineralised palaeochannel by approximately 300m further west and the mineralisation appears to be still open in this direction. Better intersections included:

Hole	Depth From	Depth To	Intersection	Grade (ppm eU_3O_8)
EPL3	58	81	23	278
EPL4	54	62	8	738
EPL6	68	74	7	334
EPL7	66	75	7	258
EPL10	51	60	9	614

The intersections shown above were calculated using a cut off grade of 100ppm and a maximum width of internal waste of 1m. All holes were drilled on a nominal 100m x 50m grid.

KAYELEKERA URANIUM PROJECT, Malawi

Production

Kayelekera production of 89,672lb for the quarter was hampered by a slower than expected ramp-up in July and August, however September results were improved and this upward trend should continue towards the anticipated nameplate production rates in the March 2010 quarter. Most significantly, the entire Resin-In-Pulp (RIP) circuit has now proven to be effective and with a number of mechanical availability issues rectified, the ramp-up should continue on-track.

The first shipment of product was trucked from Kayelekera to the Walvis Bay port (Namibia) in August, with a second shipment of two containers leaving site on 12 October. Sulphuric acid continues to be trucked to site as commissioning of the acid plant has been delayed (acid production is expected to commence in late October).

Project Development

Construction of the sulphuric acid plant was completed during the quarter. Acid production is expected to commence by the end of October after some initial commissioning delays.

The construction workforce has been progressively demobilised with only a small workforce retained to complete work on the Tailings Storage Facility (TSF) and acid plant completion.

The Malawi Government's road building contractor continues to work on two bridges and some culverts/drains in the first 13km section of the M26 public road that was recently sealed. Work is on schedule to be completed in the next quarter. Major roadworks on the final 19km section to the mine access road have commenced.

Operations – Commissioning and Ramp-up

Ramp-up over the past quarter has been slower than anticipated due to mechanical availability of certain equipment (numerous pumps) and pipe work, which have been identified and are in the process of being replaced.

At quarter end, the Kayelekera employee workforce totaled 234 of which 71% were Malawian. The contractor workforce totaled 641 persons with the mining contractor, the largest single group, having 191 people.

Mining

A total of 246,400t of ore grading 1,364ppm U_3O_8 and 264,800t of waste were removed from the pit in this quarter. Currently there is about 700,000t of ore either on the Run of Mine (ROM) pad or exposed in the pit. The mining fleet, not required for open pit mining, has been mobilised to assist with the construction of the outstanding TSF wall.

Process Plant

The front end of the plant is still in the process of ramp-up with a temporary semi-mobile jaw crusher planned for installation to augment crushing requirements. The crushing/grinding circuit has been able to handle current throughputs in spite of some mechanical availability issues which are currently being addressed. This crusher is expected to be operational in November.

The RIP circuit has been working very well, showing a higher loading of resin than planned. The elution circuit, although initially very problematic, is now operating at the design flow rate, with a few additional minor modifications to the system expected to further improve its operation.

The plant chemistry is performing well, and it is anticipated that once the outstanding issues mentioned above have been addressed, final plant ramp-up check throughout should be possible. Most of the rectification work is planned to be completed in the next quarter.

Electricity

The power station (10MW) is operating as expected with the final load test completed in August.

Exploration Activity

The 2008 reserve drilling at the mine site had shown that the mineralisation was not yet fully delineated, particularly to the north-west and west, and thus the potential existed to easily identify additional resources with further drilling which was expected to provide in-pit extensions.

To close off the western portion of the orebody, and better define the total resource, a 67 hole, 7,061m RC drilling programme was completed in August 2009. The results will be evaluated in the next quarter and a new resource statement for the Kayelekera orebody is expected late in 2009.

The drilling programme at Juma North included 25 RC holes totalling 3,915m. The drilling programme confirmed the presence of the prospective zones and oxidation states but has intersected only sub-economic uranium mineralisation to date. Drilling in 2010 will concentrate on the southern part of the area where further work is needed to better define appropriate targets and allow access for drill rigs.

