



PALADIN ENERGY LTD

24 November 2011
Annual General Meeting



Disclaimer



This presentation includes certain statements that may be deemed “forward-looking statements”. 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.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing and general economic, market or business conditions.

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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 members 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”, and as a Qualified Person as defined in Canadian National Instrument 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.

Presentation Outline

- ✦ Looming Uranium Supply Deficit
- ✦ Company Status & Highlights
- ✦ Project Status
- ✦ Outlook



Supply / demand fundamentals have not changed

✦ **Despite Fukushima, nuclear generation growth is inevitable:**

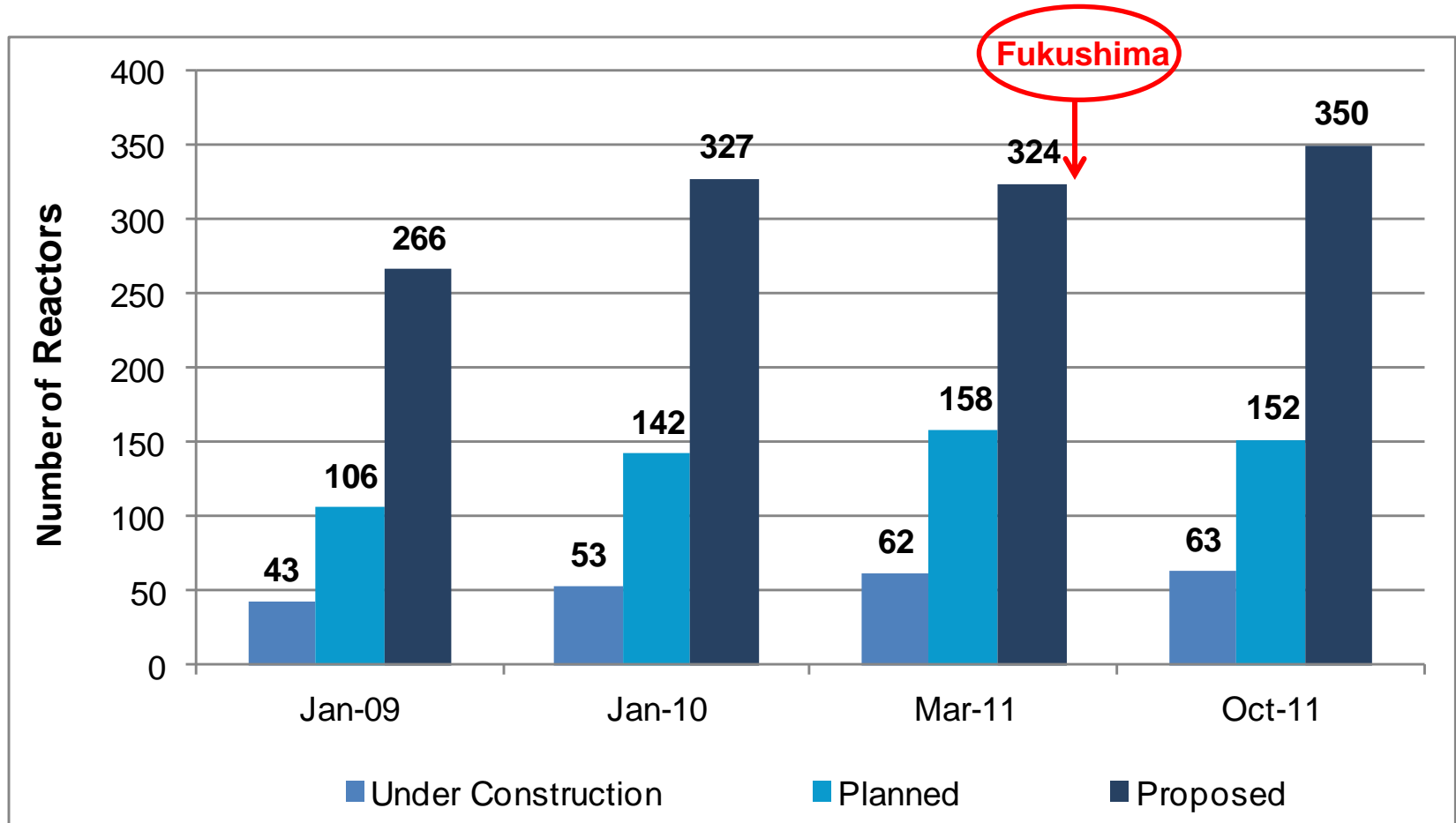
- continuation of Chinese, Korean and Indian programmes
- aggressive approach to capacity growth by Russian government
- new programmes in the Middle East
- momentum for at least 6 new US reactors by 2020 and life-extension of nearly all producing units

✦ **New uranium supply is constrained by significant financial, technical, political and regulatory risks**

✦ **Price drivers required for new production significantly higher than current levels – significant delay in new production**

Undue Negative Sentiment

Demand growth still intact



Source: World Nuclear Association Sept 2011

Uranium Production

(January-September)



