Paladin Energy Ltd

The New Energy in the Market

Investor Presentation
October 2010

Important Information

This presentation includes certain statements that may be deemed “forward-looking statements”, such as 2011 target production and plans for expansion at our projects. These statements typically contain words such as "expects" and "anticipates" and words of similar import. All statements in this presentation, other than statements of historical facts, that address future production, reserve or resource potential, exploration drilling, exploitation activities and events or developments that Paladin Energy Ltd (the “Company”) expects to occur, are forward-looking statements.

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Competent Persons Statement

The technical information in this announcement that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by David Princep B.Sc. and Andrew Hutson B.E., both of whom are members of the Australasian Institute of Mining and Metallurgy. Messrs 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 they are 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 Qualified Persons as defined in Canadian National Instrument 43-101. Messrs Princep and Hutson are full-time employees of the Company and consent to the inclusion of the relevant information in this announcement in the form and context in which it appears.

Previous tonnages, grades, assays and other technical data relating to the Manyingee deposit are taken from historical records prior to the implementation of the current NI 43-101. While the data is believed to have been acquired, processed and disclosed by persons believed to be technically competent, they were estimated prior to the implementation of NI 43-101 and are therefore regarded as historic resources. A Qualified Person as defined in NI 43-101 has not done sufficient work to classify the historical estimate as current Mineral Resources. The Company is not treating the historical estimates as current Mineral Resources as defined in NI 43-101 and for this reason the historical estimates should not be relied upon. At present, the Company considers that these resources have no equivalent classification under NI 43-101 and should therefore be considered as unclassified. The historical information is presented on the basis that it may be of interest to investors.

Presentation Outline

Paladin

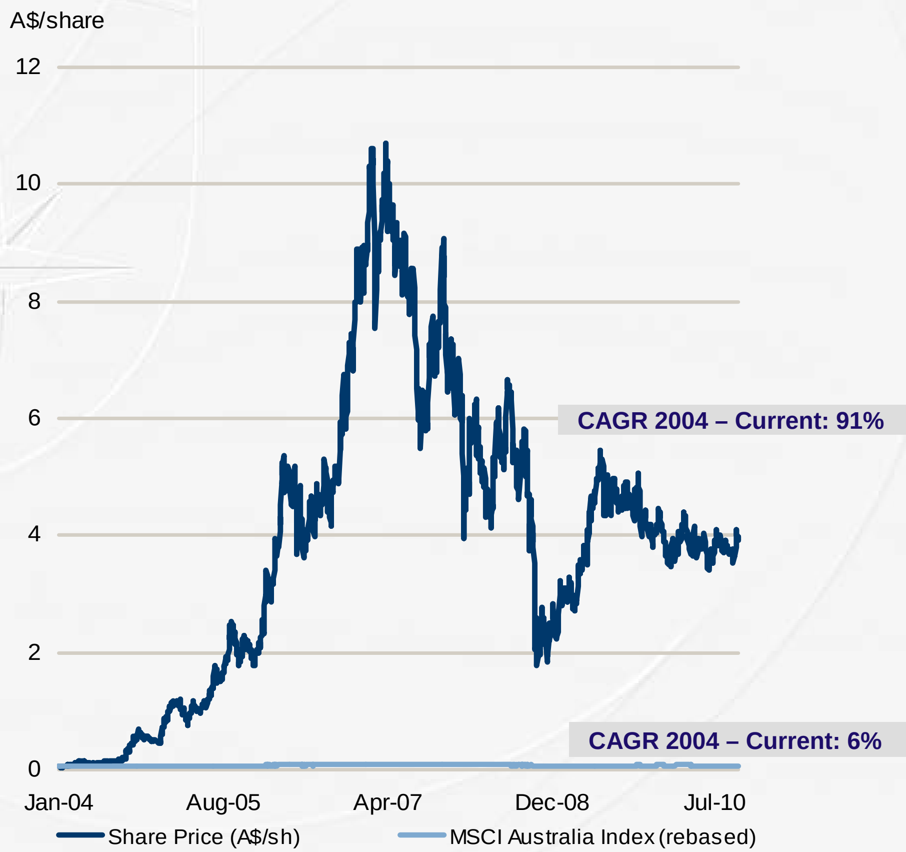
- Introduction
- Paladin Status Update
- Y/E & September 2010 Quarter Highlights
- Uranium Outlook
- Projects
- Summary

Introduction to Paladin Energy Ltd

Diversified shareholder base, dual-listed on the ASX/TSX with a track record of outperforming relevant indices

- **Dual-listed on Australian (ASX) and Toronto (TSX) Stock Exchanges**
  - **Also trades on Munich, Berlin, Stuttgart, Frankfurt and Namibian (NSX) Exchanges**
  - **Included in the MSCI Global Standard Indices, ASX Top 100, and Dow Jones African Titans 50 Index**
- **Market Capitalization: A$3.05 billion (US$3.06 billion)[1]**
- **Cash at Hand: US$275.2 million (30 September 2010)**
- **Issued Capital: 718.4 million shares[2]**
  - **US$250 million Convertible Bond due Dec 2011**
  - **US$325 million Convertible Bond due April 2013**
- **Shareholding: 40,000 shareholders / 60% institutional**
  - **Liquid stock**
    - **6-month Average Daily Trading Volume: US$13.7m (ASX) and US$5.4m (TSX)**
  - **Highly diversified shareholder base**
- **Employee Base: 900 permanent / 500 mining contractors**

Historical Trading Performance[1]



1. *As of 25 October 2010. Assumes AUD:USD of 1.0056*
2. *Paladin may issue up to 7,119,058 shares if all NGM Resources Ltd shareholders accept Paladin's takeover offer. The takeover offer became unconditional on 25 October 2010.*

Value Proposition

Paladin offers an attractive investment offering at a time when the uranium market outlook remains uniquely positive

Uranium Producer	Paladin is an (emerging Tier I global) uranium producer
Fully Independent	Paladin is the only non-aligned pure uranium producer
Increasing Production	Paladin has consistently increased production quarter over quarter
Diversified Asset Base	Paladin is geographically diversified with projects at all stages of the development cycle
Strong Balance Sheet	Low gearing and strong balance sheet to capitalise on opportunities
Superior Share Market Returns	Delivered continued increases in share price equivalent to a compound annual growth rate of 91% since 2004 – materially outperforming its peer group and the market in general
Management Team	Paladin has a stable, deeply experienced Board and experienced and proven senior management team. Paladin is the only company to have commissioned a global conventional uranium mine in the last 25 years

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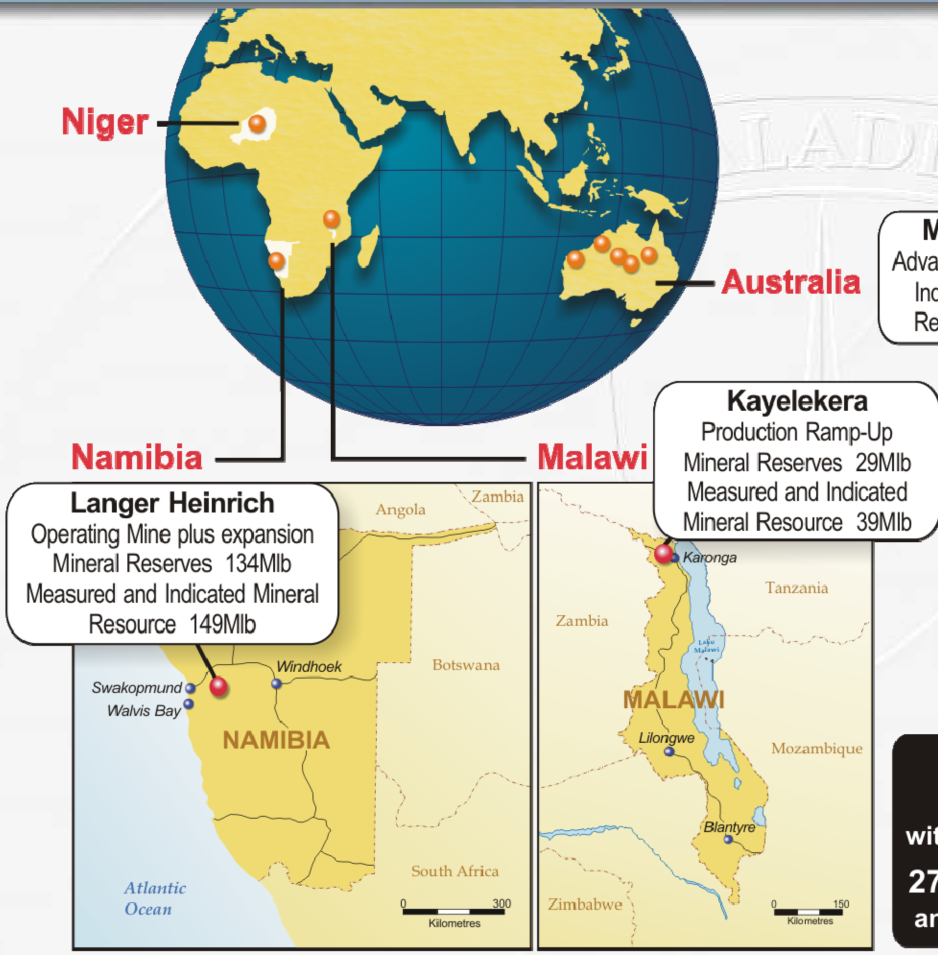
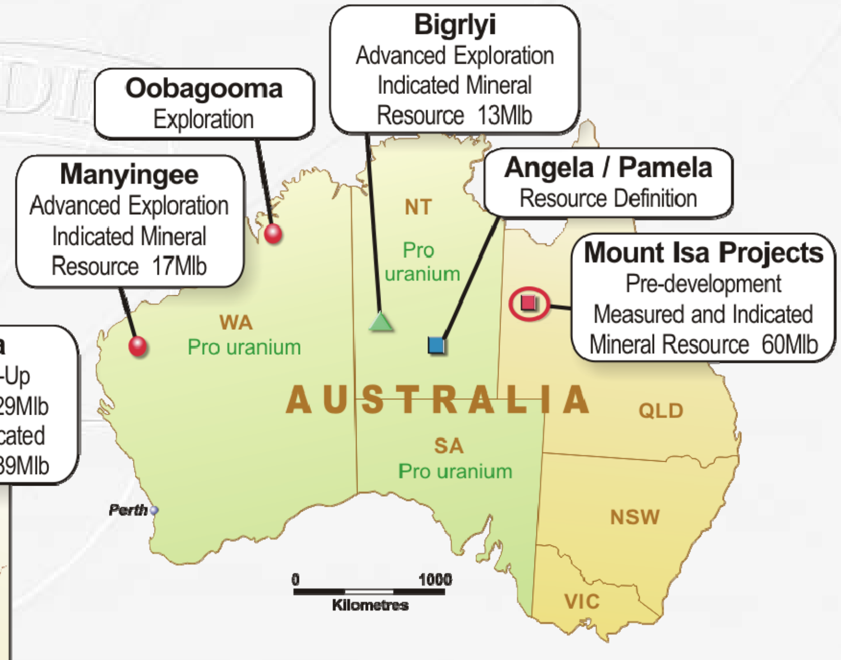
Paladin's Suite of Uranium Projects
staged for sequential development





Total Measured and Indicated Resource Inventory

285.7Mlb U_3O_8

with an additional 91.8Mlb U_3O_8 of Inferred Mineral Resources

272.0Mlb U_3O_8 Measured and Indicated Mineral Resources and 81.3Mlb U_3O_8 Inferred Mineral Resources Attributable

Deep Yellow Ltd 19.6%

NGM Resources Ltd 90.78% voting power (as at 25 October 2010); takeover unconditional

Attributable Pounds:

Paladin 100% · Paladin 41.71% · Paladin 50% JV Cameco · Mount Isa Projects

Mineral Resources and Mineral Reserves shown above represent 100% of the resource - not the participants share. Additional Inferred Mineral Resources exist at Langer Heinrich (24Mlb), Kayelekera (8Mlb), Bigrlyi (9Mlb), Mount Isa (45Mlb) and Manyingee (6Mlb) for a total of 92Mlb. Mineral Resources are shown inclusive of any Mineral Reserves.

 KM= Kayelekera Mine LHM= Langer Heinrich Mine

Paladin Energy
Resources and Reserves (September 2010)

Project	Measured and Indicated Mineral Resources Attributable to Paladin				Inferred Mineral Resources Attributable to Paladin		
	Cut-off ppm U_3O_8	t U_3O_8	Mlb U_3O_8	% U_3O_8	tU_3O_8	Mlb U_3O_8	% U_3O_8
Langer Heinrich (100%)	250	67,759	149.4	0.055	10,910	24.0	0.06
Kayelekera (100%)	300	17,599	38.9	0.08	3,433	7.6	0.06
Mount Isa (82%/91%/100%)	Various	27,410	60.4	0.08	18,078	39.9	0.06
Manyingee (100%)	200	8,080	17.8	0.10	2,810	6.2	0.05
Bigrlyi (42%)	500	2,544	5.6	0.13	1,668	3.7	0.12
Total (all)		**123,392**	**272.0**	**0.07**	**36,901**	**81.3**	**0.06**
	Mineral Reserves 100% project basis						
Langer Heinrich (100%)	250	60,830	134.1	0.055			
Kayelekera (100%)	400	13,285	29.3	0.11			
Total (all)		**74,115**	**163.4**	**0.07**			

Two Operating Uranium Mines in Two Years

WORLD FIRSTS ON BOTH OPERATIONS

- **New process technologies utilised**
- **Langer Heinrich Mine**
  - Alkaline Leach
- **Kayelekera Mine**
  - Resin-in-Pulp
- **Gives Paladin a strong competitive edge and valuable internal IP**

THIS APPROACH HAS MADE PALADIN A WORLD LEADER IN MODERN URANIUM EXTRACTIVE PROCESSES

A Tier 1 Global Uranium Producer

Multi-staged parallel activities—developing a complete company

- **Sustained production** Langer Heinrich Stage 2 (3.7Mlb pa)
- **Ramping up production** Kayelekera commercial production achieved, 100% nameplate as of mid-September 2010
- **Immediate Expansion** Langer Heinrich Stage 3 under construction 3.7Mlb - 5.2Mlb pa (Brownfield)
- **Medium Term Expansion** Langer Heinrich Stage 4 & KM Stage 2 in planning
- **Advanced Exploration** Mount Isa and Angela
- **MOU with CGNPC:**
  – Providing a framework from long-term sales, potential participation in future growth and expansion of current JV relationships

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Paladin Y/E 2010 Highlights

	June 10 Quarter	Mar 10 Quarter	Dec 09 Quarter	Sept 09 Quarter	June 10 Full Year	June 09 Full Year
Production (lb) – LHM	927,373 ↑	928,370	841,995	654,513	3,352,251 ↑ +26% Y/Y	2,702,972
Production (lb) – KM	*515,478* ↑ +125% Q/Q	*228,996*	145,315	74,086	963,875 ↑	34,600
Total Production (lb)	**1,442,851** ↑ +24% Q/Q	**1,157,366**	**987,310**	**728,599**	**4,316,126** ↑ +58% Y/Y	**2,737,572**
Annualised (lb pa)	↑ *5.8M*	↑ *4.6M*	↑ *3.9M*	*2.9M*	*4.3M* ↑	*2.7M*
Sales (lb)	**885,000** ↓	**1,043,000**	**1,095,000**	**703,000**	**3,726,000** ↑	**2,021,000**
Average Sales Price (US$/lb U_3O_8)	55	50	57	55	54	55
Sales Revenue (US$M)	49.1	52.7	61.9	38.3	202.0 ↑	111.8

Financial Highlights

Financial Position

- **C1 costs at LHM maintained at US$26/lb (June qtr 2010)**
- **Industry leading US$55/lb realised sales price**
- **FY 2011 target production of 7.0Mlb**
- **Revenue growth of 78% over FY 2009**
- **Cash position of US$348.8 million at YE 2010 (US$275.2m at 30 Sept 2010)**
- **Net gearing of 28.5%, a decrease of 17% from FY 2009**

Key Financial Metrics and Debt Summary

(US$ millions) *Year end 30 June,*	**2009**	**2010**
Revenue	114.8	204.3
YoY Growth	*12.7%*	*78.0%*
Gross Profit	61.8	72.7
Gross Margin	*53.8%*	*35.6%*
Total Debt	586.2	730.1
Cash	66.2	348.8
Net Debt	520.0	381.3
Equity	631.2	956.4
Net Debt / Net Debt + Equity	45.2%	28.5%

Outstanding Debt	**Maturity**	**2009**	**2010**
Unsecured Convertible Bond (1)	2011	227.5	236.7
Unsecured Convertible Bond (1)	2013	304.6	310.1
Secured Bank Loan	2012	39.9	24
Secured Bank Loan	2015	0	111.4
Current Portion of Secured Bank Loan		14.2	47.9
Total Outstanding Debt		586.2	730.1

1. Reflects accreted amount.

September 2010 Quarterly Activities Report

- **Quarterly production of 1.36Mlb vs 1.44Mlb from previous quarter**
- **Kayelekera delayed in achieving sustained nameplate until mid September**
  - higher efficiencies and nameplate production achieved after introduction of a resin cleaning circuit
- **Langer Heinrich Reserves increased 104% to 134.1Mlb backstopping Stage 4 expansion targeting 10Mlb pa**
- **Sale of 1.043Mlb U_3O_8 at an average realised price of US$46.50/lb**
  - biased towards a predominance of spot sales in the quarter
- **LHM stage 3 tracking early 2011 mechanical completion and start-up of commissioning.**