OVERALL PRODUCTION GUIDANCE FOR FINANCIAL YEAR 2010

Langer Heinrich and Kayelekera continued ramp-up activities during the quarter and, although ramp-up was slower than anticipated, results continue to trend positively. Overall production for the September quarter was 744,188lb (764,527lb drummed) compared to a total of 727,716lb in June quarter. Overall, considerable progress has been made towards removing identified production bottlenecks and achieving nameplate production levels as evidenced by the recent Langer Heinrich production figures.

Previous guidance forecasting annual production rates for Paladin had been based on a faster ramp-up of production than has been realised to date. Significant progress has been made during the quarter and management is confident the main delays have been absorbed into this period. Through late September and October the Langer Heinrich Mine has successfully incorporated the Stage 2 equipment into operation and, with mining stockpiles healthy, the remainder of the financial year is expected to realise a further 2.8Mlb, which should result in a total yearly production of 3.45Mlb.

As a new production centre in ramp-up, Kayelekera is more difficult to forecast. Certainly the process plant has proven its flowsheet, and is well equipped to steadily increase throughput to required levels. The ore feed stockpiles are in excellent shape and thus an annual production of between 2.2Mlb and 2.6Mlb is expected.

For financial year 2010 guidance for overall production is forecast in the range of 5.6Mlb to 6.1Mlb, revised from the previously stated guidance of 6.6Mlb.

MAJOR NEW EXPANSION PLAN FOR LANGER HEINRICH AND KAYELEKERA, PRODUCTION INCREASE FOR 2012 to 2014

A major component of Paladin's stated strategy is focused organic growth through long term commitment and planning. This planned rigorous expansion programme which when complete, is expected to place the Company firmly amongst the Tier 1 uranium producers. This development programme is expected to result in Paladin having an annual production of approximately 13.8Mlb pa U_3O_8 by mid 2014 from its African projects alone and will demonstrate a progressive increase in production beyond the Stage 3 expansion. (see Paladin news release of 30 June, 2009).

An extensive in-house study has examined a range of expansion options for Langer Heinrich and has determined that an increase in production to a level around 10Mlb pa U_3O_8 is sustainable for the current mineral resources, will add significant value to its flagship asset, and bring the project to an optimal performance level.

The Stage 4 investigation, initiated in 2008 during the Stage 3 expansion study period, looked at various production levels taking cognisance of the need to maximise value whilst maintaining a long-term production profile. It is believed that with current resources this balance can best be achieved by a plant production level of around 9Mlb pa, and a remaining mine life of 15 years. Investigations to date also suggest that this can be supplemented by a 1Mlb pa heap leaching facility.

The ROM operation is planned to crush approximately 8Mtpa at an average grade of 600ppm. This crushed ore will then be upgraded through an expanded scrubbing circuit to give a leach feed grade of around 920ppm. The heap leach feed material is expected to comprise 42Mt of low grade (175ppm) material.

Off-site infrastructure requirements include the installation of a second water supply pipeline and an upgrade to the existing electrical power supply line. Paladin does not believe that there will be any problems associated with sourcing both water and power as Namibia is planning on increasing the availability of both in the region within the envisaged project development time frame. The key will be to negotiate a reasonable cost base for the additional water and electricity requirements.

To develop the project further, Paladin will undertake a feasibility study, including environmental permitting, to be completed during calendar year 2010 in parallel with in-fill drilling designed to increase the confidence in the current inferred resources and expand the reserve base. This study is not expected to be difficult to complete as there is a vast amount of operational project data and in-house expertise now available across the key technical, environmental and financial areas to ensure its smooth development. This study would be followed by a 6-month approvals period and a 2-year design and construction period targeting mechanical completion by mid 2013. Ramp-up to nameplate is expected to take 12 months. The flowsheet for the main plant would essentially remain as present with substantial upgrades in all sections of the plant except for final packaging.

Onsite capital expenditure for the main plant has been estimated at +/-US$300M whilst operating costs are estimated to remain within the US$25-$30/lb range of current operations. Infrastructure costs will be determined in the feasibility study and structured financing options with third party ownership will be considered.

The capital cost for the heap leach facility has been estimated at +/-US$50M with an OPEX of under US$35/lb, and will undergo a detailed evaluation in parallel with the main feasibility study.

Langer Heinrich is currently in the process of ramping up its Stage 2 expansion to 3.7Mlb pa and implementation of Stage 3 to 5.2Mlb pa is scheduled for completion by late calendar 2010. This latest proposed expansion further emphasises Paladin's determination for organic growth and its long term commitment to uranium mining in Namibia.

In addition to its plans for Langer Heinrich, Paladin is to conduct an optimisation study at Kayelekera whereby it intends exploiting some additional resource by extending the west wall of the current planned pit. This study will be targeting an increased production rate of 3.8Mlb pa (from current 3.3Mlb pa) with minimal capital requirement (estimated at US$10-$15M) by utilising existing excess capacity. It is expected this production rate will be achieved by mid calendar 2012.

Paladin's strengthened balance sheet, maturing producer status and strong in-house development capability make, in the opinion of management, an expansion of this nature a realistic and achievable target.

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

Valhalla Uranium Deposit

A resource estimate conforming to the JORC guidelines for the Valhalla uranium deposit has now been completed following validation and compilation of data from drilling undertaken earlier in the year. The estimate covers the original Valhalla deposit as well as the south eastern extension, Valhalla South.

The updated Mineral Resource estimate for the Valhalla uranium deposit is quoted using a cut-off grade of 230ppm U_3O_8.

	Mt	**Grade ppm U_3O_8**	**t U_3O_8**	**Mlb U_3O_8**
Measured Resources	12.66	833	10,549	23.2
Indicated Resources	18.53	900	16,680	36.7
Total Measured & Indicated	**31.20**	**874**	**27,229**	**60.0**
Inferred Resources	**5.2**	**859**	**4,494**	**9.9**

(Figures in the table above may not add due to rounding)

Measured and Indicated Mineral Resources increased by 9.9% to 60.0Mlb U_3O_8 (27,229t U_3O_8) from previously announced 55.4Mlb U_3O_8 (25,153t U_3O_8). Total Resources increased from previous 67.5Mlb U_3O_8 to 69.9Mlb U_3O_8.

The main Valhalla deposit now has a strike length in excess of 1,100m with mineralisation extending from surface to a depth of over 650m. It is structurally controlled with a characteristic southerly plunge. Valhalla South is located approximately 600m along strike to the south-east of the main mineralised zone and has a strike length of at least 400m and appears open both along strike and at depth. Summit completed the planned drilling programme of 52 holes for 11,739m at both Valhalla and Valhalla South by the end of June 2009. These holes have been drilled on a nominal 80m x 40m grid pattern to infill the existing drill holes and replace some historic drill holes as well as extend the known mineralisation at Valhalla South along strike and at depth. The majority of these drill holes have been gamma logged down hole and gyroscopically surveyed to obtain an accurate hole orientation using company owned equipment. The resource dataset is a combination of chemical assays and appropriately calibrated down hole gamma logging. Gamma derived grades have been validated against both XRF and chemical assay derived grades.

Skal Uranium Deposit

At Skal a total of 13 RC holes and 28 diamond core holes (for 5,724m) were completed by the end of June 2009 and this data has been validated and incorporated into the existing Skal dataset. The drilling was successful in confirming the resource potential at Skal East, located approximately east of Skal North and South.

Updated resource estimation for the Skal East deposit has now been completed and incorporated into the greater Skal Mineral Resource (detailed below). All Skal Mineral Resources conform to the JORC guidelines. The resource dataset used is a combination of chemical assays and appropriately calibrated downhole gamma logging. Gamma derived grades have been validated against both XRF and chemical assay derived grades. Whilst Skal East in particular has been closed off along strike there still appears to be potential for the resource to be open at depth in the centre. Drilling in the future will be targeted at confirming both the depth extensions to Skal East and North as well as depth and strike extensions to Skal South.

Skal Mineral Resource
(Individual mineral resource figures are quoted on a 100% of project basis)

Updated Skal East Mineral Resource at 250ppm U_3O_8 Cut-off

	Mt	Grade ppm U_3O_8	Tonnes U_3O_8	Mlb U_3O_8
Indicated Mineral Resource	**4.3**	**575**	**2,458**	**5.4**
Inferred Mineral Resource	**0.8**	**448**	**348**	**0.8**

The Skal East resources tabled above show the initial Indicated Mineral Resources estimated for the deposit and represent a 38% increase on the previously estimated Inferred Only resource of 3.9Mlb U_3O_8.

OVERALL PALADIN ATTRIBUTED MINERAL RESOURCES IN THE MOUNT ISA PROJECTS

The resource updates at Valhalla and Skal have resulted in a 19.7% increase in combined Measured and Indicated Mineral Resources. Resources at either 230ppm or 250ppm U_3O_8 cut-off grade at the Mount Isa Uranium Project including the updated Valhalla and Skal resources are now:

Deposit		Measured and Indicated Mineral Resources			Inferred Mineral Mineral Resources			Paladin Share
	Cut-off ppm U_3O_8	Mt	Grade ppm	t U_3O_8	Mt	Grade ppm	t U_3O_8	
Valhalla	230	31.2	874	27,229	5.2	859	4,494	**91.0%**
Skal	250	4.3	575	2,458	8.4	491	4,129	**91.0%**
Bikini	250				10.1	517	5,200	**82.0%**
Andersons	230				2.0	1,050	2,100	**82.0%**
Watta	230				4.2	410	1,720	**82.0%**
Duke Batman	250	0.5	780	388	1.6	630	1,016	**100%**
Honey Pot	250				2.6	700	1,799	**100%**
Total		**36.0**	**837**	**30,075 (66.3Mlb)**	**34.1**	**600**	**20,458 (45.1Mlb)**	
Total Resource Attributable to Paladin		**32.8**	**836**	**27,373 (60.3Mlb)**	**29.9**	**604**	**18,049 (39.8Mlb)**	

(Figures in the table above may not add due to rounding)

Total Measured, Indicated and Inferred Mineral Resources under management by Paladin in the Mount Isa region increased to 111.4Mlb (50,533t U_3O_8) from previous 106.6Mlb U_3O_8 (48,381t U_3O_8). Measured and Indicated Mineral Resources increased to 66.3Mlb U_3O_8 (30,075t U_3O_8 at 837ppm) from previous 55.4Mlb U_3O_8 (25,153t U_3O_8 at 889ppm).

BIGRLYI URANIUM JOINT VENTURE, Northern Territory - Australia (Paladin 42.06%, Energy Metals Ltd 53.74% Operator)

Following the updated resource estimate announced in May 2009 by Energy Metals, new mining studies indicated that additional open pit resources would be required to maintain the viability of the project at current uranium prices. Based on these assumptions a new budget was approved in July 2009 by the Joint Venture partners to concentrate on both resource extension drilling and a limited grade control study. These programmes commenced in August 2009.

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

The 2009 exploration and geotechnical drilling programme was completed during the quarter. A total of 111 holes including 8 large diameter geotechnical drillholes, were completed. A total of 27,017m has now been drilled at the project including 16,684m RC and 10,333m diamond core.

The data is currently being evaluated and a new geological model is in the process of being developed. All recent, and a significant proportion of the historic holes, have been down hole gamma logged in an effort to confirm historical values. After all confirmation assays have been received, a new resource model estimation is expected to be completed late in the March 2010 quarter.

Metallurgical samples totalling 79kg have been sent to the Cameco laboratories in Canada for scouting leach tests. This work is in the early stages and no results are yet available.