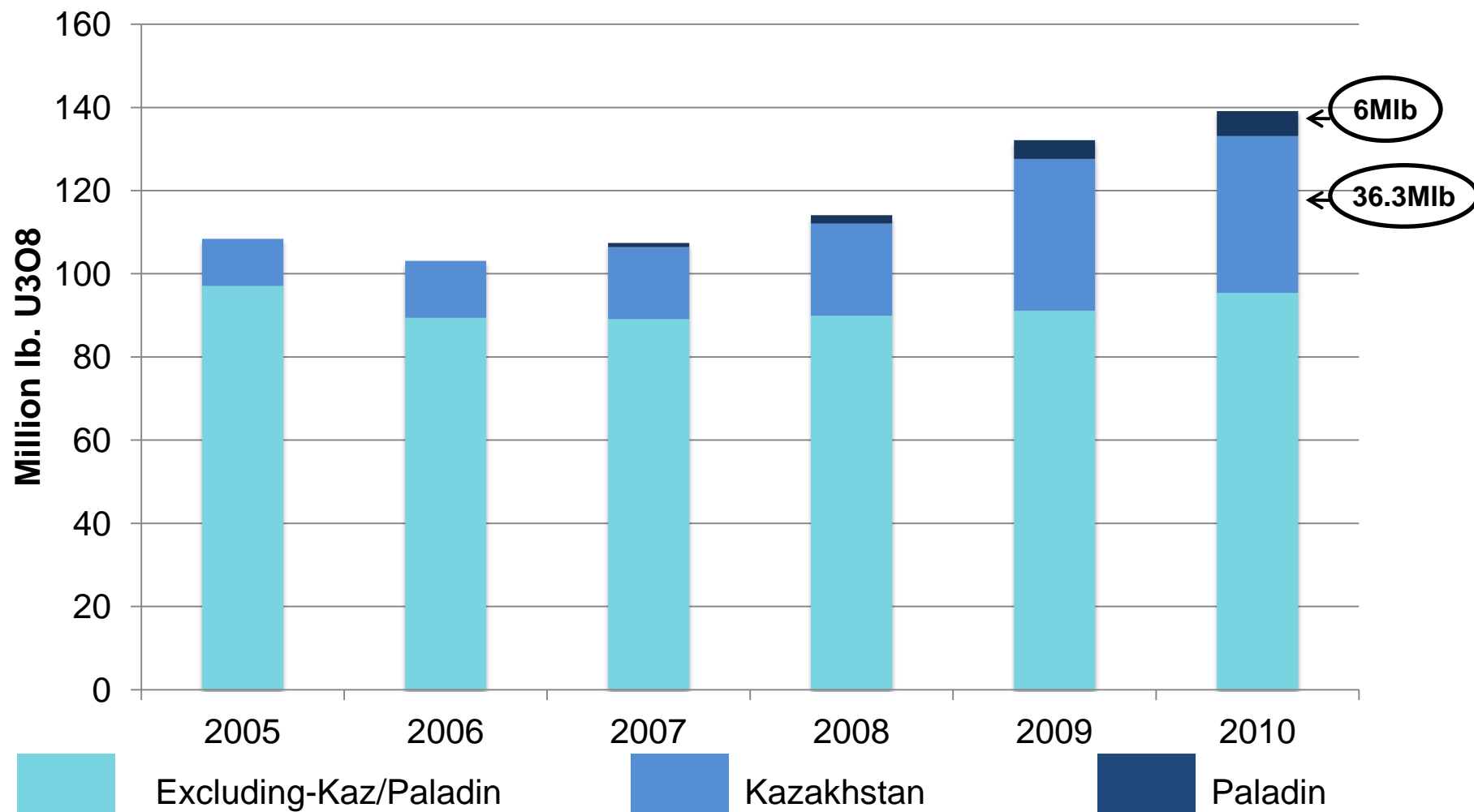
Country	2010	2011	% Change
Australia (ex-Beverley)	13.0	10.1	(22.3)
Canada	16.7	16.6	(0.6)
Kazakhstan	32.7	36.3	11
Malawi	1.2	1.6	33.3
Namibia	8.8	6.3	(2.8)
United States	3.1	3.1	----
Total	75.5	74.0	(2.0)