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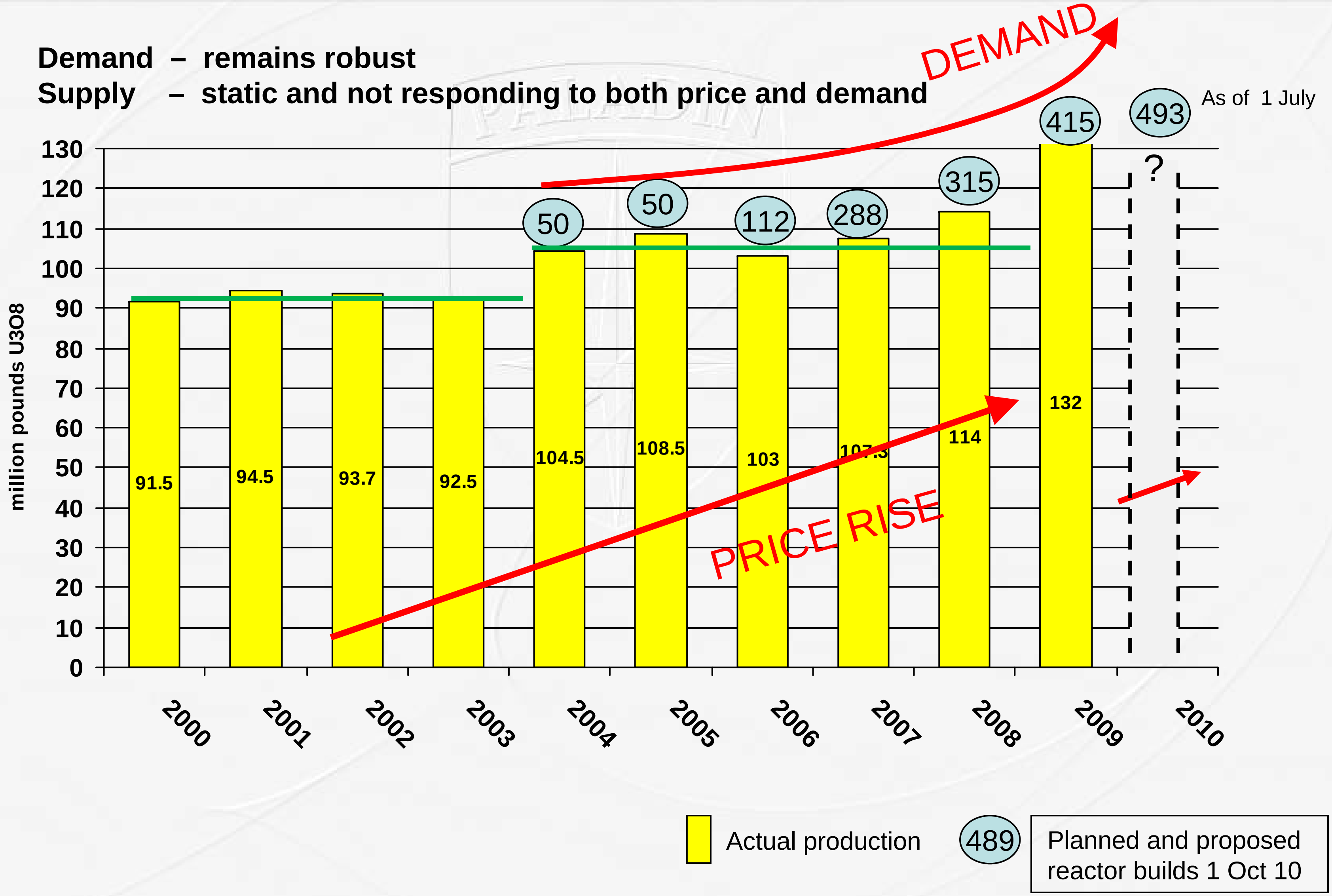
Global Uranium Production
2000 - 2009

Demand – remains robust
Supply – static and not responding to both price and demand



World Nuclear Capacity - Growth is Assured

number of reactors proposed to be operating by 2030 **Status 1 July 2010**

Total 991 vs [898]– 10.4% increase in 12 months

	Current Nuclear Capacity	**Under Construction**	**Planned**
Reactors / (Capacity)	439 (374.8GWe)	59 (60.GWe) [43]	149 (163.2GWe) [133]
	178Mlb U_3O_8 required (WNA Estimate)		
Countries	30	15	28 [23]
China	11 (8.6GWe)	24 (26.5GWe) [14]	33 (36.9GWe) [35]
Russia	32 (23GWe)	10 (8.96GWe) [8]	14 (16GWe) [8]
India	19 (4.1GWe) [17]	4 (2.6GWe)	20 (16.7GWe) [23]
South Korea	20 (17.7GWe)	6 (6.7GWe)	6 (8.2GWe) [7]
Japan	55 (47.3GWe)	2 (2.7GWe)	12 (16.5GWe) [13]
United States	104 (101.1GWe)	1 (1.2GWe) [1]	9 (11.8GWe) [11]

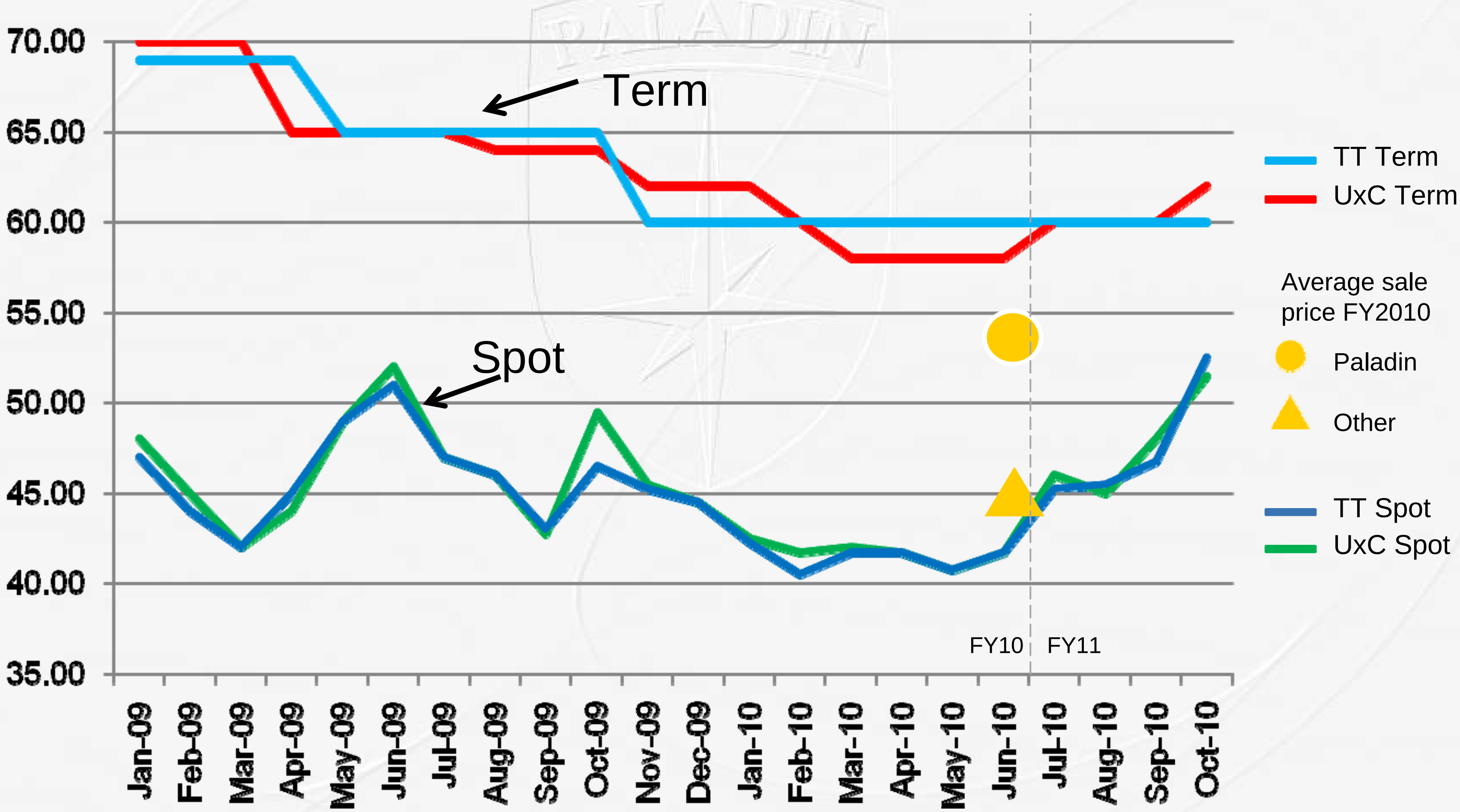
[ ] status July 2009

In addition:

Proposed Reactors: 344 Reactors (365.1GWe) in 37 countries [282]

Source: WNA July 2010

Uranium Price Trends
CY 2009/10/11



Sourced publications: TT= TradeTechUxC= Ux Consulting

* October spot references UXC BAP

Uranium Companies
current global status

	Companies	Operations
	Producers - 18 countries	
Tier I Companies	• Cameco, AREVA, Rio Tinto, BHP-B, Kazatomprom, Atomredmetzoloto (ARMZ), Navoi	• ~85% of 2009 mine production operating in 8 countries
Tier II Companies	takeover Paladin • Uranium One, Denison, Heathgate, Mesteña and other smaller producers	• ~15% of 2009 production in 4 of above & 7 other countries
	Non Producers	
Tier III Companies	• Dozen or so companies hopefully with >30Mlb U_3O_8 resources. Only 1 or 2 of the Tier III will develop	• Speculative • Operating in 9 countries (6 new)
Tier IV Companies	• 100's of companies (now largely disappearing)	• Highly speculative

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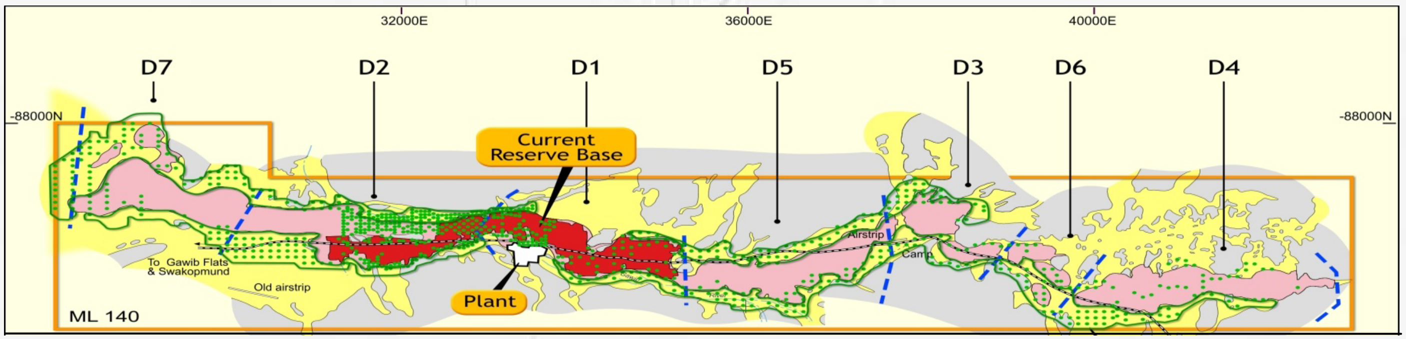
Langer Heinrich Project Location

Langer Heinrich Project
large resource/reserve upgrade

MINERAL RESOURCES				
250ppm Cut-off	Mt	Grade % U_3O_8	t U_3O_8	$MlbU_3O_8$
Measured Resources	46.7	0.053	24,838	54.71
Indicated Resources	77.6	0.055	42,921	94.54
Measured + Indicated	124.3	0.055	67,758	149.25
Inferred Resources	18.5	0.06	10,910	24.04



MINING RESERVES @ US$60/lb U_3O_8			
250ppm Cut-off	Mt	Grade % U_3O_8	Tonnes U_3O_8
Proven Ore Reserves	**31.4**	**0.055**	**17,360** (38.3Mlb)
Probable Ore Reserves	**66.5**	**0.057**	**37,570** (82.8Mlb)
Stockpiles	**12.3**	**0.049**	**6,021**(13.2Mlb)
Total	**110.2**	**0.055**	**60,830** (134.1Mlb)

Mineral Resources and Ore Reserve conforms to both JORC and NI 43-101 guidelines

**As of October 2010*

Langer Heinrich
staged growth

- **Stage 1 – Alkaline leach, start-up Jan 2007** ✓
  - design 2.6Mlb pa, CAPEX US$100M
- **Stage 2 – Full 7 months of nameplate production achieved** ✓
  - design 3.7Mlb pa, CAPEX US$59M

- **Stage 3 – Expansion – increase to 5.2Mlb pa**
  - CAPEX US$99.5M
  - construction advancing (70% complete as of mid-October)
- **Stage 4 – Feasibility continuing for 10Mlb pa**
  - updated resource announced to underpin expansion

