

Paladin Energy Ltd

The New Energy In The Market

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December 2009 Quarter Results & Investor Update
16 February 2010

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.

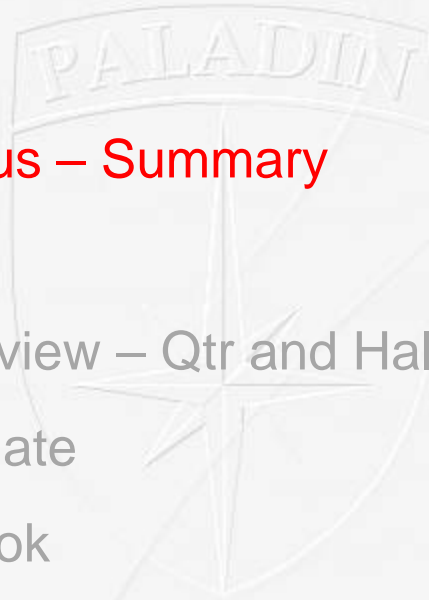
Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that 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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Presentation Outline

- **Paladin Status – Summary**
- Demand
- Financial Review – Qtr and Half Year ending 31 Dec 2009
- Projects Update
- Future Outlook



Paladin Status

an emerging Tier 1 global uranium producer

Multi-staged parallel activities – developing a complete company

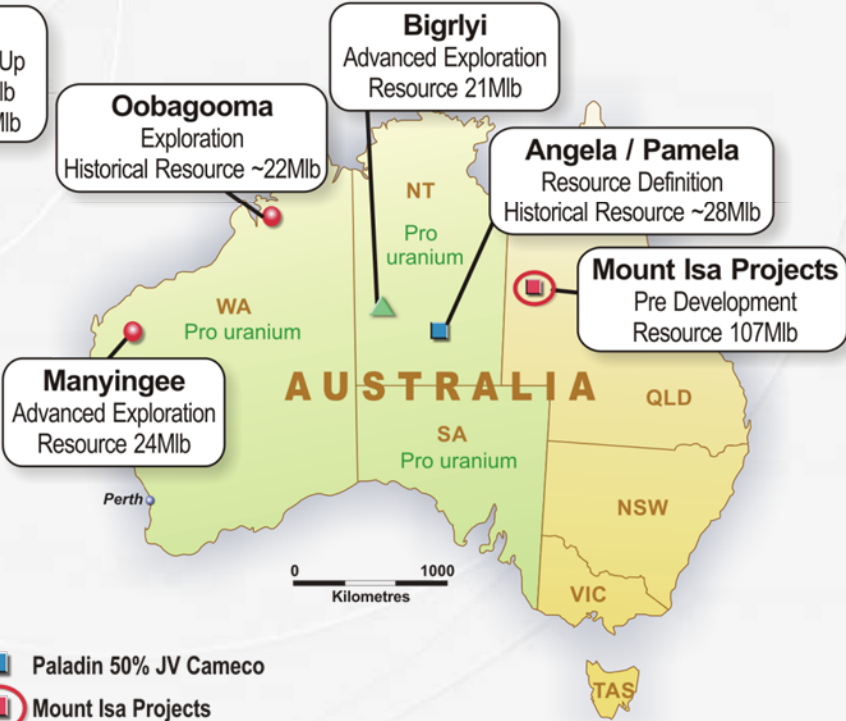
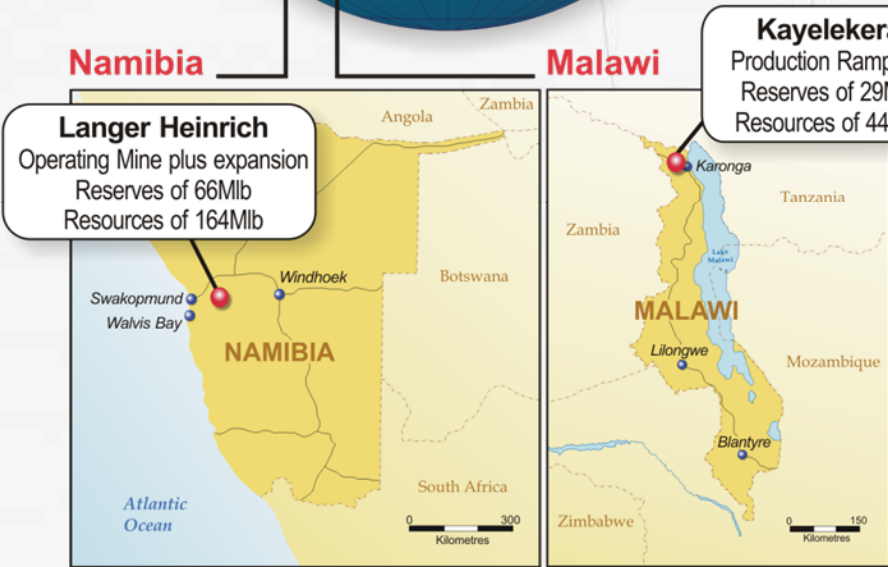
- **Sustained production** - LHM Stages 1 & 2 (3.7Mlb)
- **Ramping up production** - KM
- **Expansion (immediate)** - LHM Stage 3 under construction
- **Expansion (mid term)** - LHM Stage 4 & KM Stage 2 in planning
- **Development/advanced exploration** - Mount Isa and Angela
- **New projects and M&A**



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



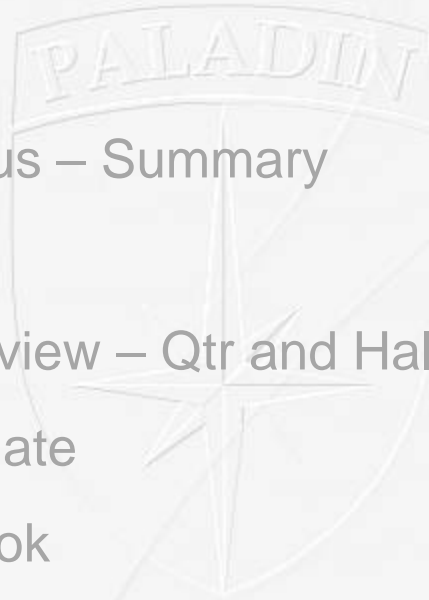
Paladin Energy

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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World Nuclear Capacity - Growth is Assured

number of reactors expected to be operating by 2030

Status as of February 2010 – Total 958 vs **[853]** – 12% increase in 9 months

	Current Nuclear Capacity	Under Construction	Planned
Reactors / (Capacity)	436 (372.5GWe)	53 (44.3GWe) [43]	142 (150GWe) [108]
	170Mlb U ₃ O ₈ required (WNA Estimate)		
Countries	30	13	25 [23]
China	11 (8.6GWe)	20 (15.3GWe) [11]	37 (36.4GWe) [26]
Russia	31 (21.7GWe)	9 (7.1GWe) [8]	8 (8GWe) [7]
India	18 (3.8GWe)	5 (3.0GWe)	23 (21.5GWe) [23]
South Korea	20 (17.7GWe)	6 (5.3GWe)	6 (9.4GWe) [3]
Japan	54 (46.2GWe)	1 (2.3GWe)	13 (17.9GWe) [11]
United States	104 (101.1GWe)	1 (1.2GWe) [1]	11 (13.8GWe) [12]

In addition:

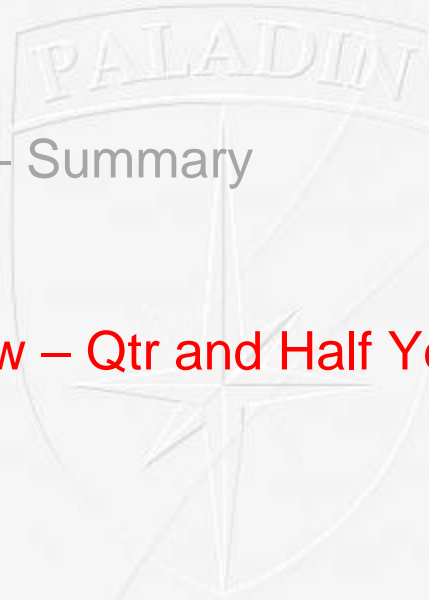
[] status April 2009

Proposed Reactors: 327 Reactors (320+GWe) in 36 countries **[266]**



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Key Quarterly Highlights

- **Langer Heinrich Mine**
 - US\$28.9M revenue with gross profit of US\$9.7M
 - 841,995lb produced
 - cost of sales (C1) of US\$26/lb for the quarter and half year
 - Stage 2 production levels realised
- **Kayelekera Mine**
 - US\$33.0M revenue with gross profit of US\$4.3M
 - 145,315lb produced
 - production ramp-up slower than expected
 - upward trend expected to continue towards nameplate production rates early in June 2010 quarter
- **Strong balance sheet**
 - US\$432.6M of cash and equivalents at 31 December 2009