Global Uranium Production Growth

Kazatomprom & Paladin main contributors



Growth 2003 to 2010 from 92.5Mlb to 139.5Mlb



Higher Prices Required to Incentivise Future Supply

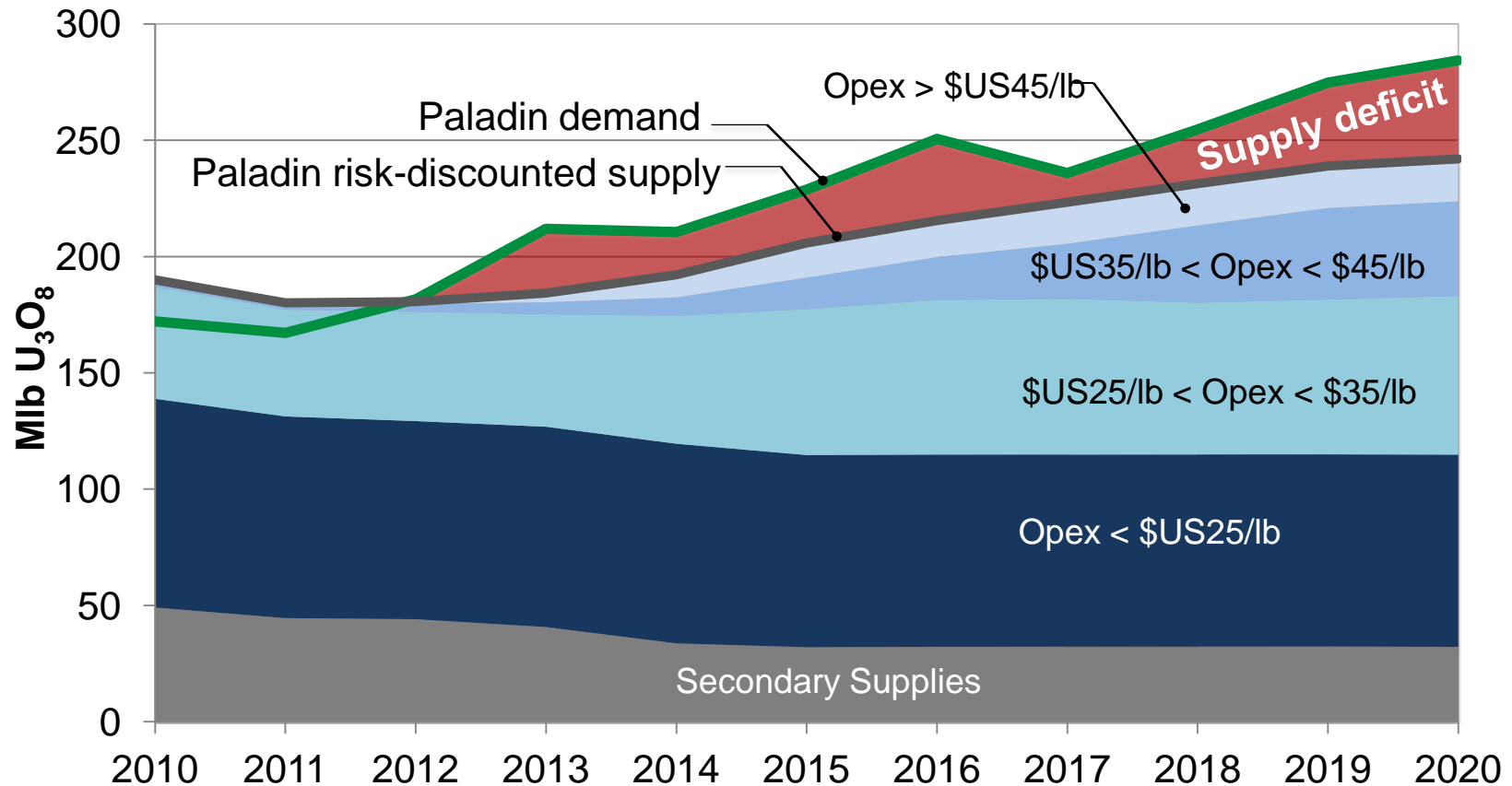


- ✦ ***The supply / demand imbalance will most likely widen with delays announced at a number of projects:***
- ✦ Paladin has stated
“Stage 4 expansion at Langer Heinrich will not occur unless uranium price increases”
- ✦ Kazatomprom has stated
“As long as prices remain at their current low levels, Kazakhstan will not develop new projects and our production will remain at the current level”
- ✦ Areva has stated higher uranium prices are necessary to encourage development and sustain current higher cost operations
- ✦ BHP Billiton has announced that it is putting the Yeelirrie project on hold
- ✦ Cameco’s Kintyre Project delayed to 2018

Supply / Demand Balance



Even with high-cost mines the risk-adjusted supply will have difficulty meeting demand requirements:



Appropriate price signals are required to incentivise supply!



✦ Uranium Supply

- there is a likely supply deficit in the near to medium term
- mining – in particular uranium – is a high risk business and risk/reward benefit needs rebalancing to ensure long term supply
- current prices **will not**
 - incentivise new supply
 - guarantee continuation of higher cost current capacity
- the disparity of the uranium price to other commodities is unsustainable under current mining industry cost pressures

Paladin is positioned to take advantage of this looming supply / demand imbalance

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Initiatives set platform for a step change in production and cost reduction going forward

Langer Heinrich Stage 3

- ✦ Stage 3 construction almost complete
- ✦ October/November production at 90% of Stage 3 design

Kayelekera Nearing Nameplate

- ✦ Plant upgrade successful
- ✦ Ramping up – Banker's test commenced

Cost Optimisation Underway

- ✦ Implementing corporate overhead reduction plan
- ✦ Kayelekera costs being reduced
- ✦ Optimising costs at Langer Heinrich

