



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

Kayelekera Mine Unaffected by Malawi Earthquakes

Paladin Energy Ltd (Paladin) advises that a series of earthquakes and after-shocks that struck northern Malawi during the past three days had no material impact on the operations of the Kayelekera Mine. The ramp-up of production at Kayelekera Mine continues on schedule and, despite the earthquakes, the plant yesterday achieved its best ore milling rate to-date, processing at the rate of some 114 tonnes/hour, for a throughput of 2,634 tonnes in the 24 hour period and is on track to achieving its nameplate capacity of 190 tonnes/hour in the March 2010 quarter.

A series of six earthquakes measuring Magnitude 5 or more on the Richter Scale and numerous after-tremors have hit the northern Malawi region since Sunday morning, the most severe being measured at Magnitude 5.9, which occurred at 5.08am local time today. The first earthquake on Sunday evening, which measured Magnitude 5.8, tripped out agitators on all six of Kayelekera's leach tanks as designed, and these were safety checked and brought back on-line within three hours. The semi-autogenous grinding (SAG) mill was also stopped for safety checking and then brought back on-line. The same routine was followed after this morning's tremor, although the downtime was less than one hour.

The Kayelekera Tailings Storage Facility and water storage ponds have not suffered any damage. All ponds and slopes around the Kayelekera Mine site have been inspected by both Paladin Africa officials and the Company's environmental consultant and have maintained their integrity, with no visible movement being detected anywhere.

In the town of Karonga, located some 52km by road east of the Kayelekera Mine, the Company's Social Development team is consulting with local Government of Malawi officials to assess what humanitarian assistance may be needed to aid the people of Karonga. One fatality and several serious injuries have been reported in Karonga, plus widespread structural damage to local buildings .

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO