

Paladin Energy Ltd

The New Energy In The Market

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Garry Korte – Chief Financial Officer

September 2009 Quarter Results & Investor Update
17 November 2009

Disclaimer

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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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Presentation Outline

- **Paladin Status - Summary**
- Uranium Supply and Demand
- Financial Review – Sept Qtr
- Projects Update
- Future Outlook



Paladin Status

an emerging Tier 1 global uranium producer

Multi-staged parallel activities – developing a complete company

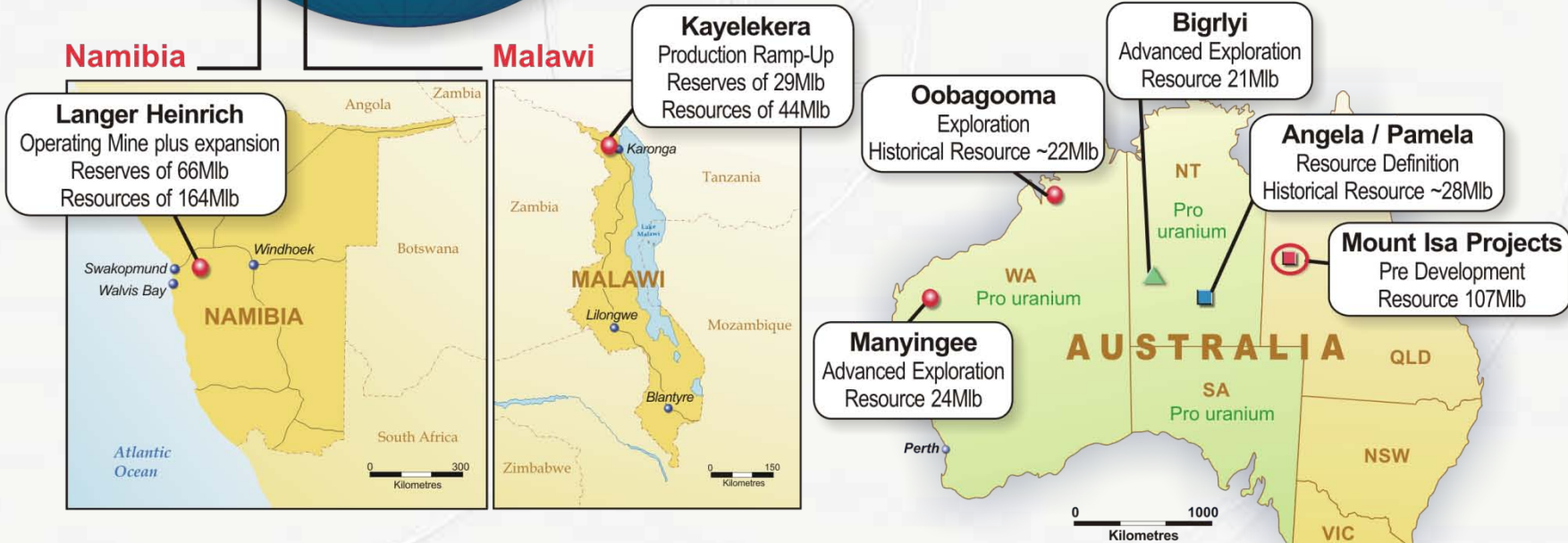
- **Sustained production** - LHM Stage 1
- **Ramping up production** - LHM Stage 2 & KM
- **Expansion (immediate)** - LHM Stage 3
- **Expansion (mid term)** - LHM Stage 4 & Stage 2 KM
- **Development/advanced exploration** - Mount Isa and Angela
- **New projects** - Niger
- **M&A**



Paladin's Suite of Uranium Properties staged for sequential development



Total Resource Inventory
372.3Mlb U₃O₈



Deep Yellow Ltd 19.6%
NGM Resources Ltd 19.9%

Attributable Pounds:

- Paladin 100%
- ▲ Paladin 42.06%
- Paladin 50% JV Cameco
- Mount Isa Projects

Resources and Reserves shown above represent 100% of the resource or reserve - not the participants share



