



PALADIN ENERGY LTD

Investor update September 2011

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Financial data: Except as stated otherwise, all dollar values are in Australian dollars (A\$).

Disclaimer (cont'd)



Forward-Looking Information: This document contains certain forward-looking information. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking information, which include indications of, and guidance on, future earnings and financial position, performance and targeted annual production; statements and information with respect to the Company's strategies in connection with corporate growth and development and possible or assumed further results of operations, including the targeted annual production and mine life of Paladin's Langer Heinrich Mine in Namibia, plans to proceed with the Stage 4 expansion at the Langer Heinrich Mine, the targeted annual production and mine life of Paladin's Kayelekera Mine in Malawi, and drilling and expected mineral resource estimations at Paladin's other mineral projects; expected lifting of development moratoriums; and timing of and use of proceeds from the Placement. Assumptions upon which such forward-looking information are based include that the Company's strategies with respect to corporate growth and development, and the Stage 4 expansion of the Langer Heinrich Mine will proceed as planned, the Langer Heinrich Mine and Kayelekera Mine will meet their targeted annual production, the Placement will complete on satisfactory terms and financing will continue to be available to the Company when needed and on acceptable terms, moratoriums will be lifted, the Company's estimations of mineral resources and mineral reserves are accurate and that inferred mineral resources will be converted into higher categories. Management believes these assumptions are reasonable. However, such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Paladin, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Such risks 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; the price of uranium; changes in project parameters as plans continue to be refined, as well as those factors described in "Summary of Key Risks" herein and those 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. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those statements are based. Investors should not place undue reliance on forward-looking statements and neither Paladin nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information other than as required by law.

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Disclaimer (cont'd)



Resources and Reserves: Unless otherwise indicated, the mineral reserve and mineral resource estimates contained in this document have been prepared in accordance with Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves (the “JORC Code”) and Canadian National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System. These standards differ significantly from the requirements of SEC Industry Guide 7, and mineral resource information contained in this document may not be comparable to similar information disclosed by U.S. companies. The definitions of proven and probable mineral reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7, and the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC.

The information in this presentation relating to exploration, mineral resources and ore reserves is, except where stated, based on information compiled by David Princep B.Sc and Andrew Reid B.Sc, both of whom are Fellows of the AusIMM. Messrs Princep and Reid 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” (the “JORC Code”), and as a Qualified Person as defined in Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). Messrs Princep and Reid are full-time employees of Paladin Energy Ltd and consent to the inclusion of this information in the form and context in which it appears.

The terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Ore Reserves, Proved Reserves, Probable Reserves and Competent Person which are used in the JORC Code are equivalent to Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Mineral Reserves, Proven Reserves, Probable Reserves and Qualified Person, respectively, used in NI 43-101.

Please refer to the Important Notice at the end of this document for further information.

Introduction



As an independent and established uranium producer, Paladin is uniquely positioned within the consolidating nuclear industry



Project update

- Langer Heinrich Mine (“**LHM**”)
 - annual production up 5% to 3.525Mlb
 - Stage 3 construction expanding operations to 5.2Mlb/yr
- Kayelekera Mine (“**KM**”)
 - production for year of 2.169Mlb (126% increase from past year)
 - expected to be at nameplate of 3.3Mlb/yr in Dec quarter
- work continues on project pipeline



Equity raising

- institutional private placement to raise up to approximately A\$70 million (“**Placement**”)
- Offer Price to be determined by way of a bookbuild
- funds will be used to strengthen Paladin's balance sheet to ensure the Company is well placed to meet all future commitments and pursue identified growth initiatives
- the raising, together with future cash flows and proceeds from future asset sales is expected to provide significant financial flexibility for the Company going forward

Nuclear Industry

re-affirming commitment post-Fukushima



SUPPLY SHORTAGE LOOMING...

	PRE-FUKUSHIMA	POST-FUKUSHIMA (per IAEA as at 20/9/11)
Reactor Status		
Operating	443	433 (8 German units shut)
Under construction	62	65 (3 new starts)
Planned	142	155
Proposed	322	341
Key Nuclear Drivers		
China	✓	✓
India	✓	✓
Korea	✓	✓
Middle East	✓	✓
Russia	✓	✓
USA	✓	✓
UK	✓	✓
Japan	✓	New Prime Minister: "Nuclear a must"
Germany	Qualified life time extension	Revert to phase out (8 units shut immediately)
Switzerland	✓	Go forward with generation 3 reactors
New Supply Outlook	Difficult but possible	Growth not assured (upward price pressure on uranium)
Industry Deals	Priced at US\$7.00-US\$10.50/lb (e.g. Mantra, Extract)	Priced at US\$8.50-US\$9.50/lb (e.g. Mantra reaffirmed & Hathor)

Sector Consolidation



Since 2009 downstream nuclear companies have been particularly active making significant acquisitions of upstream uranium companies / assets to ensure security of supply

Announced Date	Target Name	Acquirer Name	Country of acquirer	Downstream interests	Announced Total Value (US\$m)
Aug-11	Hathor Exploration ¹	Cameco		Yes	498
Jul-11	Bannerman Resources ¹	Hanlong Mining		No	153
Mar-11	Kalahari Minerals ¹	Guangdong		Yes	1,196
Dec-10	Mantra Resources	ARMZ		Yes	1,030
Jan-10	Khan Resources	CNNC		Yes	49
Sep-09	Energy Metals	Guangdong		Yes	76
Jun-09	Uranium One	ARMZ		Yes	3,851
Apr-09	Denison Mines Corp.	KEPCO		Yes	62
Mar-09	Western Prospector	CNNC		Yes	25
Feb-09	Mega Uranium (Lake Maitland)	JAURD / Itochu Corp		Yes	49
Feb-09	Uranium One	Japan Uranium Management		Yes	216

Source: Company filings, Mergermarket, Capital IQ, SDC

Notes:

1. Indicates deal not complete

Presentation Outline

- ✦ Company Status & Highlights
- ✦ Project Update
- ✦ Equity raising
- ✦ Outlook
- ✦ Key risks
- ✦ Additional materials

Company Snapshot and key highlights



- ✦ Head Office Perth, Western Australia
- ✦ Operations in Namibia and Malawi
- ✦ Global development projects
- ✦ ASX, TSX and NSX (Namibian) Listed
- ✦ 778M issued capital (plus US\$625M CB)



Strong Growth

- ✦ Year-on-year production growth **GROWTH IN EXCESS OF 32%PA FROM FY2008 TO FY2011**

Asset Rich

- ✦ Increased resource base through organic growth (**INCREASE OF APPROXIMATELY 200% SINCE FY2005**) and acquisition **ABILITY TO MONETISE**

Unique Intellectual Property

- ✦ Innovators in uranium mine development **COMPETITIVE ADVANTAGE**

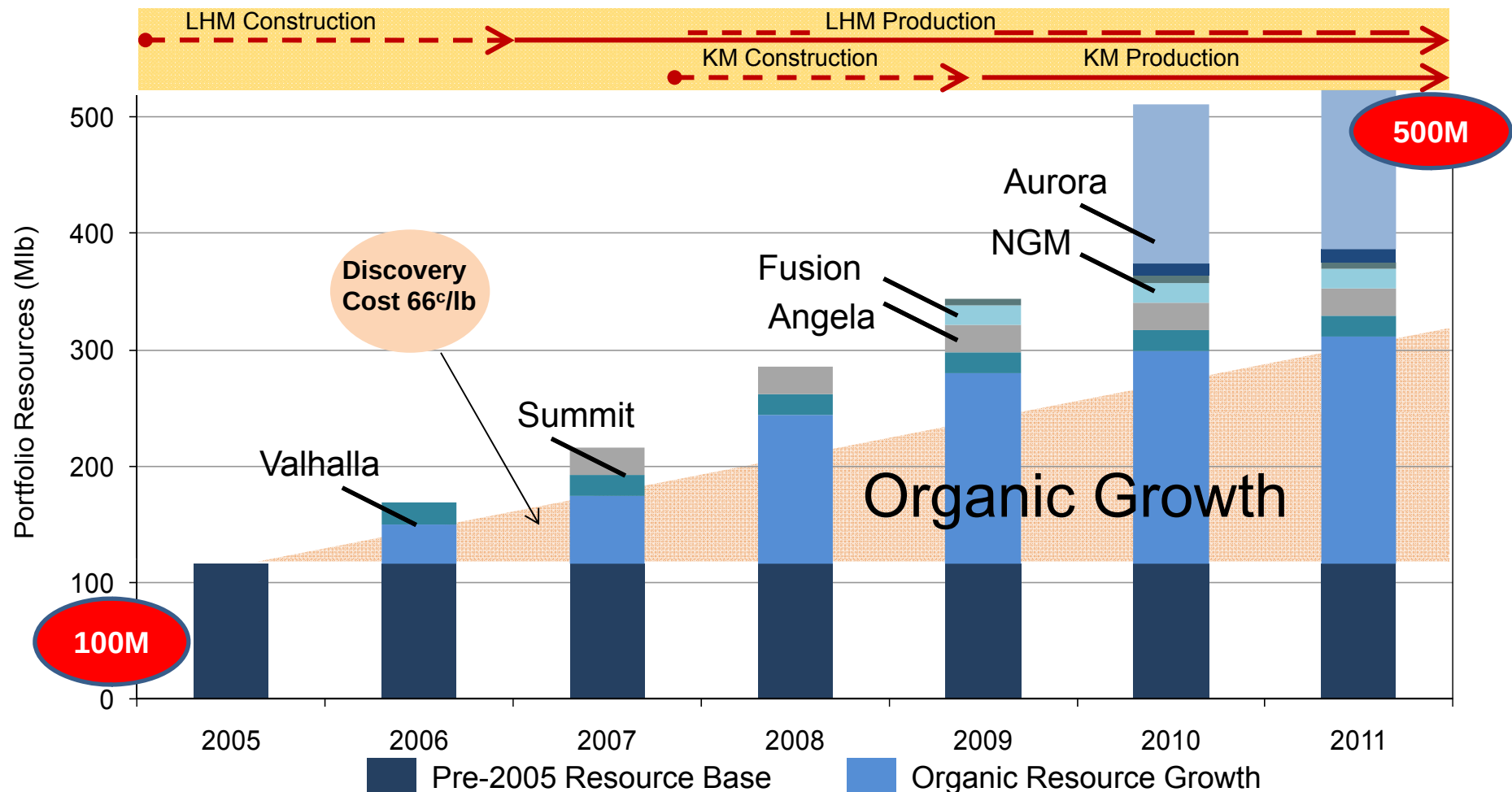
Unique Position

- ✦ Only independent pure play uranium developer and producer **STRATEGIC ADVANTAGE**

Asset Rich – Organic & Inorganic Growth

multi layered activity

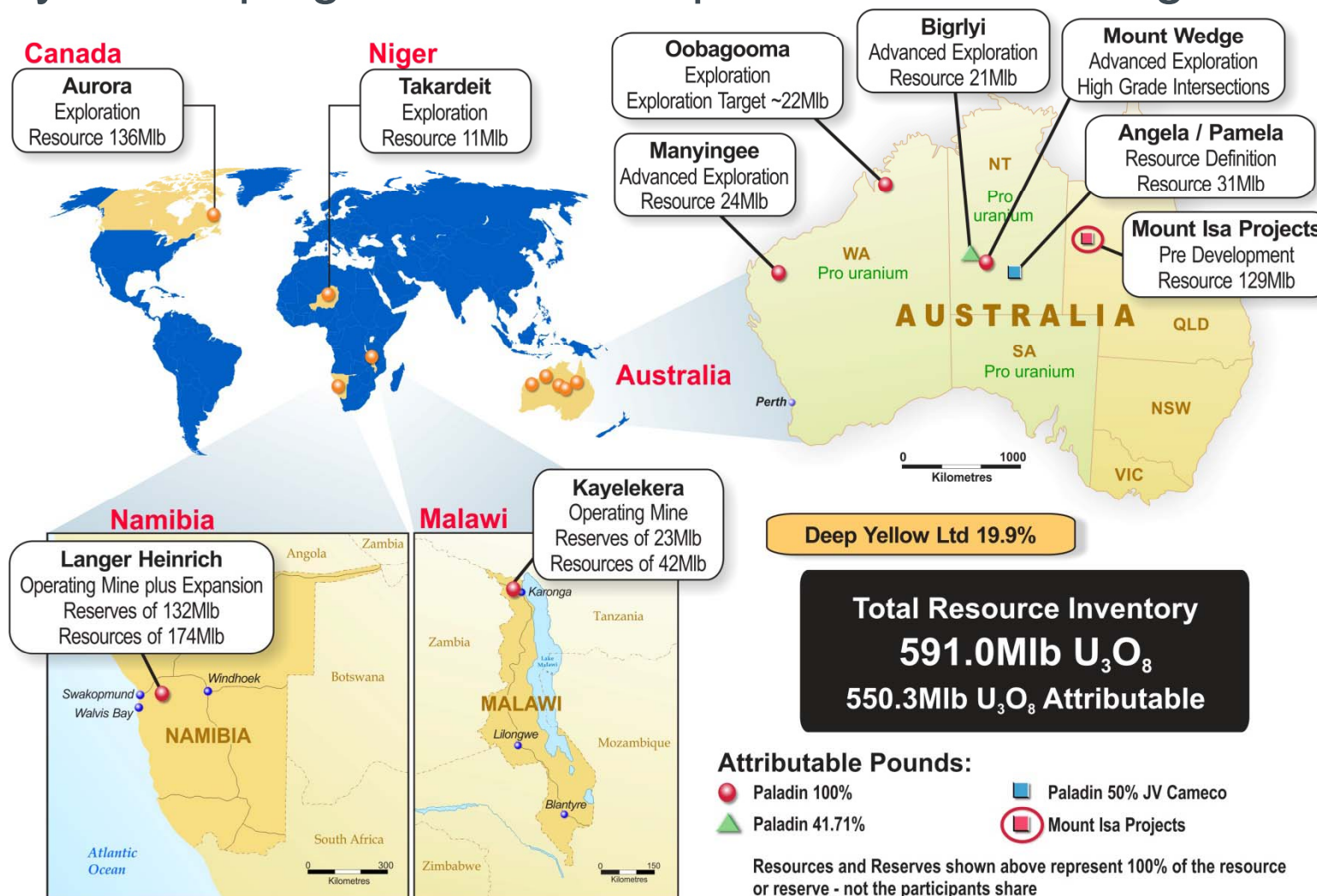
- Two operations built and in production plus two expansions
- Six projects acquired (four by takeovers, two by direct project purchase)



Global Projects



Actively developing in the world's premier uranium regions



Company Highlights



Production

- ✦ Production up **32%** to 5.7Mlb U₃O₈ in FY2011
- ✦ KM: **126%** production increase on 2010

Sales and Revenue

- ✦ 4.8Mlb sales volume for FY2011 up **29%** year-on-year
- ✦ Revenue of **US\$267M** for FY2011 – up **32%** year-on-year
- ✦ Average realised price of **US\$55/lb**

Costs

- ✦ LHM costs (C1) at US\$28/lb
- ✦ Average costs (C1) at US\$35/lb

Cash Reserves

- ✦ Cash of US\$117M at 30 June 2011
- ✦ US\$141M loan facility finalised (US\$127.2M drawn down in September with majority of funds released to Paladin for reimbursement of costs)
- ✦ Cash from the Placement (up to approximately \$70M)
- ✦ Operating cash flow and cash received from potential asset sales

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-
- Geographical Plan of Namibia**
- Legend:**
- Tinned roads
 - Railway line
 - Towns
 - Airports and landing strips
 - Working mine
 - Disused mine
- Scale:** 0 100 200km
- Map Area:** A small inset map of Africa showing the location of Namibia in the southern part of the continent.
- Geographical Plan of Namibia:** The map shows the coastline of Namibia, with the Atlantic Ocean to the west. Major towns and locations marked include: Ruacana, Oshkango, Oshakati, Ondangwa, Oshivelo, Tsumeb, Grootfontein, Otavi, Oufjo, Kamanjab, Khorixas, Otjivarongo, Okakara, Omaruru, Usakos, Karibib, Okahandja, Buitepos, Gobabis, Windhoek (marked with a red star), Swakopmund, Walvis Bay, Dordabis, Mariental, Maltahöhe, Keetmanshoop, Bethanien, Seelheim, Rosh Pinah, Grouau, Karasburg, Ariamsvlei, Noordoewer, and Luderitz. The map also shows the Orange River, Kunene River, and the Etosha Pan. The Langer Heinrich Uranium Deposit is highlighted in a yellow box near Windhoek. The map is titled "LANGER HEINRICH URANIUM (PTY) LTD NAMIBIA GEOGRAPHICAL PLAN".

Langer Heinrich: Operational Update



- ✦ **Quarterly production up 13% to 896,761lb**
 - recovered from past record rain in March 2011 quarter
 - record production in June of 355,513lb (82% of Stage 3 capacity)

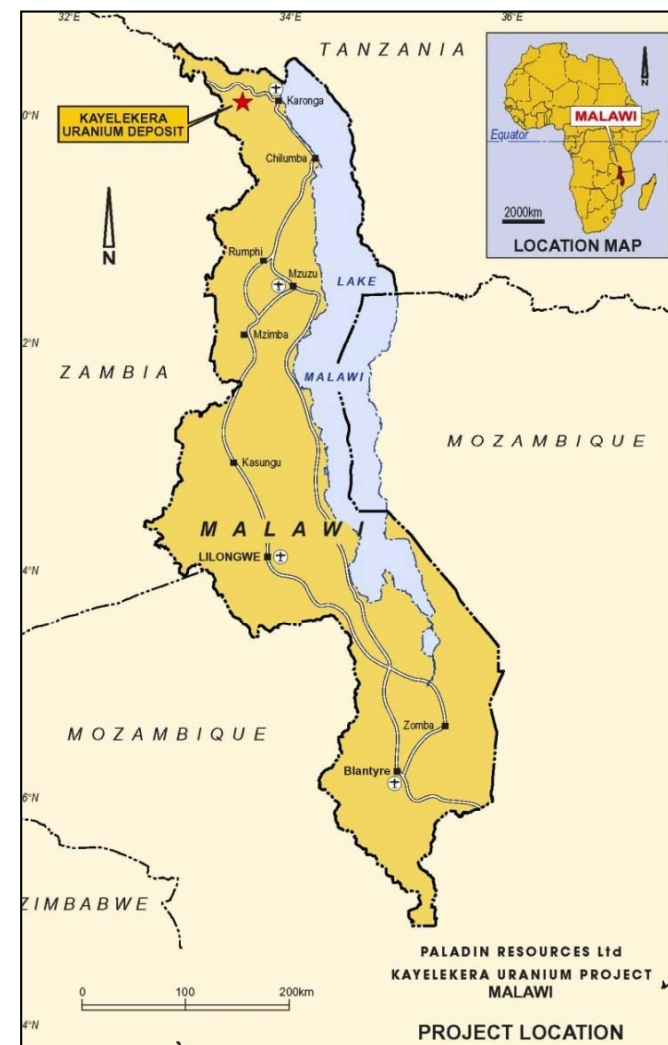
- ✦ **Annual production up 5% to 3.525Mlb**
 - scrub and wash efficiencies from new Stage 3 plant remain at 96% well above plan
 - improvements in recovery anticipated with addition of “flash splash” heat system