Financial Performance

	Dec 09 Quarter	Sept 09 Quarter	Dec 09 Half Year	June 09 Full Year
Production (lb) – LHM	841,995	654,516	1,496,511	2,702,972
Production (lb) – KM	145,315	89,672	234,987	34,600
Total Production (lb)	987,310	744,188	1,731,498	2,737,572
<i>Annualised (lb pa)</i>	<i>3.9M</i>	<i>3.0M</i>	<i>3.5M</i>	<i>2.7M</i>
Sales (lb)	1,095,000	703,000	1,798,000	2,021,000
Average Sales Price (US\$/lb U ₃ O ₈)	57	55	56	55
Sales Revenue (US\$M)	61.9	38.3	100.2	111.8
Gross Profit (US\$M)	14.7	14.9	29.6	48.4



Gross Profit – December 2009 Quarter

	<u>LHM</u>	<u>KM</u>	<u>Total</u>
Revenue			US\$61.9M
<i>Volume Sold (lb)</i>	595,000	500,000	1,095,000
<i>Average sales price (lb)</i>			US\$57/lb
Cost of Sales (C1)	US\$15.6M	US\$27.4M	US\$43.0M
<i>Cost of Sales (C1) – per lb</i>	US\$26/lb	US\$55/lb	US\$39/lb
Profit after C1 costs			US\$18.9M
Other Costs, mainly depreciation			US\$4.9M
Gross Profit			US\$14.0M

- **LHM C1 costs remain at US\$26/lb**
- **KM C1 costs impacted by production ramp up in December 2009 quarter**
 - 500,000lb sale satisfied from 69,000lb of production at a cost of U\$66/lb and 431,000lb of loaned material at a cost of U\$53/lb
 - When loaned material is repaid and sold, difference between cost of production and U\$53/lb cost expensed will be shown in P&L



Income Statement

December 2009 quarter

- **Group revenue of US\$62.6M and gross profit of US\$14.7M**
- **Profit after tax of US\$0.4M**
- **Exploration expenditure of US\$4.4M**
 - US\$0.9M on the Mount Isa Uranium Joint Venture
 - US\$1.0M on Isa North Project in Queensland
 - US\$1.5M on Angela Uranium Joint Venture in the Northern Territory
- **Other expenses of US\$13.5M**
 - share based payments expense, US\$2.6M (non-cash)
 - employee benefits expense, US\$2.4M after allocation to exploration
 - forex loss of US\$2.3M (net)
 - corporate and marketing US\$3.2M



Income Statement (Continued)

December 2009 quarter

- **Other income of US\$9.6M**
 - Insurance recovery, US\$7.8M
- **Finance costs of US\$5.6M**
- **Taxation charge of US\$0.1M (non cash)**



Balance Sheet and Cash Flow

- **Cash and cash equivalents of US\$432.6M at 31 December 2009**
 - held with Australian banks with minimum AA rating
- **US\$374M private placement completed to fund:**
 - progression of LHM Stage 3 expansion
 - expansion of exploration and pre-development programmes in Australia
 - M&A opportunities
- **Project financing movements for the half year:**
 - US\$145M drawn down to 31 December 2009
 - US\$6.6M repaid on LHM project finance loan
- **Significant cash outflows during the quarter:**
 - US\$40.6M KM production ramp up
 - US\$13.4M LHM Stage 2 completion
 - US\$4.0M exploration
 - US\$6.8M interest payments on borrowings



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Langer Heinrich – Our Flagship Project