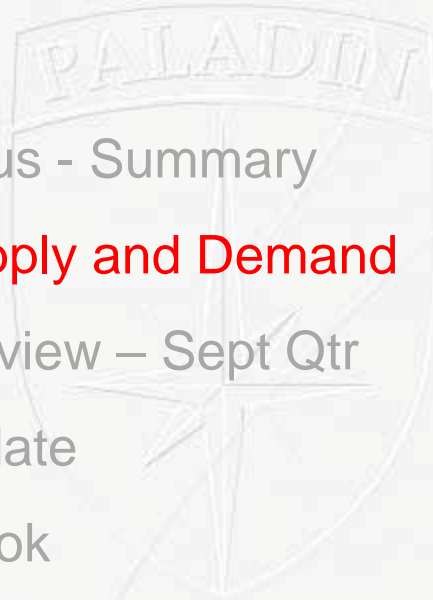
Paladin Energy

Resources and Reserves (September 2009)

| | Project | Total Resources Attributable to Paladin | | | | Total Reserves 100% project basis | | | |
|------|-------------------------|--|-----------------------------------|---------------------------------|---|--------------------------------------|-----------------------------------|---------------------------------|---|
| | | t U ₃ O ₈ | Mlb U ₃ O ₈ | % U ₃ O ₈ | Cut-off ppm U ₃ O ₈ | t U ₃ O ₈ | Mlb U ₃ O ₈ | % U ₃ O ₈ | Cut-off ppm U ₃ O ₈ |
| JORC | Langer Heinrich (100%) | 74,415 | 164.0 | 0.06 | 250 | 29,874 | 65.8 | 0.06 | 250 |
| | Kayelekera (100%) | 19,919 | 43.9 | 0.08 | 300 | 13,285 | 29.3 | 0.11 | 400 |
| | Mount Isa (90%/100%) | 43,525 | 96.0 | 0.07 | 250 | | | | |
| | Manyingee (100%) | 10,890 | 24.0 | 0.09 | 200 | | | | |
| | Bigrlyi (42%) | 3,928 | 8.7 | 0.13 | 500 | | | | |
| | Sub Total (JORC) | 152,677 | 336.6 | 0.07 | | 43,159 | 95.1 | 0.07 | |
| | Historical | Angela (50%) | 6,250 | 13.8 | 0.12 | 300 | | | |
| | Oobagooma (100%) | 9,950 | 21.9 | 0.13 | 200 | | | | |
| | Total (all) | 168,878 | 372.3 | 0.08 | | 43,159 | 95.1 | 0.07 | |

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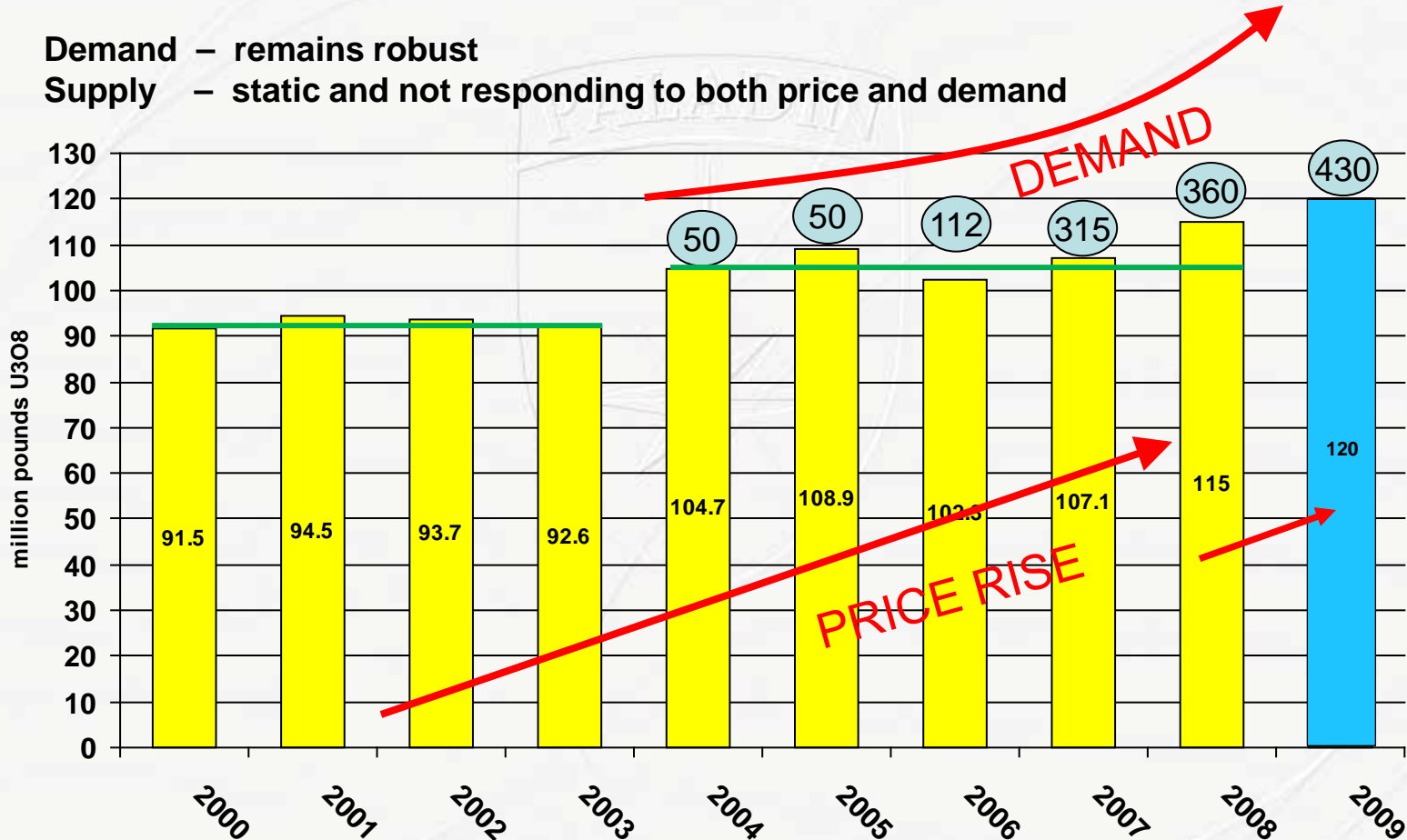


Global Uranium Production

2000 - 2008

Demand – remains robust

Supply – static and not responding to both price and demand



Actual production



Forecast production



Planned and proposed reactor builds Oct 09



World Nuclear Capacity - Growth is Assured

number of reactors expected to be operating by 2030

Status as of 1 October 2009

| | Current Nuclear Capacity | Under Construction | Planned |
|-----------------------|---|--------------------|--------------------|
| Reactors / (Capacity) | 436 (372.5GWe) | 52 (44.3GWe) [43] | 135 (150GWe) [108] |
| | 170Mlb U ₃ O ₈ required (WNA Estimate) | | |
| Countries | 30 | 13 | 25 [23] |
| China | 11 (8.6GWe) | 17 (15.3GWe) [11] | 34 (36.4GWe) [26] |
| Russia | 31 (21.7GWe) | 9 (7.1GWe) [8] | 7 (8GWe) [7] |
| India | 17 (3.8GWe) | 6 (3.0GWe) | 23 (21.5GWe) [23] |
| South Korea | 20 (17.7GWe) | 6 (5.3GWe) | 6 (9.4GWe) [3] |
| Japan | 53 (46.2GWe) | 2 (2.3GWe) | 13 (17.9GWe) [11] |
| United States | 104 (101.1GWe) | 1 (1.2GWe) [1] | 11 (13.8GWe) [12] |

In addition:

[] status April 2009

Proposed Reactors: 295 Reactors (288.8GWe) in 36 countries [266]



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- **Financial Review – Qtr Ending 30 Sept 2009**
- Projects Update
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Key Highlights

- **Langer Heinrich Mine**

- US\$38.3M revenue with gross profit of US\$13.6M
- 654,516lb produced
- cost of sales of US\$26/lb lower than 30 September 2008 quarter of US\$27/lb
- Stage 2 production levels close to being realised with October production of 276,757lb (90% of Stage 2 nameplate design)

- **Kayelekera Mine**

- 89,672lb produced
- production ramp-up in July and August slower than expected, but September results were improved
- upward trend expected to continue towards nameplate production rates in the March 2010 quarter

- **Strong balance sheet**

- US\$494.5M of cash and equivalents at 30 September 2009



Financial Performance

| | Sept 09 Quarter | Jun 2009 Quarter | 2009 Full Year |
|---|--------------------|---------------------|-------------------|
| Production (lb) – LHM Stage 1 | 654,516 | 693,116 | 2,702,972 |
| Production (lb) – KM | 89,672 | 34,600 | 34,600 |
| Total Production (lb) | 744,188 | 727,716 | 2,737,572 |
| <i>Annualised (lb pa)</i> | <i>3.0M</i> | <i>2.9M</i> | <i>2.7M</i> |
| Sales (lb) | 703,000 | 445,000 | 2,021,000 |
| Average Sales Price (US\$/lb U ₃ O ₈) | 55 | 51 | 55 |
| Sales Revenue (US\$M) | 38.3 | 22.9 | 111.8 |
| Gross Profit (US\$M) | 14.9 | 9.2 | 48.4 |

Note: All sales relate to LHM Stage 1 production.



Income Statement

- **Group revenue of US\$38.6M and gross profit of US\$14.9M**
- **Exploration expenditure of US\$5.1M**
 - US\$1.2M on the Mount Isa Uranium Joint Venture
 - US\$0.6M on Isa North Project in Queensland
 - US\$1.1M on Angela Uranium Joint Venture in the Northern Territory
- **Other expenses of US\$8.6M**

Major components comprised

- share based payments expense, US\$2.3M (non-cash)
- employee benefits expense, US\$2.2M after allocation to exploration
- corporate and marketing costs, US\$2.6M



Income Statement (Continued)

- **Finance costs reduced to US\$5.2M**
- **Taxation charge of US\$16M (non cash)**
 - mainly tax effect of foreign exchange movement on translation of plant & equipment
- **Loss after tax of US\$19.4M**
 - impacted by non cash tax charge of US\$16M



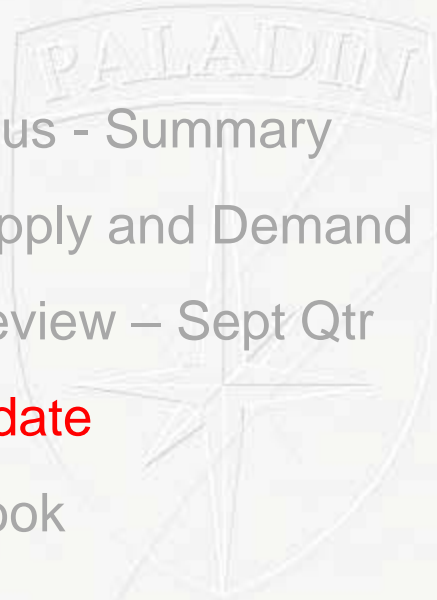
Balance Sheet and Cash Flow

- **Cash and cash equivalents of US\$494.5M at 30 September 2009**
 - held with Australian banks with minimum AA rating
- **US\$374M private placement completed to fund:**
 - M&A opportunities
 - progression of LHM Stage 3 expansion
 - expansion of exploration and pre-development programmes in Australia
- **US\$167M Kayelekera project financing facility completed**
 - US\$132M drawdown to 30 September 2009
- **The significant cash outflows during the year were:**
 - US\$38.6M KM construction
 - US\$11.0M LHM Stage 2
 - US\$5.6M exploration
 - US\$8.3M interest payments on borrowings



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Langer Heinrich – Our Flagship Project