- ✦ **Stage 3 construction expanding operations to 5.2Mlb/yr is ongoing**
 - staged commissioning well advanced
 - expecting to ramp up to nameplate capacity late 2011/early 2012
 - front-end scrubber fully commissioned
 - commissioning of leach, flash splash, CCD and tailings thickener underway
 - staged commissioning of NIMCIX 1 and 2 starting late October

Kayelekera



- ✦ **Location:** northern Malawi, 575km north of Lilongwe (capital), 52km west of Karonga
- ✦ **Infrastructure:** road, power (diesel gensets), water
- ✦ **Ownership:** 85%/15% Paladin/Malawi Govt
- ✦ **Fiscal:** tax 27.5%; royalty 1.5% of gross revenues for 3 years, 3% thereafter; depreciation 100% or immediate
- ✦ **Mining:** contract mined
- ✦ **Processing:** crush → mill → acid leach → RIP → elution → precipitation → washing → drying → packaging → ship to Walvis Bay
- ✦ **Employees:** 85% Malawian



Kayelekera: Operational update



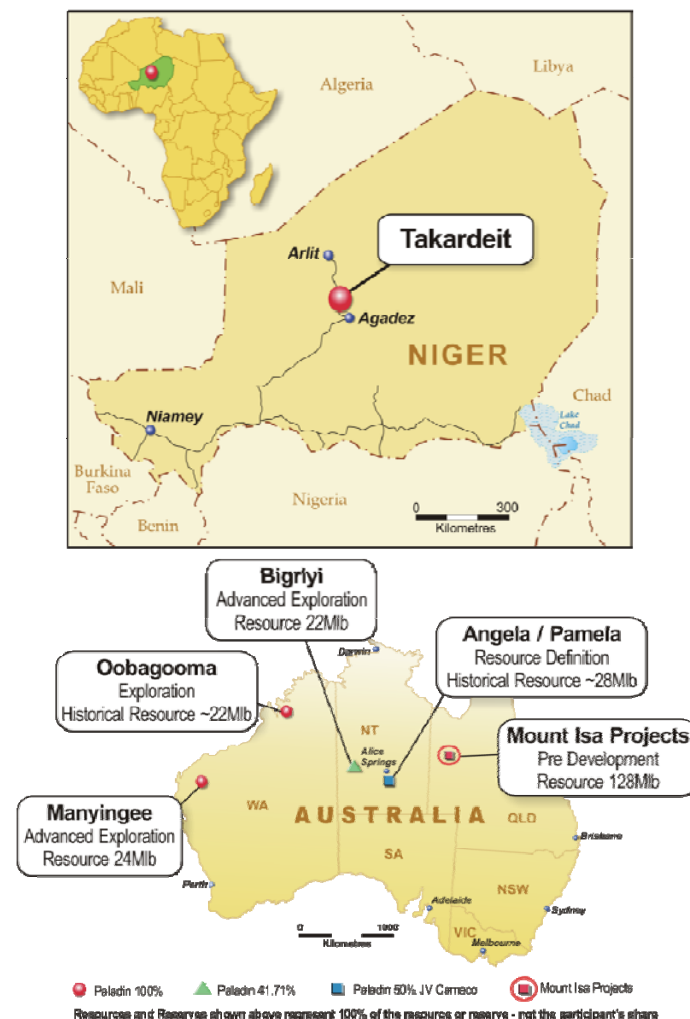
- ✦ **June quarter of 566,248lb; second highest achieved**
- ✦ **Production for year of 2.169Mlb (126% increase from past year)**
- ✦ **Overall recovery at 80% for quarter (target 85%)**
- ✦ **Focus areas:**
 - drying and packaging plant relocation to be completed end October
 - acid plant remediation work to be completed mid October
 - cost optimisation including a 37% reduction in contract mining costs already achieved
- ✦ **Plant upgrade completed in August and commenced production started September**
- ✦ **Expected to be at nameplate of 3.3Mlb/yr in December quarter**
 - operating costs expected to reduce to US\$36/lb by the end of FY 2012
- ✦ **Targeting start of Bankers Test 1 October 2011**

Pipeline Project Status

monetising selected Australian assets



- ✦ **Mount Isa, Qld (part JV with Summit)**
 - exploration targeted on resource expansion
 - feasibility commences late 2012
- ✦ **Angela, NT (50% JV with Cameco)**
 - preliminary scoping study will define exploration
- ✦ **Bigriyi JV, NT (44% JV with Energy Metals)**
 - scoping study to investigate development concepts
- ✦ **Manyingee, Western Australia**
 - 2016/2020 development opportunity
- ✦ **Niger**
 - initiated regional exploration March 2011
- ✦ **Aurora Michelin Project**
 - on hold until moratorium lifted, expected early 2012



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Offer details



Offer structure

- ✦ Placement to raise up to approximately A\$70 million

Offer Price

- ✦ Offer Price to be determined by way of a bookbuild

Ranking of New Shares

- ✦ New Shares issued under the Placement will rank equally with existing shares
- ✦ New Shares issued on the TSX will be subject to a four month trading hold

Post transaction: strong balance sheet

- ✦ The raising, together with future cash flows and proceeds from future asset sales is expected to provide significant financial flexibility for the Company going forward

Paladin's debt position



Secured bank loans

- covenants are market practice with coverage ratios at achievable levels
- US\$141M project finance facility for the reimbursement of funds committed to the Langer Heinrich Stage 3 expansion and refinance of Stage 1 facility
 - consists of a US\$135M Project Financing Facility (drawn to US\$127.2M as announced on 12 September 2011) and a US\$6M Cost Overrun Facility (currently undrawn)
 - no parent company guarantee
- US\$167M for construction of Kayelekera Mine
 - six year project finance facility, standby cost overrun facility and a performance bond facility
 - currently US\$117.9M outstanding
 - parent company guarantee to be released upon satisfaction of Bankers Test



Convertible bonds

- vanilla structure with common market features
- US\$325M convertible bonds issued in March 2008, maturing in March 2013, conversion price of US\$6.59
- US\$300M in convertible bonds issued in November 2010, maturing in November 2015, conversion price of US\$5.67



Paladin is currently in compliance with all covenants attached to each of its debt facilities

Indicative Timetable



Event	Date
Trading halt on ASX	Pre-market 28 September 2011 (AEST) Evening 27 September 2011 (CDST)
Bookbuild opens	9:30am 28 September 2011 (AEST) 7:30pm 27 September 2011 (CDST)
Bookbuild closes (subject to Global Joint Lead Arrangers)	28 September 2011
Trading halt on ASX lifted	10:00am 29 September 2011 (AEST) 8:00pm 28 September 2011 (CDST)
Outcome of Placement announced	29 September 2011
Settlement of Placement (ASX & TSX)	5 October 2011

These dates are indicative only and subject to change. All dates and times refer to Australian Eastern Standard Time (AEST) and Canadian Daylight Savings Time (CDST).

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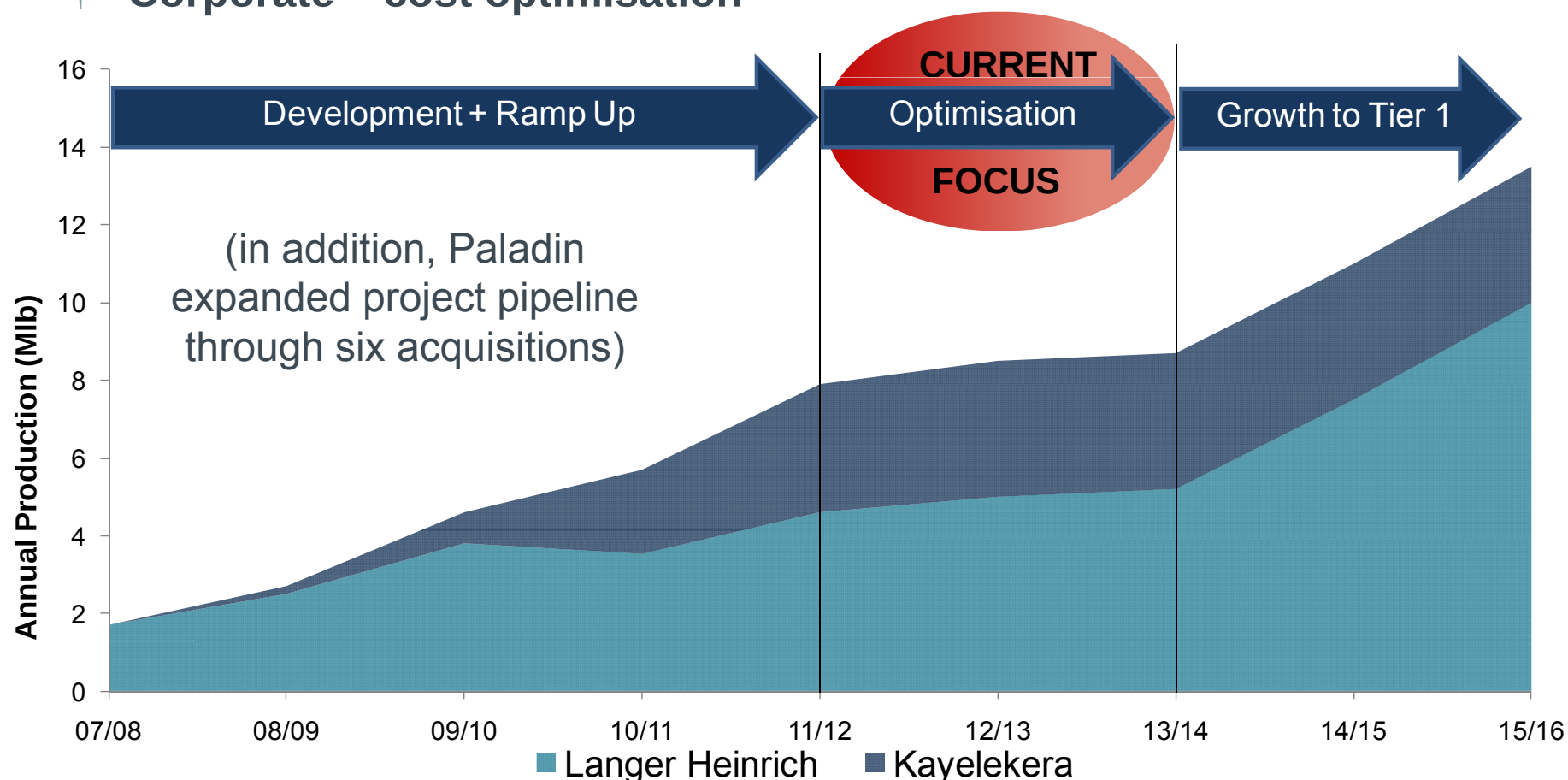
Entering the Next Phase - Optimisation