Commenced Joint Venturing Strategy

- ✦ Minority JV farm-outs of Australian assets initiated
- ✦ Strong response from potential partners
- ✦ Fund pipeline development & strengthen balance sheet

Strengthening the Value Proposition



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 and acquisition by ~200% since FY2005
OPPORTUNITY FOR PARTIAL MONETISATION

Unique Intellectual Property

- ✦ Innovators in uranium mine development
COMPETITIVE ADVANTAGE

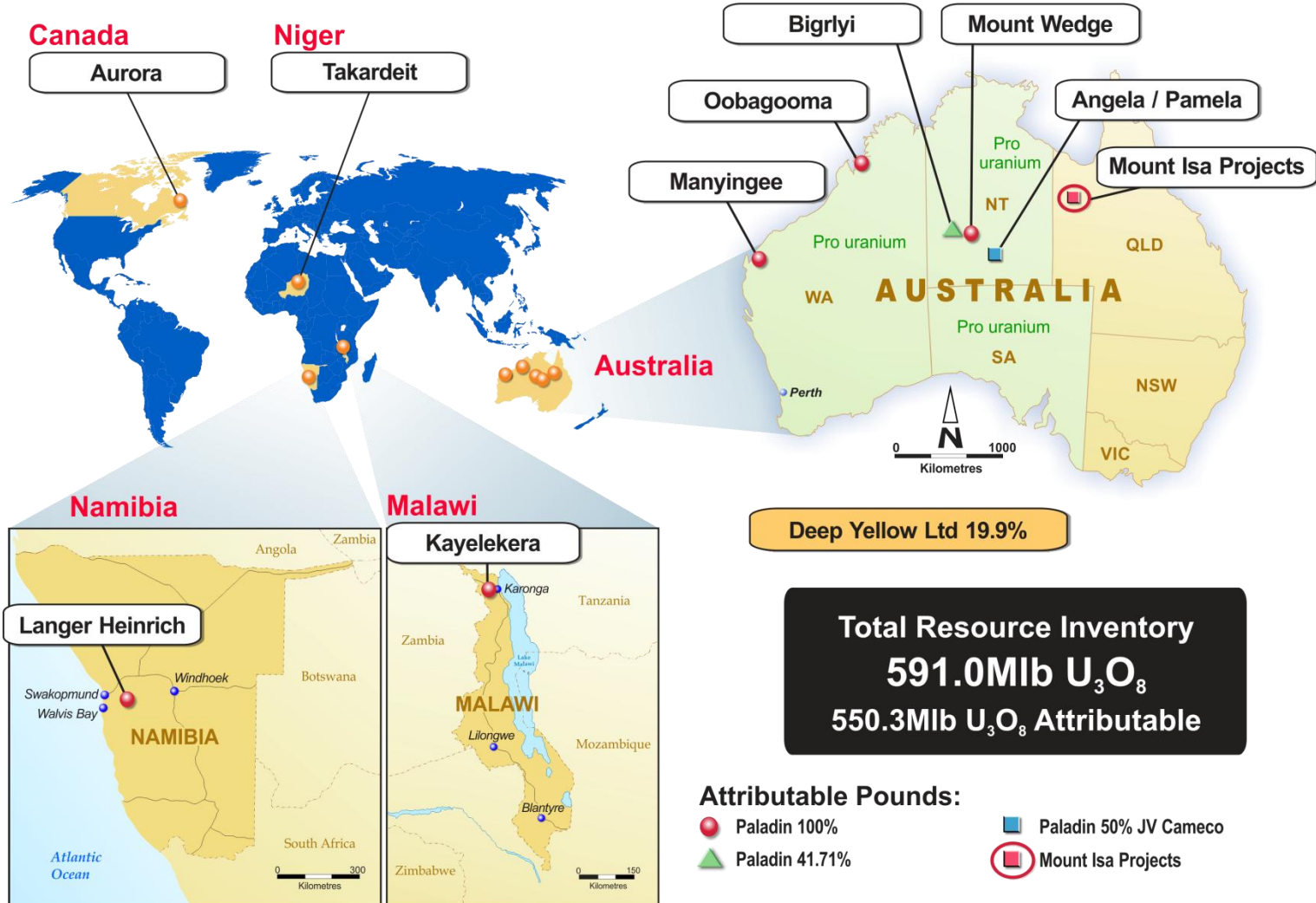
Unique Position

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

Globally Significant Project Base



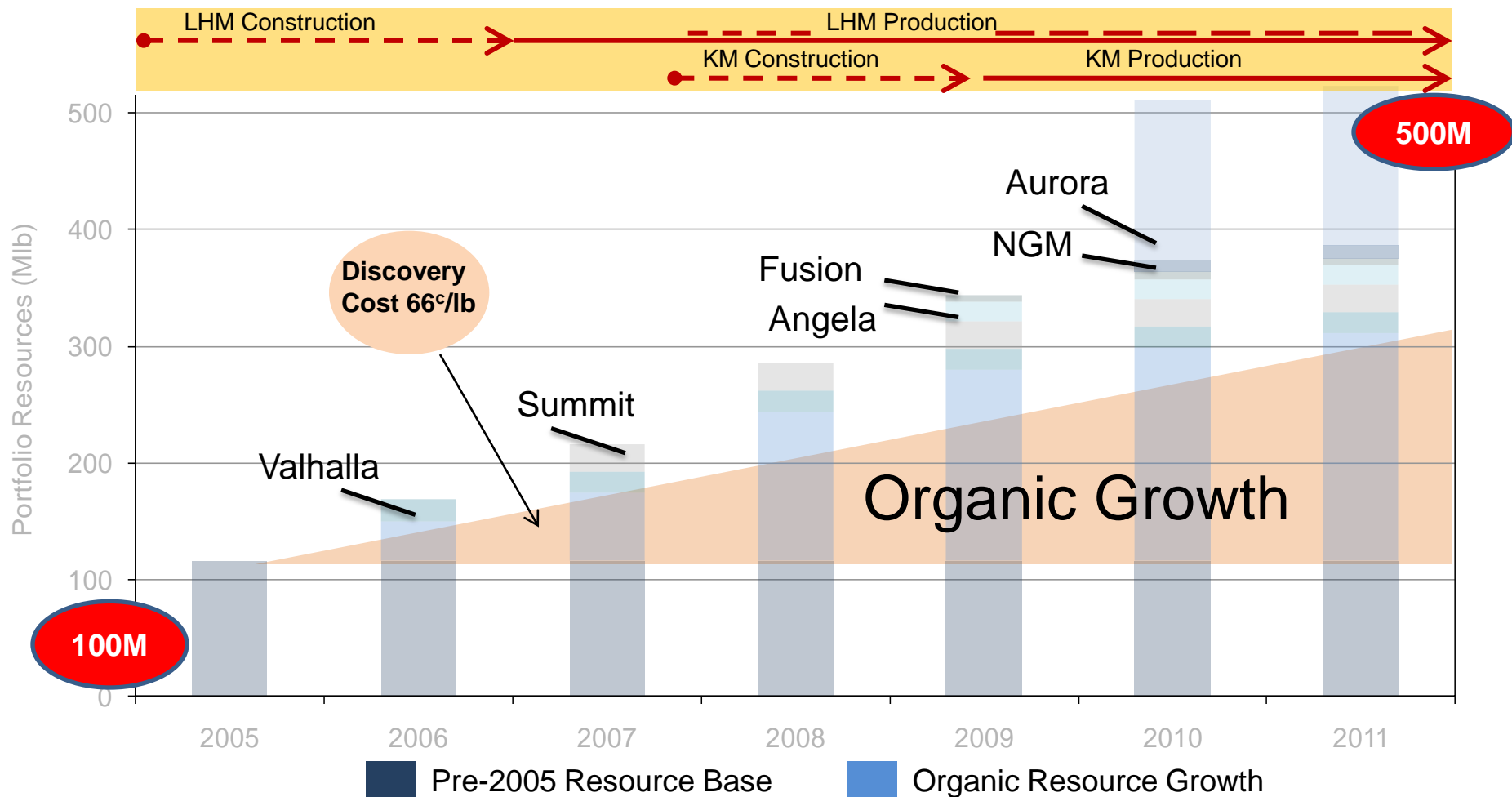
Actively developing in the World's premier uranium regions