Swakopmund



Langer Heinrich Uranium Mine

Walvis Bay

B1
Windhoek

50 km
20 mi



Langer Heinrich Plant showing Stage II additions



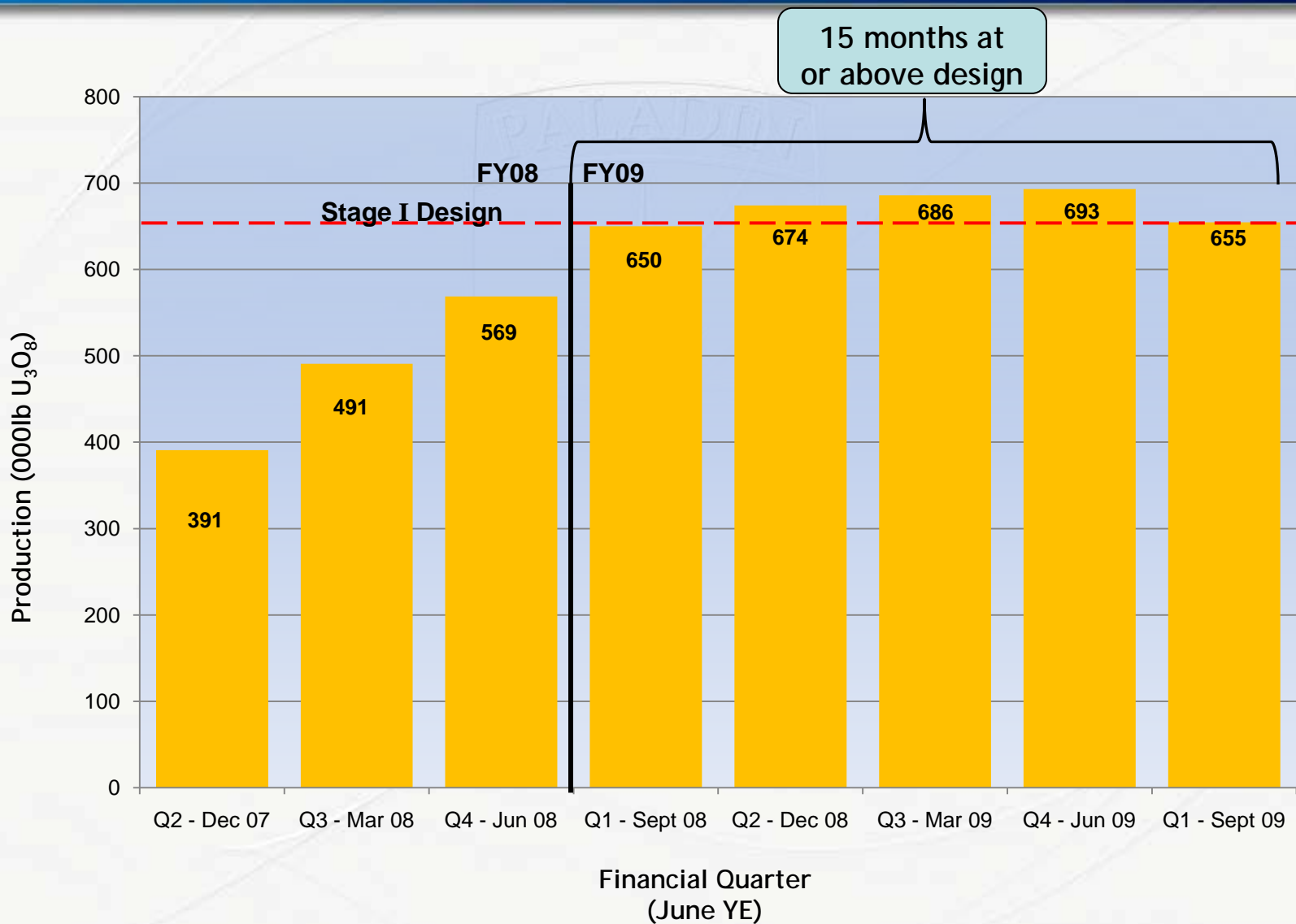
Langer Heinrich Project

current status

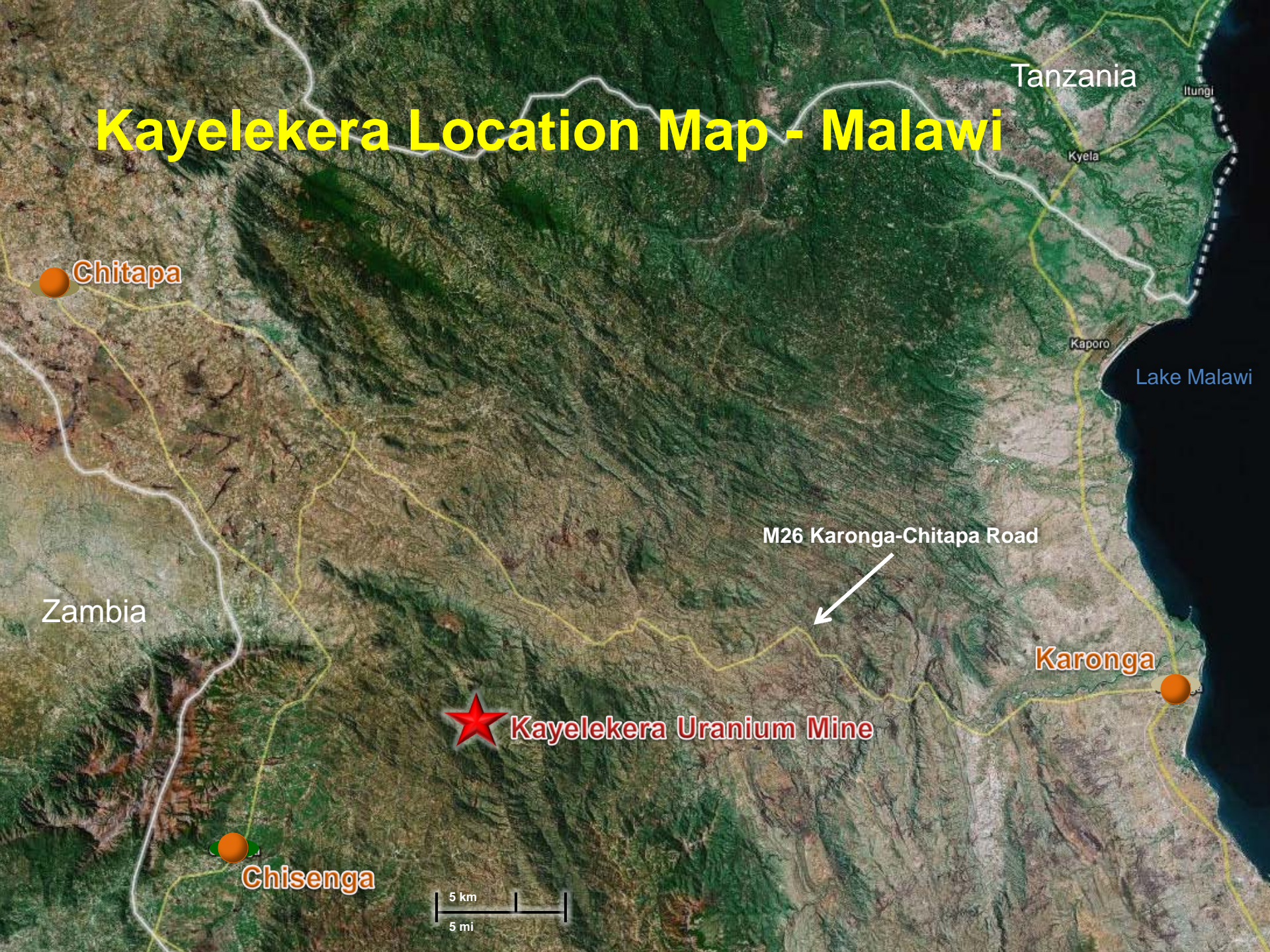
- **Stage 1 – Alkaline leach, CAPEX US\$100M**
 - design 2.6Mlb pa
 - operating above design capacity for 5 consecutive quarters
- **Stage 2 - commissioning**
 - design 3.7Mlb pa, CAPEX US\$59M
 - design production at approximately 90%
- **Stage 3 - approved increase to 5.2Mlb pa, CAPEX US\$71M**
 - commissioning start up anticipated Dec qtr 2010
- **Stage 4 – feasibility underway. Planned expansion to 9.0Mlb pa, CAPEX approx US\$300M plus 1Mlb pa heap leach for US\$53M by 2014.**