From developer to stable producer – focus on optimisation

✦ Operations – cost & production optimisation

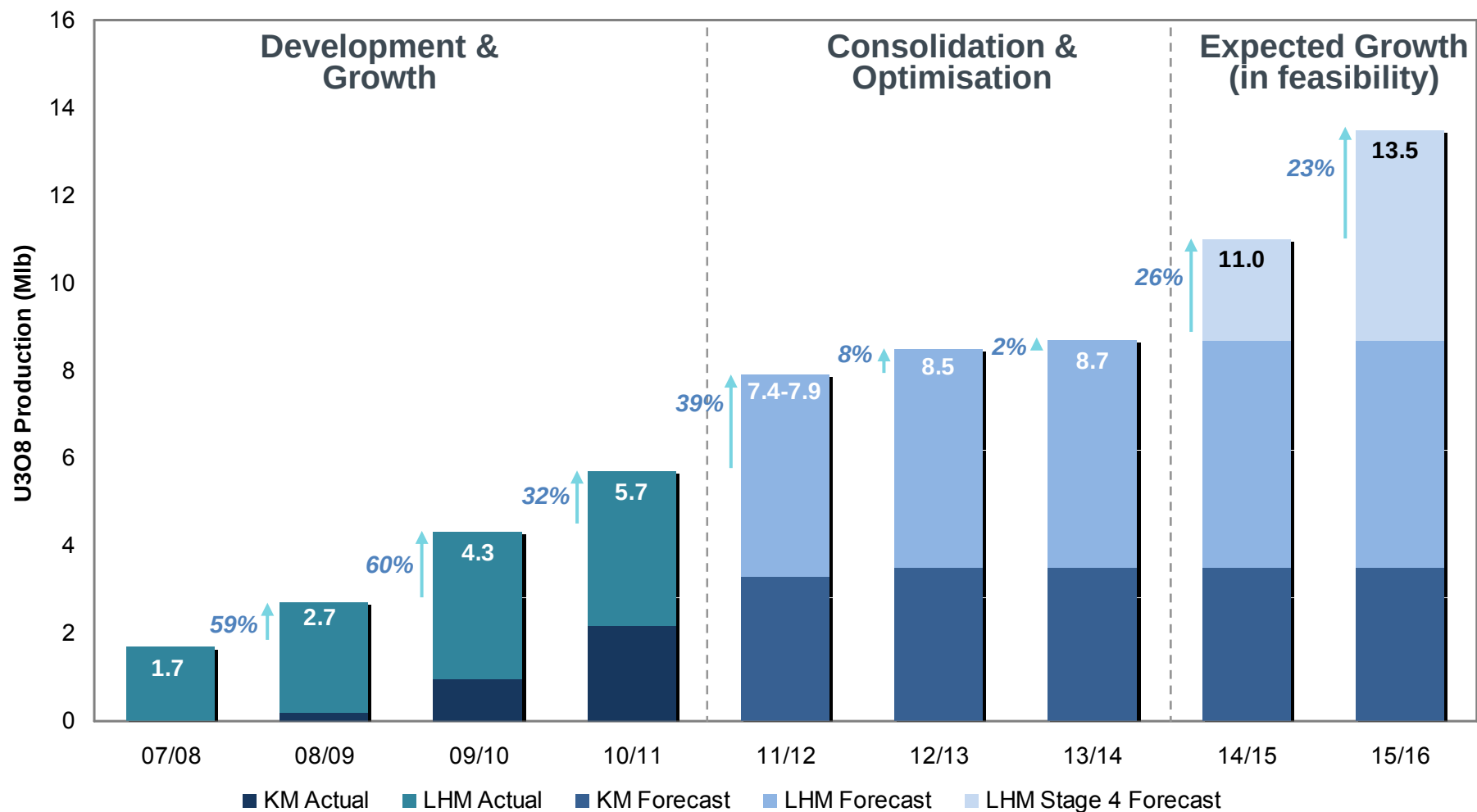
✦ Corporate – cost optimisation



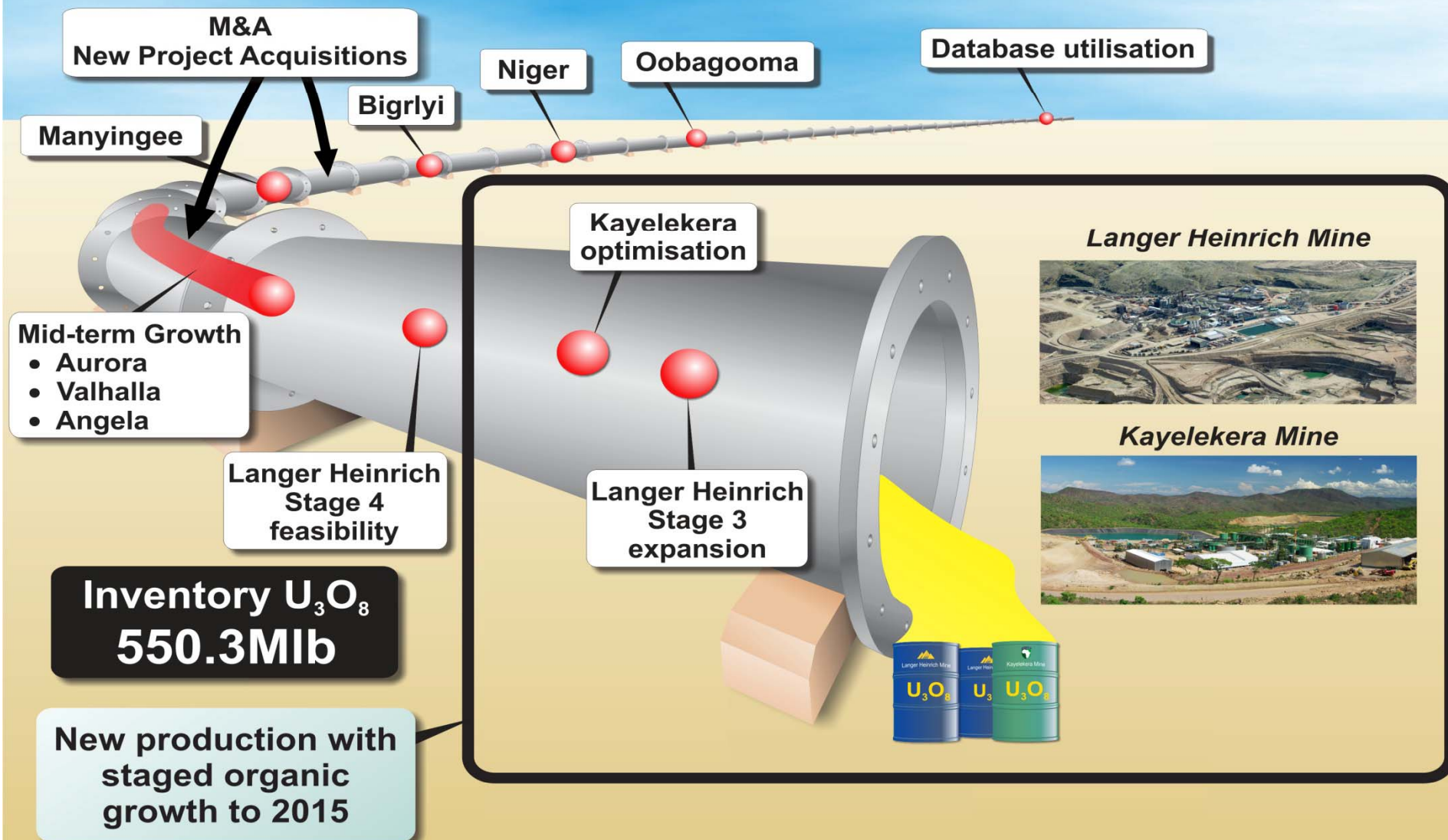
Strong Growth



Production growth delivered and anticipated



Project Pipeline



Key Takeaways: Turning the corner



Outlook

- cost and production optimisation across all operations
- reduction in corporate overheads
- opportunity for selective monetisation of non-producing assets
- maintain strong organic production growth profile
- access strategic opportunities