CORPORATE

US$167M Project Finance Completed for Kayelekera

Paladin has drawndown US$132M under the Kayelekera Project Financing Loan (Facility) to the end of September 2009.

The Facility is provided by a syndicate of banks made up of Société Générale, Standard Bank and Nedbank Capital, the same syndicate of banks that provided project finance for Langer Heinrich Stage 1. The US$167M project finance package consists of; US$145M Project Financing Facility – currently drawn to US$84.5M, US$12M Cost Overrun Facility – currently funded with US$8M cash and US$10M Performance Bond Facility.

US$110M of the US$145M project finance facility is backed by the Export Credit Insurance Corporation of South Africa.

A$429M (US$374M) Private Placement

Paladin completed an institutional private placement during the quarter with 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. Azure Capital acted as Corporate Adviser to Paladin. A total of 93,450,000 ordinary shares were issued raising A$429M at a price of A$4.60 per share. The pricing represented a negligible discount of 0.5% to the Company's 5 day VWAP.

Participation in A$5.3M placement by NGM Resources Limited

Paladin has increased its shareholding in NGM from 16.7% to 19.9% by contributing A$1.77M towards the placement. The placement was completed in two stages at A$0.15 per share.

Market Comments

The Ux spot price moved from US$52/lb U_3O_8 at the beginning of July to US$42.75/lb U_3O_8 at the end of September reflecting a seasonal slowing of activity during the northern summer. Concerns about US Department of Energy proposed uranium sales added to market hesitancy in September before buyers returned in early October. The long term indicator price eased one dollar from US$65/lb U_3O_8 (in April 2009) to US$64/lb U_3O_8 at the end of August.

As the shock of the global financial crisis slowly recedes, governments are once again focussing on climate change and the forthcoming Copenhagen conference. The importance of nuclear power in a CO_2 constrained energy mix is now so widely recognised that the significant growth in nuclear power, which Paladin has long predicted, has moved from hypothetical to inevitable. The International Energy Agency's special paper prepared for the recent Bangkok UNFCC meeting identifies a doubling of nuclear capacity by 2030 in its "450ppm CO_2 Scenario" and specifically calls for "...a much faster roll-out of renewables and nuclear..." amongst other strategies. Similarly both the World Nuclear Association and the International Atomic Energy Agency have recently revised upwards their forecast of nuclear capacity in 2030 significantly from their earlier reports in 2007 and 2008 respectively.

In Europe, the change in attitude towards nuclear is reflected in the new German Government's plan to review and abandon the German nuclear phase-out policy, and the recent decision by Belgium to offer a ten year lifetime extension for existing nuclear plants. Even Greenpeace UK has dropped its anti-nuclear position in its recent climate change manifesto.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO

Declaration

The information in this announcement that relates to Exploration, Mineral Resources and Ore Reserves is based on information compiled by Eduard Becker B.Sc, David Princep B.Sc and Andrew Hutson B.E., all of whom are members of the AusIMM. Messrs Becker, Princep and Hutson each have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and as a Qualified Person as defined in Canadian National Instrument 43-101. Messrs Becker, Princep and Hutson are full-time employees of Paladin Energy Ltd and consent to the inclusion of the information in this announcement in the form and context in which it appears.

Caution Regarding Forward Looking Statements:
The forward-looking statements made in this quarterly activities report are based on management's assumptions and judgments regarding future events and results. Such forward-looking statements, including but not limited to those with respect to the Company's plans for expansions of the Langer Heinrich and Kayelekera mines and Financial Year 2010 production guidance, involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of uranium, changes in project parameters as plans continue to be evaluated, and the possibility of cost overruns, as well as those factors disclosed in the Company's filed documents. There can be no assurance that the expansion of the Langer Heinrich and Kayelekera mines will proceed as planned or be successfully completed within expected time limits and budgets or that, when completed, the expanded facilities will operate as anticipated.