Langer Heinrich Production quarter by quarter



Kayelekera Location Map - Malawi



Tanzania

Itungi

Kyela

Kaporo

Lake Malawi

Chitapa

Zambia

M26 Karonga-Chitapa Road

Karonga

Kayelekera Uranium Mine

Chisenga



Kayelekera Mine



Kayelekera Uranium Project

current status

- Proving of ore feed up to 140tph to 150tph (75% of Nameplate @ 190tph)
- Process well proven with no fatal flaws
- Final product well within commercial specification
- 700,000t of ore on ROM pad or exposed in pit
- Orebody reconciliation has been excellent
- Teething delays at the plant have been a result of material handling in the RIP circuit (60%), planned maintenance (15%) and mechanical (25%) issues. These issues have been identified and are in the process of resolution.

Short Term Objectives

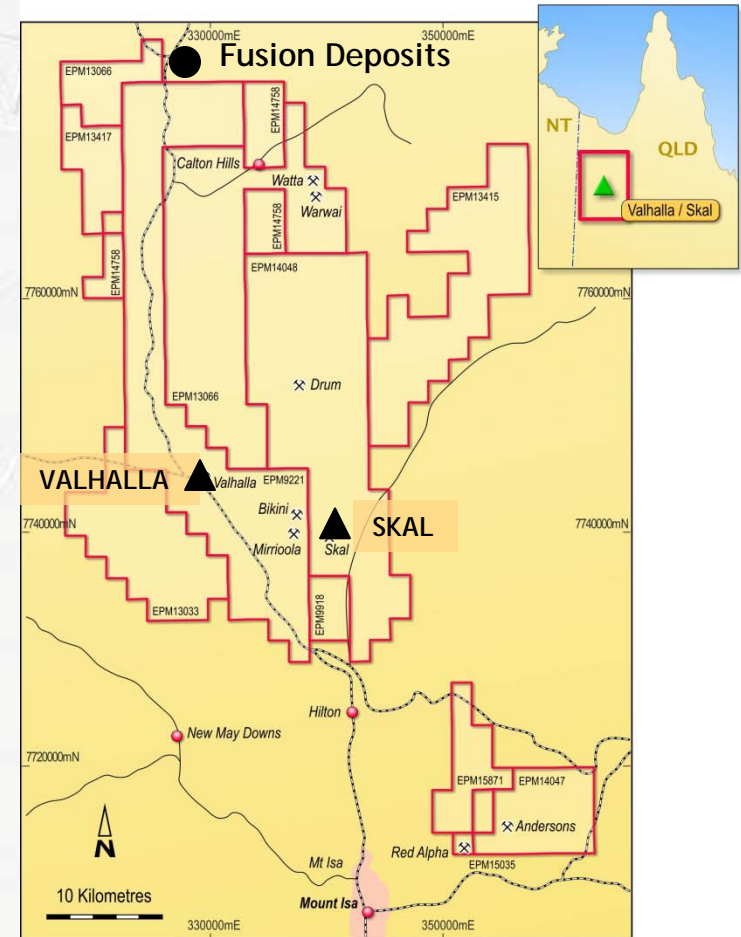
- Increase sustained throughput to 140-150tph (75% of design capacity) by Dec 09
- Achieve sustained nameplate capacity (190tph) March 2010 quarter.