Positioned to make Paladin a Partner of Choice

- track record of advancing uranium projects to production
- unique, geographically diversified asset base
- stable, effective board and experienced management team
- only non-aligned pure uranium producer

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Summary of Key Risks



✦ There are various risks associated with an investment in Paladin and many of these are outside the control of the Company. Please refer to the expanded key risks on the following pages of this presentation

✦ Key risk factors include:

- uncertainty of development and expansion of projects and exploration risk
- commodity prices and exchange rates
- mineral resource and ore reserve estimates
- production estimates
- general operation risks upon commencement of production
- changes in capital and operating cost estimates
- securing financing for development of Paladin's projects
- changes in State or Federal Government or general Government policy
- changes in accounting policies
- key personnel
- environmental and social risk
- authorisations, permits and licences may be withdrawn or not obtained

Key Risks



- ✦ There are various risks associated with investing in Paladin, as with any stock market investment, and specifically because of the nature of Paladin's business and the present stage of development of Paladin's operations. This includes projects in which Paladin has an interest. A reference to Paladin in this "Key Risks" section should therefore be taken to include, where relevant, a reference to those project interests
- ✦ Potential investors should consider whether the shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below and on the following pages. Many of those risk factors are outside the control of the Directors
- ✦ It is important to recognise that share prices might fall or rise. Factors affecting the operating and financial performance of Paladin and the market price of Paladin shares include domestic and international economic conditions and outlook, changes in government fiscal, monetary and regulatory policies, changes in interest rates and inflation rates, changes to commodity prices, the announcement of new technologies and variations in general market conditions and/or market conditions which are specific to the particular industry
- ✦ In addition, share prices of many companies are affected by factors which might be unrelated to the operating performance of the relevant company. Such factors might adversely affect the market price of Paladin shares

Uncertainty of development and expansion of projects and exploration risk

- ✦ Some of the projects in which Paladin has an interest are currently either in exploration or development stage, or are currently undergoing expansion. Uranium exploration and mine development generally involves a high degree of risk and is subject to hazards and risks such as unusual and unexpected geological formations, conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, any facilities, damage to life or property, environmental damage and possible legal liability, and other potential issues
- ✦ As a result, progressing exploration and development projects into production, as well as expanding existing producing assets, may take longer and/or cost more to develop than planned and expected production rates may not be achieved. There is also a risk that no additional uranium is discovered or able to be delineated
- ✦ The information provided in this presentation in relation to Paladin's projects is the current estimate of uranium resources and reserves, capital and operating cost, as determined from geological data obtained from drill holes and other exploration techniques and feasibility studies conducted to date

Key Risks (cont'd)



Commodity prices and exchange rates

- ✦ Paladin derives the majority of its revenue from the sale of uranium. Difficulties encountered in negotiations with customers may adversely affect Paladin's financial performance if the price that customers are willing to pay and/or the quantity of uranium required by customers are below expectations
- ✦ The price of uranium may fall as a result of a number of factors beyond Paladin's control, including increased global supply, decreased demand (a possible consequence of the "Fukushima incident"), currency exchange rates, general economic conditions, regulatory changes and other factors. Paladin cannot provide an assurance as to the prices it will achieve for any of its uranium product in the future
- ✦ Uranium sales are generally contracted in US\$. Paladin's flagship projects are also both located in southern Africa and costs are incurred in Namibian dollars and Malawi Kwacha. Accordingly, fluctuations in the A\$ relative to the US\$, Namibian dollar and Malawi Kwacha may materially affect the cash flow and earnings which Paladin will realise from its operations in A\$ terms

Mineral resource and ore reserve estimates

- ✦ Resource and reserve estimates are stated to be prepared in accordance with the JORC Code and are expressions of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made, but may change significantly when new information becomes available. There are risks associated with such estimates. Resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resources and reserves could affect Paladin's development and mining plans
- ✦ There is also a risk that exploration targets are not met and resources cannot be converted into reserves

Production estimates

- ✦ Actual future production may vary from targets and projections of future production for a variety of reasons. There is greater risk that actual production will vary from estimates of production made for properties under exploration or not yet in production or from operations that are to be expanded

General operation risks upon commencement of production

- ✦ Paladin's mining operations may be affected by (amongst other things) the following: weather/natural disasters; unexpected maintenance or technical problems; unplanned capital expenditure; variations in geological conditions; increases in labour costs and other factors

Key Risks (cont'd)



Changes in capital and operating cost estimates

- ✦ Whilst every care has been made in estimating the capital cost and future operating costs for Paladin's projects, the actual costs structure experienced in constructing the facilities and operating the mine and process plant may vary from current estimates. Any such variations could adversely affect Paladin's financial position and performance

Securing financing for development of Paladin's projects

- ✦ No assurance can be given that any financing required from time to time will be available on terms favourable to Paladin. In such circumstances, if Paladin is either unable to secure financing or secure financing on favourable terms, this may have a material adverse effect on Paladin
- ✦ In the event that Paladin decides to undertake an acquisition/s, new projects, further exploration and feasibility studies additional funds may be required, as such Paladin may need to raise additional debt or equity in the future. There is no assurance that Paladin will be able to obtain additional debt or equity funding when required, or that the terms associated with that funding will be favourable, which may have an adverse effect on Paladin

Changes in State or Federal Government or general Government policy

- ✦ Changes in legislative and administrative regimes, taxation laws, interest rates, other legal and government policies in Australia, Namibia, Malawi and other jurisdictions in which Paladin's assets are located within, may have an adverse effect on the assets, operations and ultimately the financial performance of Paladin and the market price of Paladin shares