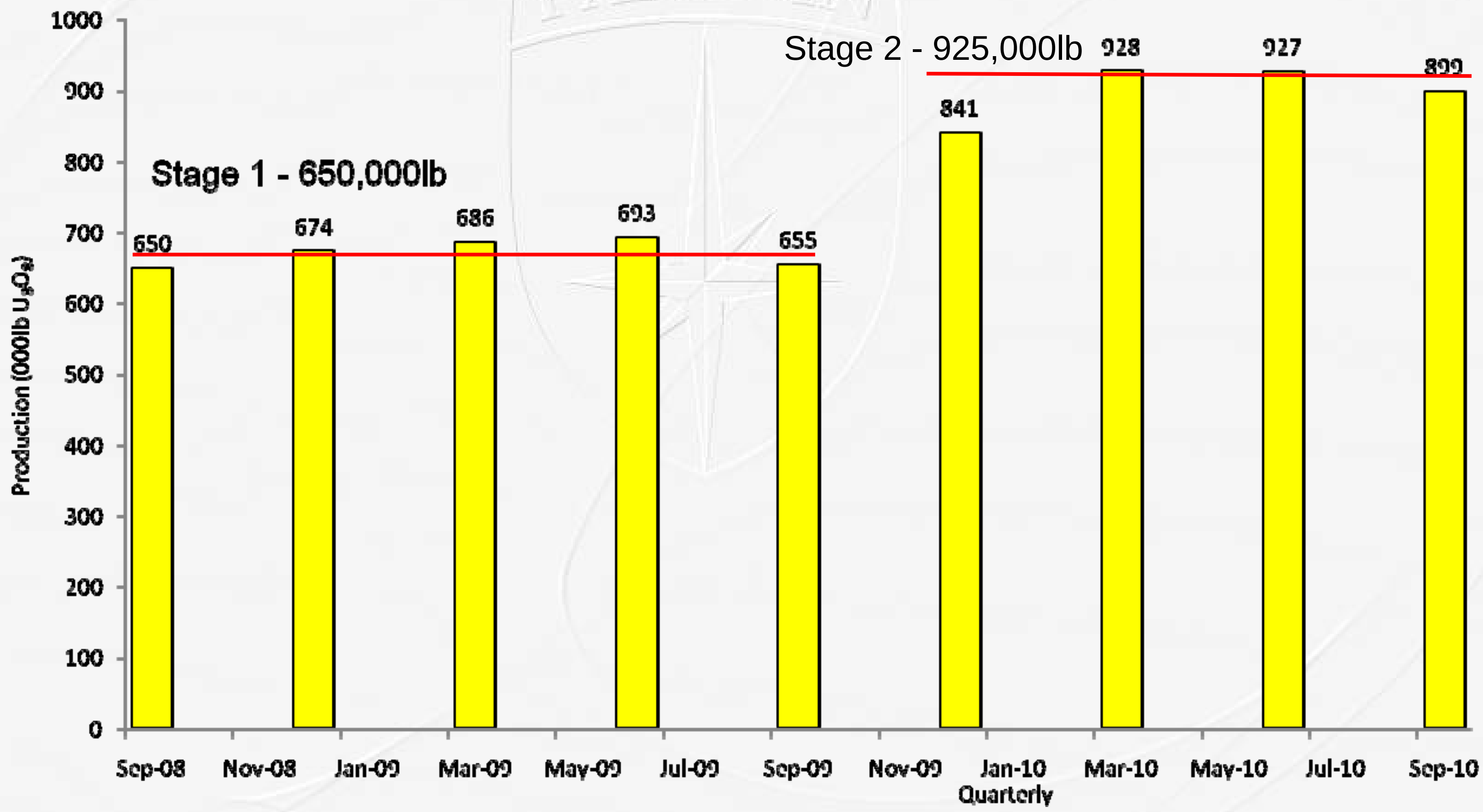
Langer Heinrich

Stage 3 construction status

Langer Heinrich
Operational / Expansion Update

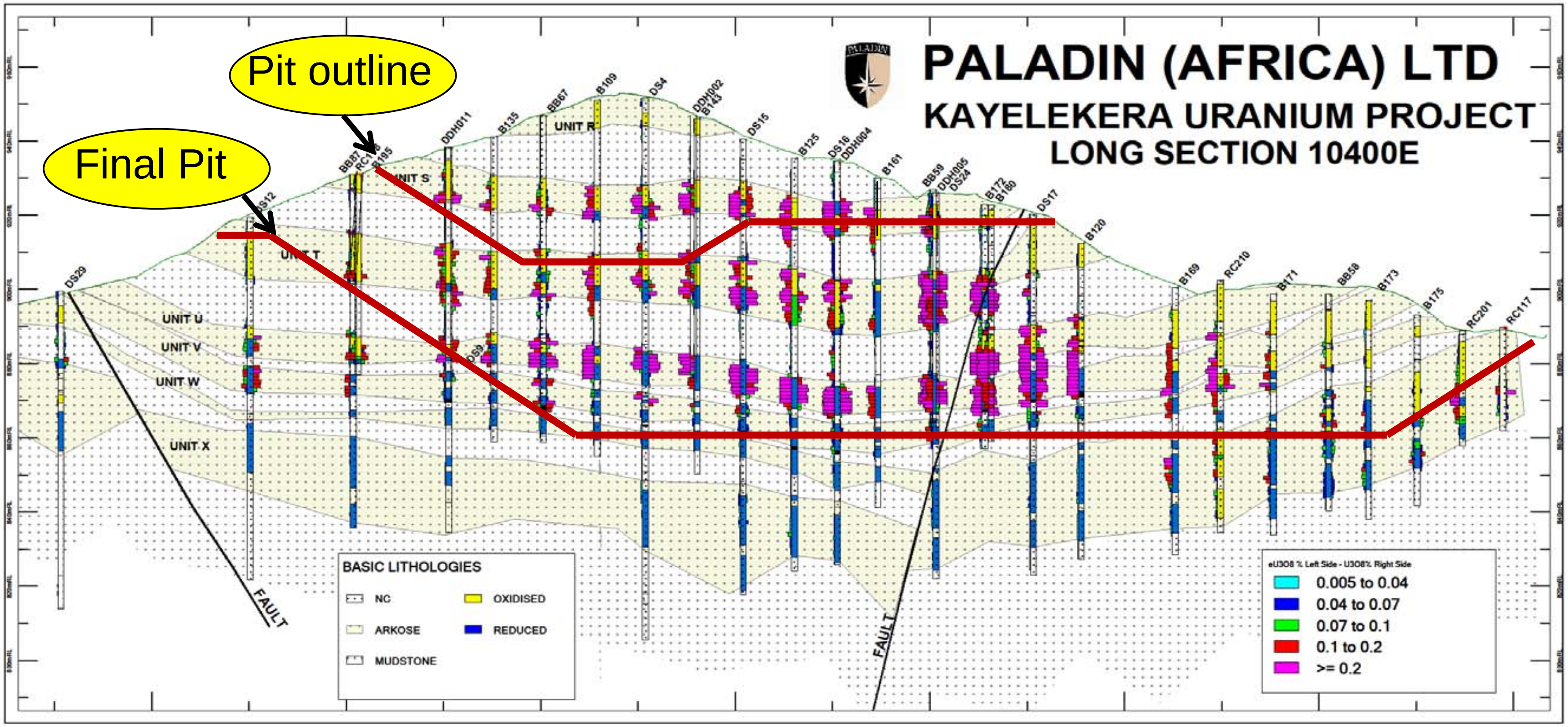
- **Qtrly production of 899,735lb vs 927,373lb previous qtr**
- **97.3% of nameplate achieved with the shortfall resulting from introduction of new pit-f material into the plant**
  - minor modifications have sorted this issue and plant now running steadily at minimum of design (3.7Mlb pa)
- **Stage 3 construction expanding operations to 5.2Mlb pa is 70% complete with mechanical completion targeting early March qtr 2011**
  - earth works substantively complete
  - most major long-lead time items on site, IX columns remaining pressure item
  - installation of scrubber, crusher, flash splash, leach tanks, CCD tanks and tailings thickeners well advanced