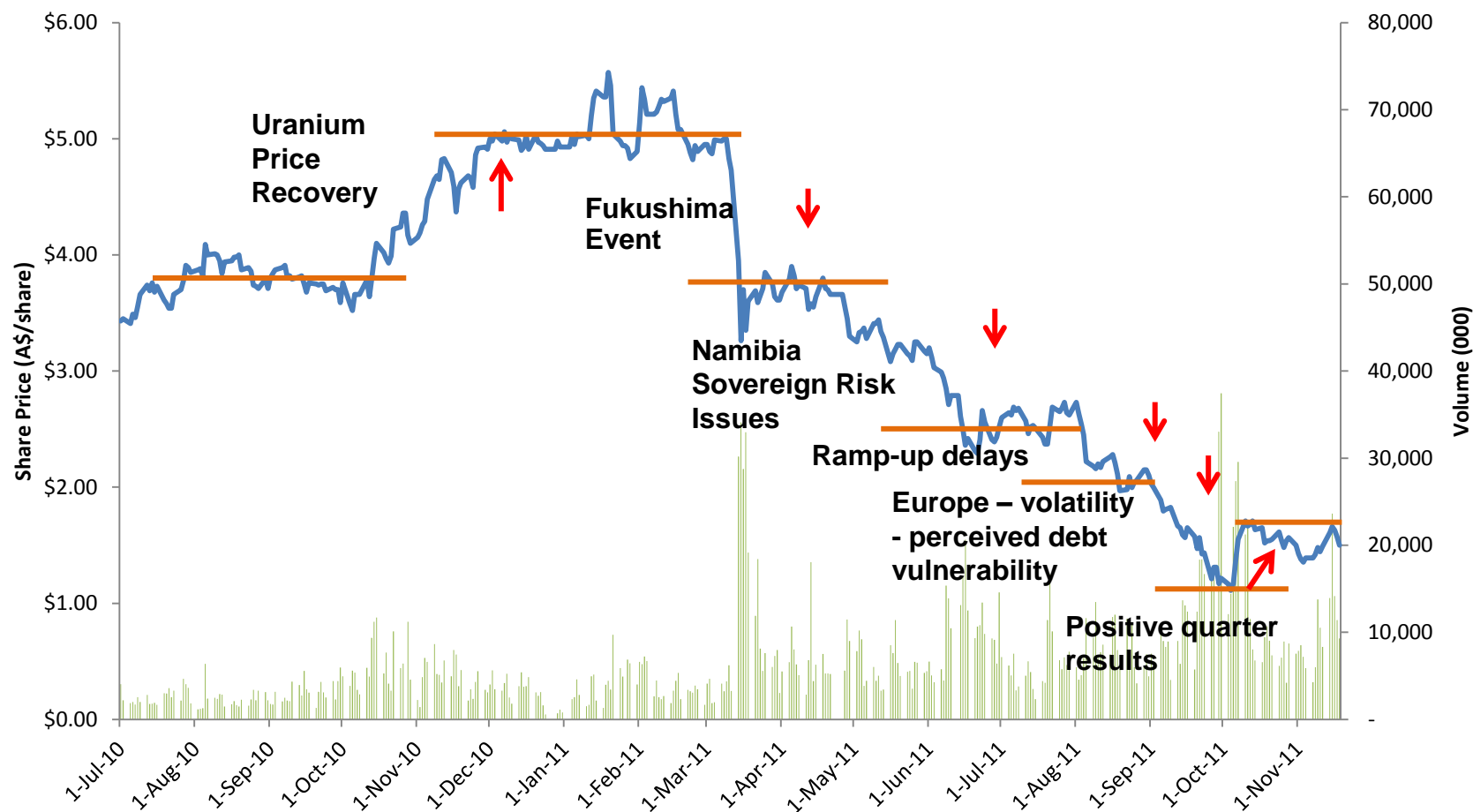
Asset Rich – Organic & Inorganic Growth



- Two operations built and in production plus two expansions
- 6 projects acquired (4 by takeover, 2 direct project acquisitions)



12 Month Share Price Performance with key events



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Langer Heinrich: Operational Update



- ✦ **September quarterly production down 5% to 849,0671lb**
 - impacted by Stage 3 tie-in shutdowns (6 days)
 - recoveries down slightly (~80%) due to lower temperature in leach circuit (dated heat exchangers)

- ✦ **Post quarter step change in production**
 - record production October to mid November - 90% of Stage 3 nameplate
 - increasing production benefits (front-end and residence time) from Stage 3 equipment
 - recoveries ~ 85%

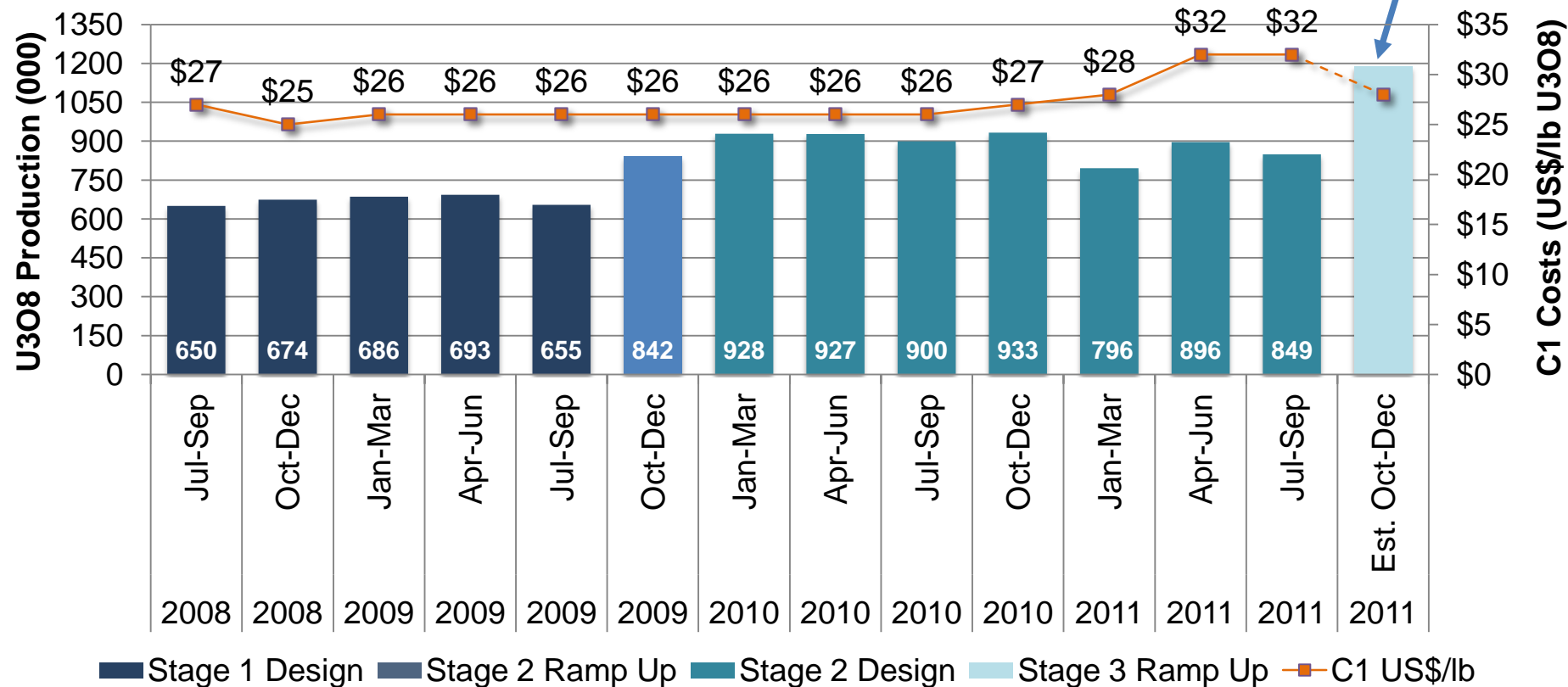
- ✦ **Stage 3 construction expanding operations to 5.2Mlb/yr in final stages**
 - front-end scrubber fully operational
 - additional heat in leach imminent (i.e. steam/flash splash)
 - NIMCIX modules next – nearing completion