Mount Isa Uranium Project

current status

- Uranium resource now 111Mlb
- Focussed metallurgical scoping test work underway
- Environmental baseline work ongoing
- Feasibility study to start mid 2010
- Ongoing lobbying of QLD Government re uranium policy
- 09/10 budget A\$10.5M



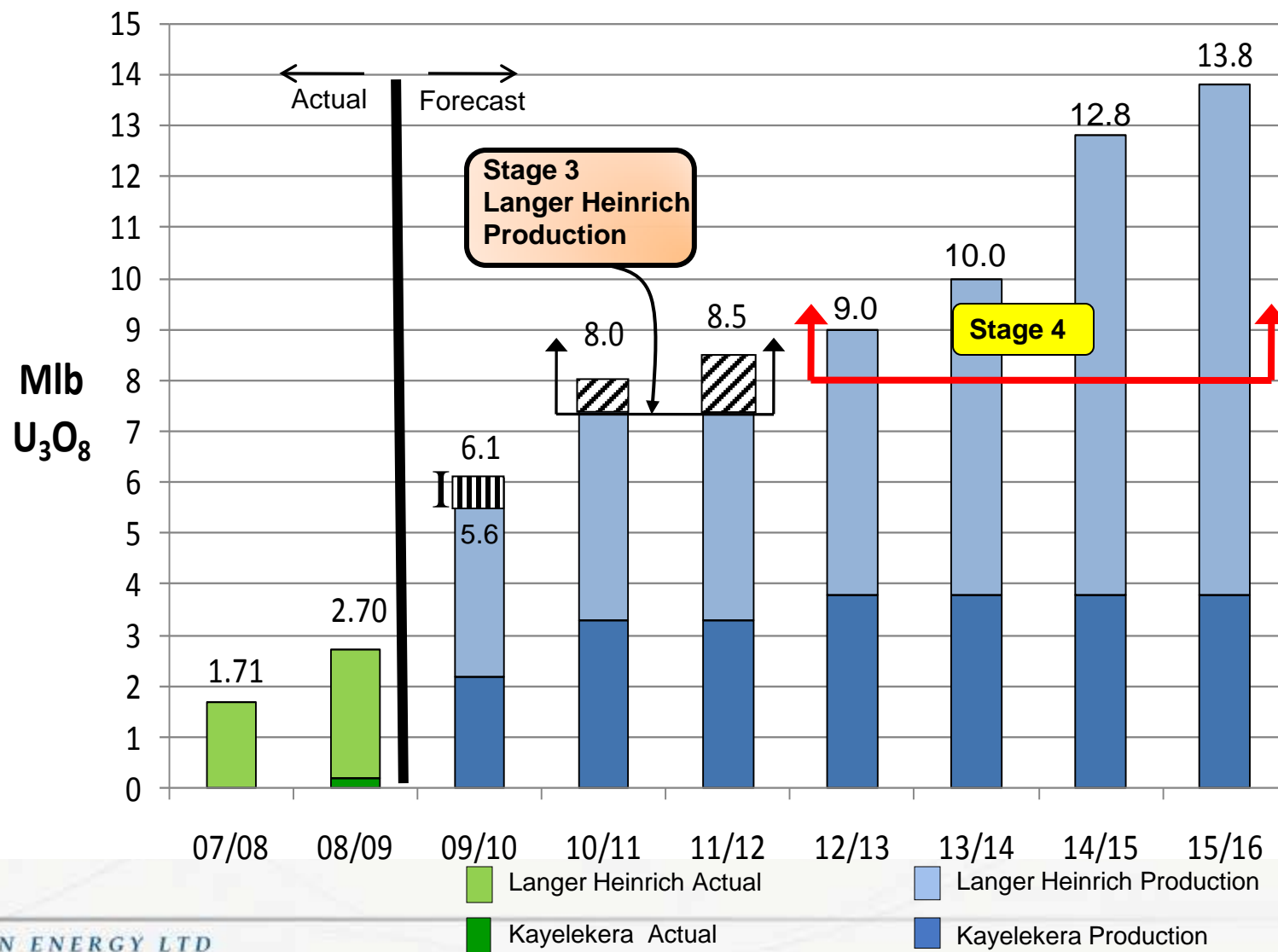
Angela Deposit (Northern Territory) progressed in parallel with Mount Isa Project – provides development optionality