Langer Heinrich Production
quarter by quarter



Kayelekera Project Location

Kayelekera Geology and Resources



	Measured			Indicated			Inferred		
	Mt	Grade ppm	Metal t	Mt	Grade ppm	Metal t	Mt	Grade ppm	Metal t
Resources	**3.5**	**1,241**	**4,347**	**17.2**	**769**	**13,242**	**5.5**	**625**	**3,433**

Kayelekera Mine
Design Production Achieved

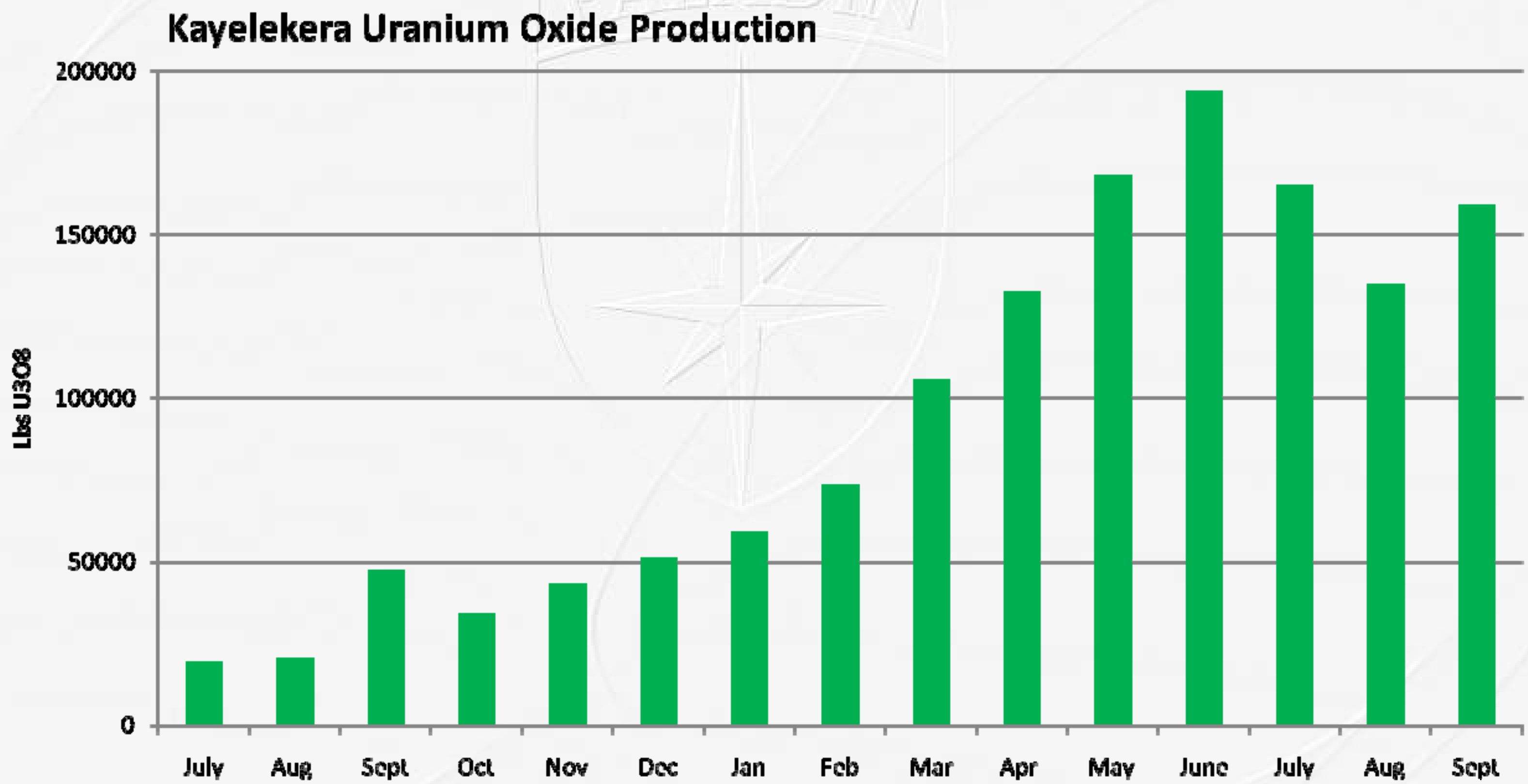
- **Ore feed proven to 220tph vs 190tph design**
- **All circuits are consistently operating at design and able to produce 3.3Mlb pa**

- **RIP efficiency 97% versus the June quarter of 85%**
- **Mechanical availability of the plant now at design**
- **Reconciliation of ore body to resource model excellent**