Swakopmund

B1
Windhoek



Langer Heinrich Uranium Mine

Walvis Bay

50 km
20 mi



Langer Heinrich Plant

showing Stage 2 additions – at nameplate production



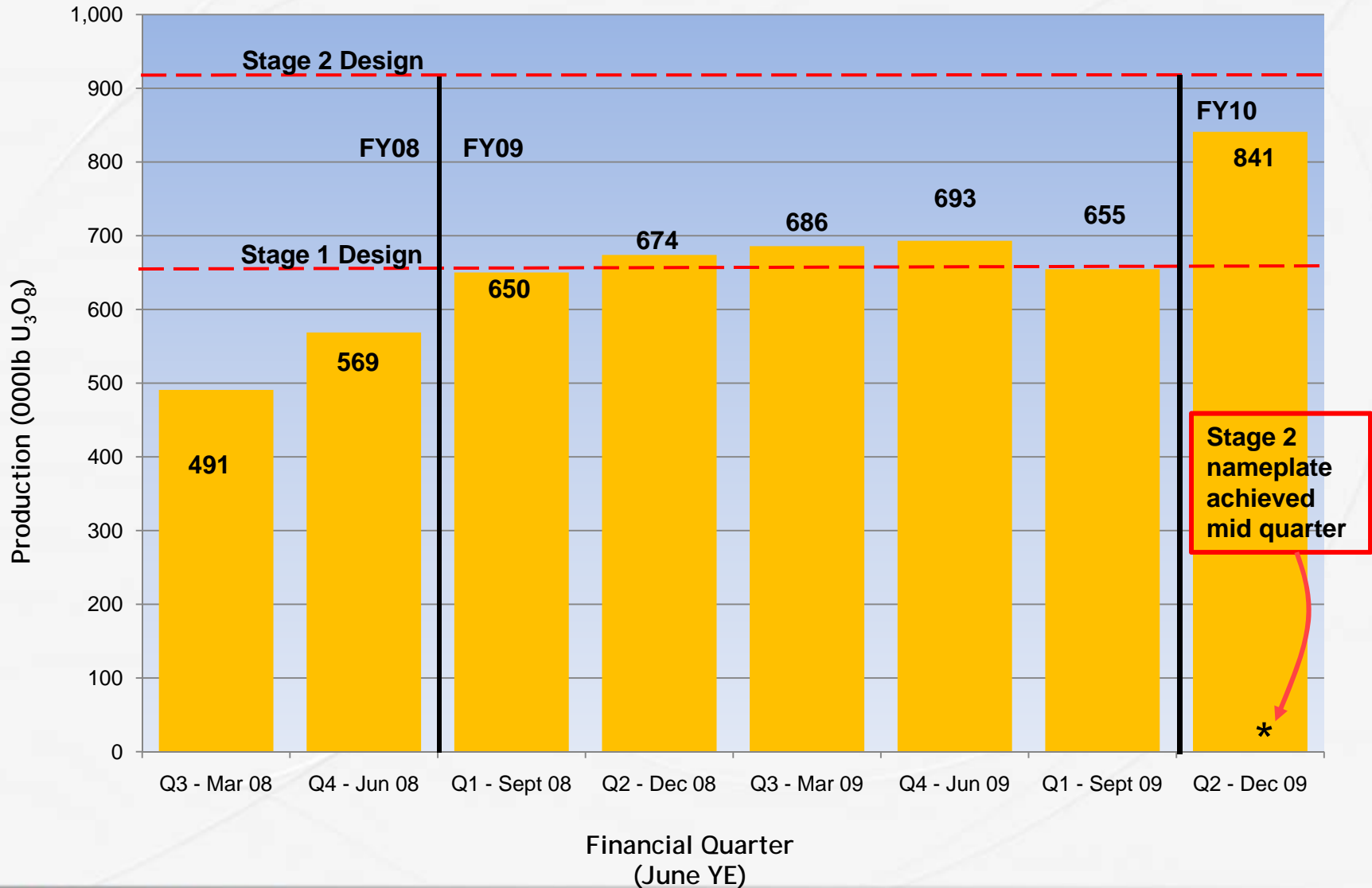
Langer Heinrich Mine

current status

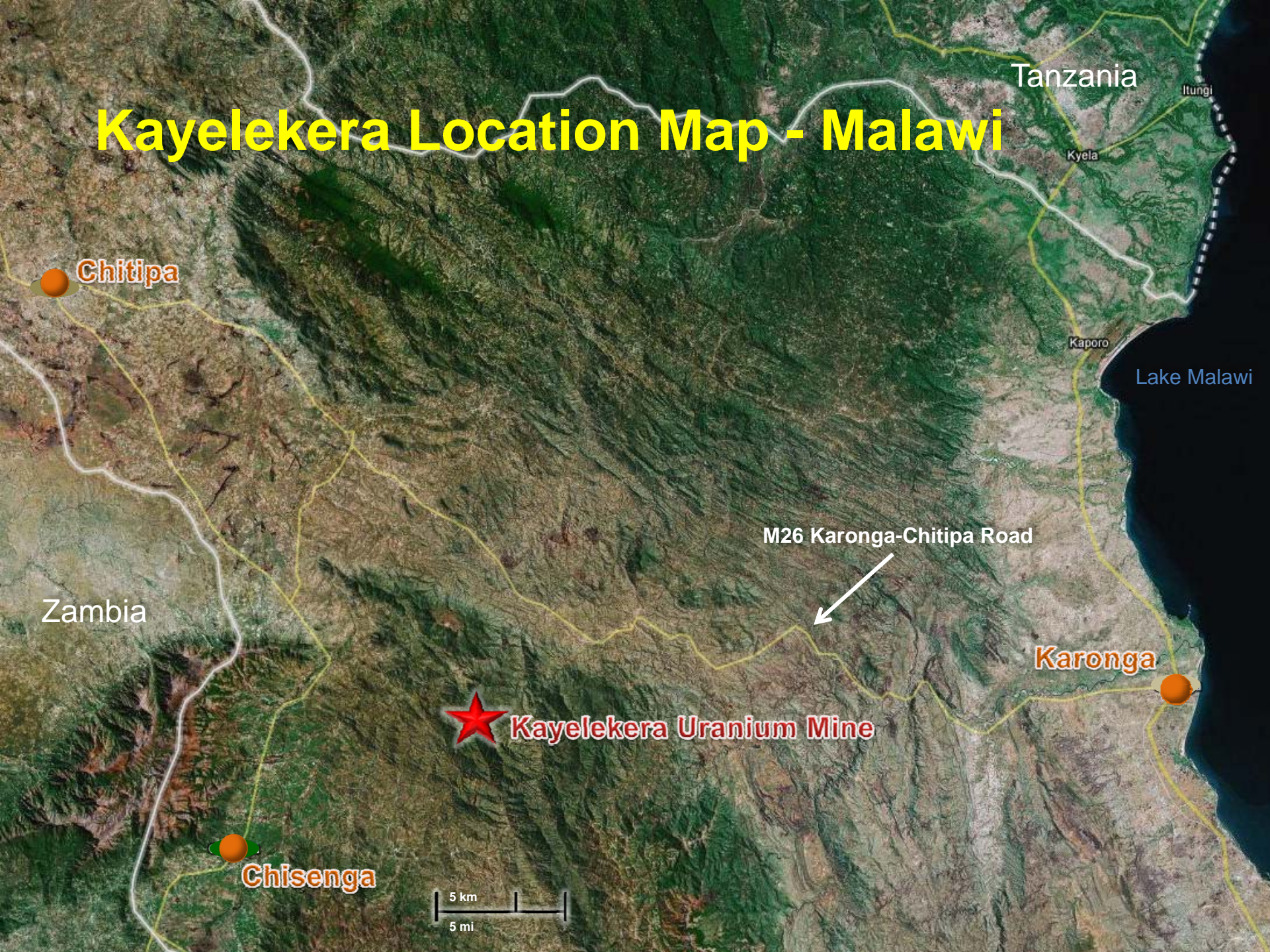
- **Stage 1 - Alkaline leach, CAPEX US\$100M, 2.6Mlb pa**
- **Stage 2 – at CAPEX US\$59M**
 - design to 3.7Mlb pa
 - operating at/or above design capacity for 3 consecutive months
- **Stage 3 - approved increase to 5.2Mlb pa, CAPEX US\$100M**
 - commissioning start up anticipated Dec 2010 qtr
 - construction underway
 - CAPEX increase due to engineering additions and strength of Rand
- **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