- ✦ **Making substantial step change increases**

Langer Heinrich Production



LHM Quarterly Production & C1 Costs (US\$/lb)



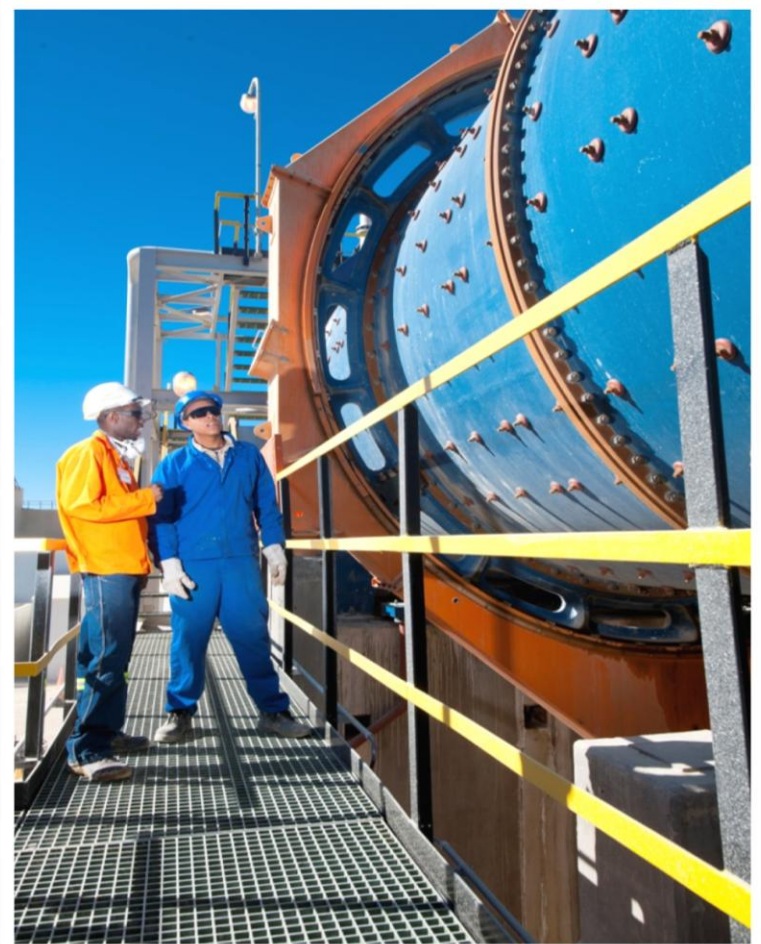
Langer Heinrich Photos



Processing Plant



Stage 3 Scrubber



Kayelekera: Operational update

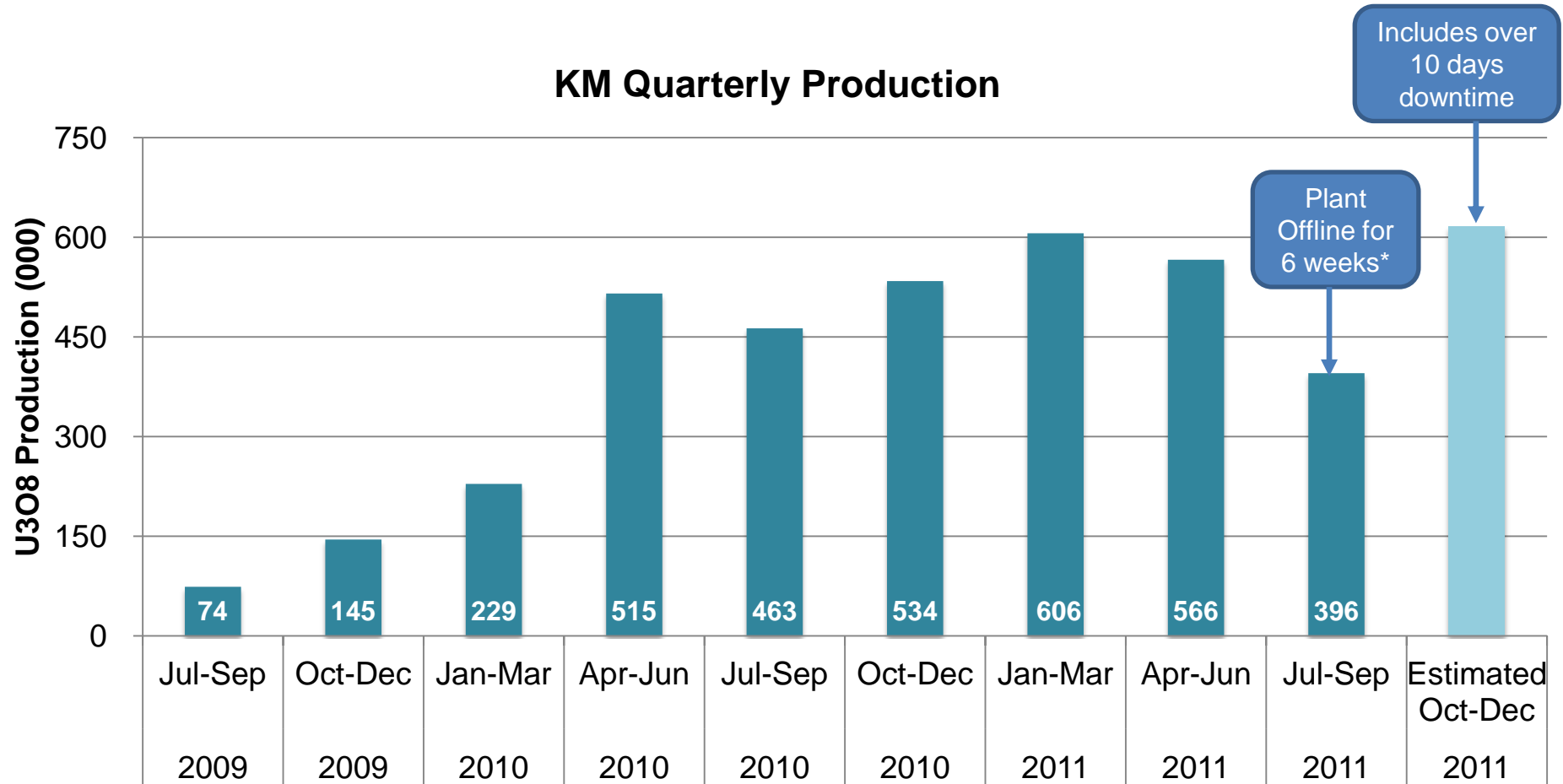


- ✦ **Quarterly production of 395,478lb; down due to shutdowns**
 - July production 234,281lb prior to shutdowns (85% of nameplate)
 - planned and unplanned plant downtime - 46% of quarter
 - 3 weeks planned (upgrades of leach launders, SAG mill reline and other)
 - 3 weeks remediation work on packaging/drying and acid plant

- ✦ **Post quarter**
 - acid plant and main plant running well
 - throughput at 190tph up 17% (pre-plant upgrades of 163tph)
 - recoveries **85% plus**
 - banker's test started on 1 November - current production in-line with the target of **achieving 90%** of design capacity
 - relocated packaging and drying plant up and running from 12 November
 - current indications that land movement has stabilised

- ✦ **Like Langer, making step change increases**

Kayelekera Production



* Plant offline for 3 weeks planned maintenance and 3 weeks remedial repairs to acid plant and drying and packaging plant

Kayelekera Photos



Processing Plant



Relocated Dryer



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Key Takeaways: Turned the corner



✦ Outlook

- production at both sites nearing nameplate
- cost and production optimisation across all operations
- reduction in corporate overheads
- joint venturing on Australian projects underway
- maintaining organic production growth profile
- strengthened balance sheet following raising

✦ Short to mid term new supply disappearing

✦ Positioned to make Paladin a partner of choice

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



Proxy Votes



1,850 proxies received representing 45.9% of the issued capital

	For	Against	Abstain	Open usable / conditional
Resolution 1 – Remuneration Report	313,053,733	70,154,934	14,145,744	290,618*
Resolution 2 – Re-election of Sean Llewelyn	402,232,783	3,631,682	12,828,110	2,206,978**
Resolution 3 – Amendment to Constitution	418,571,514	1,636,207	2,930,042	2,200,811**
Resolution 4 – Ratification of Share Issue	114,987,358	2,602,895	2,724,068	2,200,811**

* Open conditional reflects valid proxies for which consent has been given for the Chairman to vote “FOR” this resolution

** Open usable reflects valid proxies for which no voting indication has been noted