Kayelekera Mine
Operational Update

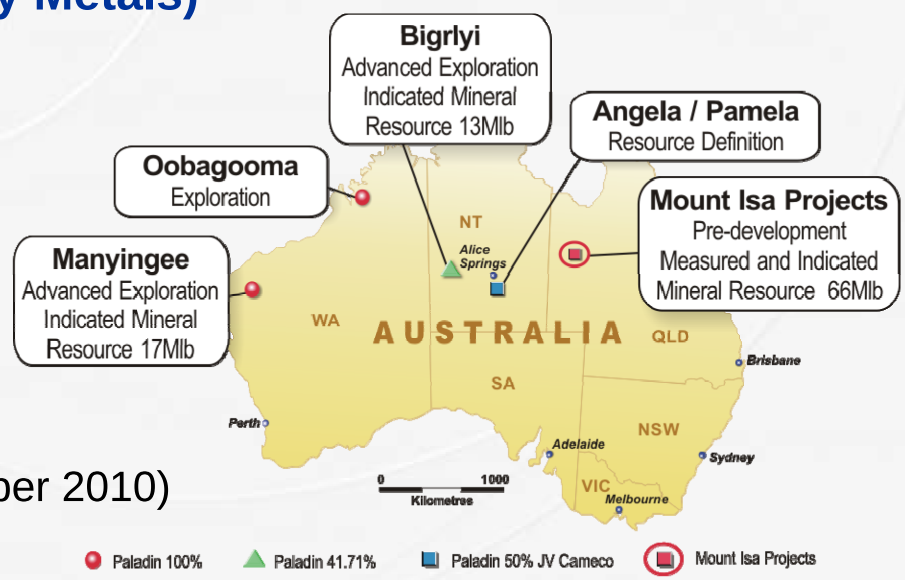
- Quarterly production of 462,977lb vs 515,478lb from previous quarter
- Production plateau at 75% of design resulting from bottleneck associated with resin cleaning.
- Expanded cleaning circuit installed and optimized after which design easily achieved (mid-September)
- U3O8 precipitation shown to exceed design of 9,041 lb/day
- Operational focus on sustained nameplate production and cost optimization
- Rigorous maintenance program in place to improve mechanical availability

Kayelekera Mine Production
status September 2010



Other Projects
expanding the pipeline

- **Mount Isa, Qld (part JV with Summit)**
  - US$10M exploration budget targeted on resource expansion
  - feasibility start-up late 2011
- **Angela, NT (50% JV with Cameco)**
  - resource verification
  - preliminary scoping study will define exploration objectives
- **Bigrlyi JV, NT (44% JV with Energy Metals)**
  - reinvigorated joint venture
  - scoping study to investigate development concepts
- **Manyingee, Western Australia**
  - advanced ISR project
  - native title delays
  - 2018/2020 development opportunity
- **NGM Resources Ltd**
  - 90.78% voting power (as at 25 October 2010)
  - takeover offer unconditional



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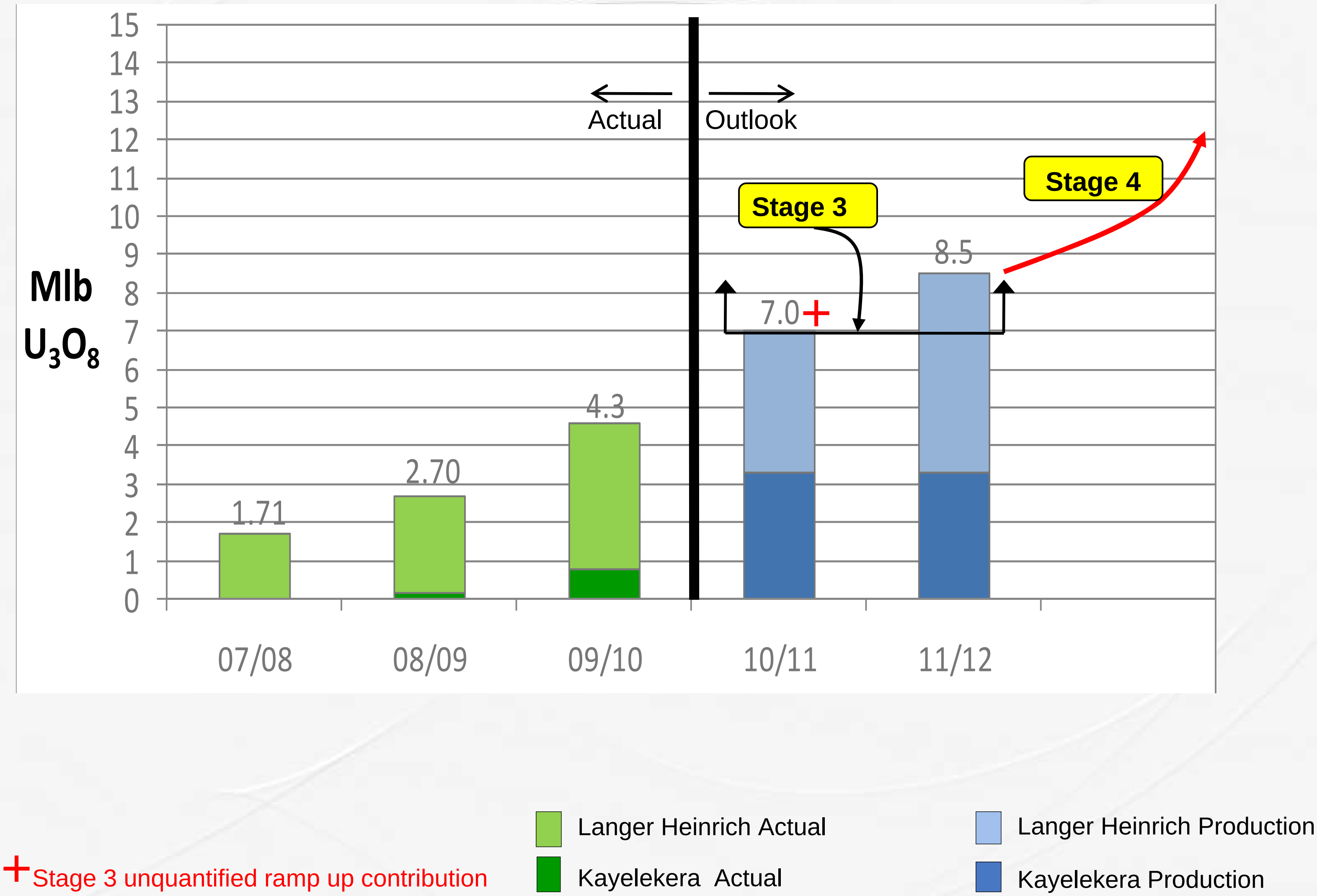
2 Year Production Outlook



+Stage 3 unquantified ramp up contribution

Summary

Key Takeaway: Non-Aligned Pure Uranium Producer with Strong Growth Upside and Proven Track Record

OUTLOOK

- Priority focus on meeting production objectives
- Maintaining strong organic production growth profile
- Resource upgrades to support expansions
- Strong development potential from project pipeline

VALUE PROPOSITION

- Non-aligned pure uranium producer
- Track record of bringing new mines into operation and growing production
- Diversified asset base
- Low gearing and strong balance sheet
- Consistently provided share market returns above indices and peers
- Experienced and stable management team