Changes in accounting policies

- ✦ Changes in accounting policies may have an adverse impact on Paladin

Key personnel

- ✦ Paladin's future success depends on the expertise and continued service of certain key executives and technical personnel. Although Paladin enters into employment and incentive arrangements with such personnel to secure their services, Paladin cannot guarantee the retention of their services. Should key personnel leave, Paladin's business and financial performance may be adversely affected

Key Risks (cont'd)



Environmental and social risk

- ✦ Uranium exploration and mine development is an environmentally hazardous activity which may give rise to substantial costs for environmental rehabilitation, damage control and losses. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent. Paladin could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with discharges of materials into the environment, plant and wildlife, protection, the reclamation and restoration of certain of its properties, the storage, treatment and disposal of wastes and other issues
- ✦ Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits, reputational issues, increased licence conditions and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Increased costs associated with regulatory compliance and/or with litigation could have a material and adverse effect on Paladin's financial performance

Authorisations, permits and licences may be withdrawn or not obtained

- ✦ Uranium exploration and prospective production are dependent upon the granting and maintenance of appropriate licences, permits and regulatory consents (authorisations) which may not be granted or may be withdrawn or made subject to limitations at the discretion of, inter alia, government or regulatory authorities. Although the authorisations may be renewed following expiry or granted (as the case may be), there can be no assurance that such authorisations will be continued, renewed or granted, or as to the terms of such renewals or grants. If there is a failure to obtain or retain the appropriate authorisations or there is a delay in obtaining or renewing them or they are granted subject to additional onerous conditions, this may adversely affect the ability of Paladin to conduct its exploration or development operations, which may adversely affect Paladin's financial performance

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- ✦ Additional materials

Ore Reserves and Mineral Resources



Project	Measured & Indicated Resources Attributable to Paladin			Inferred Resources Attributable to Paladin			Cut-off U ₃ O ₈ ppm	Total Reserves 100% project basis			
	t U ₃ O ₈	Mlb U ₃ O ₈	% U ₃ O ₈	t U ₃ O ₈	Mlb U ₃ O ₈	% U ₃ O ₈		t U ₃ O ₈	Mlb U ₃ O ₈	% U ₃ O ₈	Cut-off U ₃ O ₈ ppm
Langer Heinrich (100%) ¹	67,990	149.9	0.055	10,990	24.2	0.060	250	59,718	131.7	0.055	250
Kayelekera (85%) ¹	15,499	34.2	0.085	3,447	7.6	0.060	300	10,630	23.4	0.10	400
Mount Isa (82/91/100%)	31,520	69.5	0.080	21,314	47.0	0.060	Various				
Manyingee (100%)	8,080	17.8	0.10	2,810	6.2	0.050	200				
Bigirlyi (42%)	2,669	5.9	0.14	1,335	2.9	0.11	500				
Niger (100%)				4,943	10.9	0.020	120				
Aurora (100%)	38,030	83.8	0.095	24,029	53.0	0.080	Various				
Angela (50%)				6,990	15.4	0.13	300				
Total (JORC)²	163,788	361.1	0.070	75,858	167.2	0.060		70,348	155.1	0.06	

1. Mineral Resources and Ore Reserves for Langer Heinrich and Kayelekera are depleted for mining as at 30 June 2011 and include ROM stockpiles at that time.

2. In addition, Paladin has an exploration target at **Oobagooma** of approximately 10,000t U₃O₈ (22Mlb) at a grade of approximately 0.12% U₃O₈.

Important Notice



International Offer Restrictions:

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

European Economic Area - Belgium, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that has two or more of (i) an average of at least 250 employees during its last fiscal year; (ii) a total balance sheet of more than €43,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) and (iii) an annual net turnover of more than €50,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);

to fewer than 100 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Important Notice (cont'd)



Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than (i) to "professional investors" (as defined in the SFO) or (ii) in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 100 natural or legal persons who are not qualified investors.

Important Notice (cont'd)



Italy

The offering of the New Shares in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to the Italian securities legislation and, accordingly, no offering material relating to the New Shares may be distributed in Italy and such securities may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998 ("Decree No. 58"), other than:

to Italian qualified investors, as defined in Article 100 of Decree no.58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999 ("Regulation no. 11971") as amended ("Qualified Investors"); and

in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971 as amended.

Any offer, sale or delivery of the New Shares or distribution of any offer document relating to the New Shares in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:

made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 and any other applicable laws; and

in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Any subsequent distribution of the New Shares in Italy must be made in compliance with the public offer and prospectus requirement rules provided under Decree No. 58 and the Regulation No. 11971 as amended, unless an exception from those rules applies. Failure to comply with such rules may result in the sale of such New Shares being declared null and void and in the liability of the entity transferring the New Shares for any damages suffered by the investors.

Important Notice (cont'd)



Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The securities are not being offered or sold within New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept the placement other than to:

persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or

persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Important Notice (cont'd)



Norway

This document has not been approved by, or registered with, any Norwegian securities regulator pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except:

to "professional investors" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876);

any natural person who is registered as a professional investor with the Norwegian Financial Supervisory Authority (No. Finanstilsynet) and who fulfils two or more of the following: (i) any natural person with an average execution of at least ten transactions in securities of significant volume per quarter for the last four quarters; (ii) any natural person with a portfolio of securities with a market value of at least €500,000; and (iii) any natural person who works, or has worked for at least one year, within the financial markets in a position which presuppose knowledge of investing in securities;

to fewer than 100 natural or legal persons (other than "professional investors", as defined in clauses (a) and (b) above); or
in any other circumstances provided that no such offer of New Shares shall result in a requirement for the registration, or the publication by the Company or an underwriter, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

Important Notice (cont'd)



Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined under section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

Important Notice (cont'd)



United Arab Emirates

Neither this document nor the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has the Company received authorization or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the New Shares, including the receipt of applications and/or the allotment or redemption of such securities, may be rendered within the United Arab Emirates by the Company.

No offer or invitation to subscribe for New Shares is valid or permitted in the Dubai International Financial Centre.

Important Notice (cont'd)



United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document and its accompanying documents do not constitute an offer of securities for sale in the United States. The New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**Securities Act**), and may not be offered or sold in the United States unless an exemption from the registration requirements of the Securities Act is available.

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