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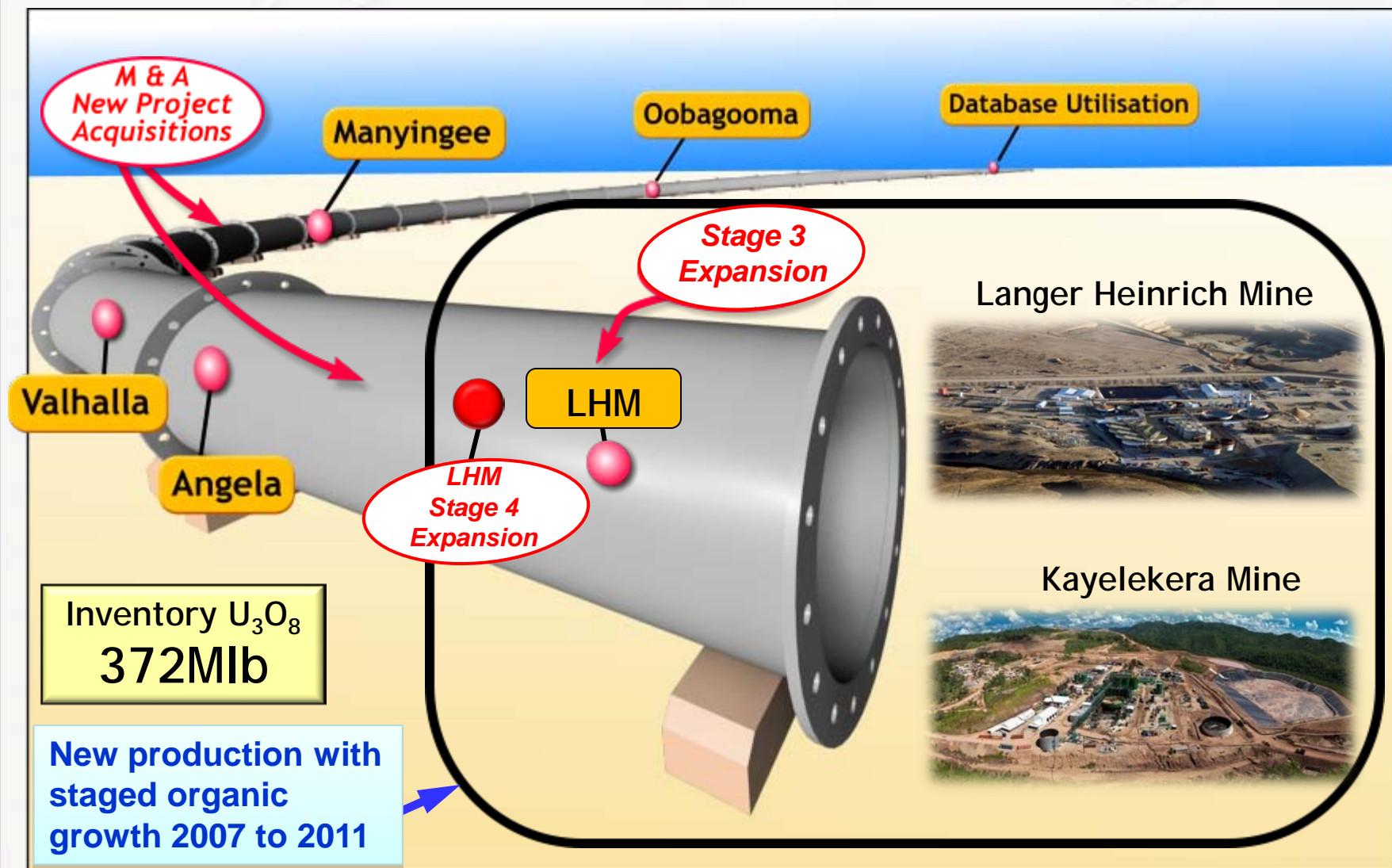


4 Year Production Outlook



Project Pipeline

assets acquired & projects developed



Langer Heinrich Mine



Kayelekera Mine



Paladin Outlook – strong growth

- **Langer Heinrich (Namibia)**
 - fully integrate Stage 2 expansion (2.6Mlb to 3.7Mlb pa)
 - Stage 3 construction to commence
 - Stage 4 feasibility to commence
- **Kayelekera (Malawi)**
 - nameplate production H2/FY10
 - drilling of hot targets
- **Mount Isa Project (Queensland - Australia)**
 - Commence feasibility study late CY2010
 - continue resource expansion work
- **Angela/Pamela Uranium Deposit (Northern Territory – Australia)**
 - produce first JORC/43-101 compliant resource early CY2010
- **Manyingee (Western Australia)**
 - prepare for resource confirmation drilling
- **Continue with selected M&A activities**



Key Takeaways

- **Multi-mine/multi-country operating status**
- **Maintaining strong production profile**
 - FY10 growth for Paladin (2.7Mlb to 5.6Mlb – 6.1Mlb)
- **Langer Heinrich Stage 3 expansion increasing production to 5.2Mlb pa**
 - commissioning start up Dec qtr 2010
- **Stage 4 expansion to 10Mlb by 2014 at LHU**
- **Sustained development from project pipeline**
 - progress Mount Isa and Angela Projects for development beyond 2012
 - strategic investments in Deep Yellow (Australia/Namibia) and NGM (Niger)
- **Focused M&A activity**
- **Uranium market outlook remains very positive**
- **Only non-aligned pure uranium producer**
- **Stable, effective Board & experienced management group**





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