Chitipa

M26 Karonga-Chitipa Road

Zambia

Karonga

Kayelekera Uranium Mine

Chisenga



Kayelekera Mine



Kayelekera Mine

current status (13 Feb 2010)

- Resin handling issues at RIP now resolved- circuit no longer a bottleneck
- Traditional design elements all running well
- Proving of ore feed up to 140tph (74% of 190tph Nameplate)
- 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



Kayelekera Mine

current status 13 Feb 2010 (cont)

- Resin movement time from RIP to Elution significantly reduced from 6-8 hours to 2-3 hours by installation of new screen cloth
- RIP & Elution efficiencies now both >90%

Short Term Objectives

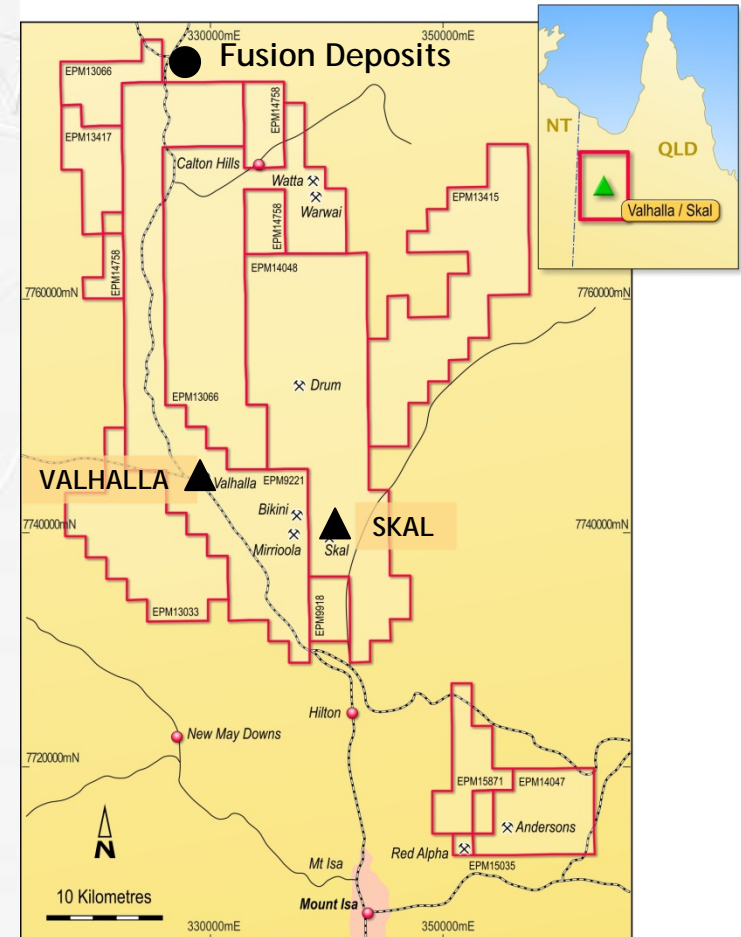
- Achieve nameplate capacity by early in June 2010 qtr
- Install secondary wash screen facility in March/April to resolve any final material handling issues



Mount Isa Uranium Project

current status

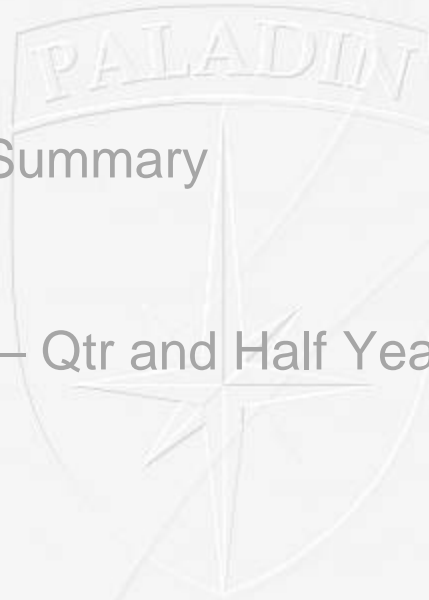
- Uranium resource now 111Mlb
- Focussed metallurgical scoping test work underway
- Environmental baseline work ongoing
- Feasibility study to start mid 2010
- Ongoing lobbying of QLD Government re uranium policy
- 09/10 budget A\$10.5M



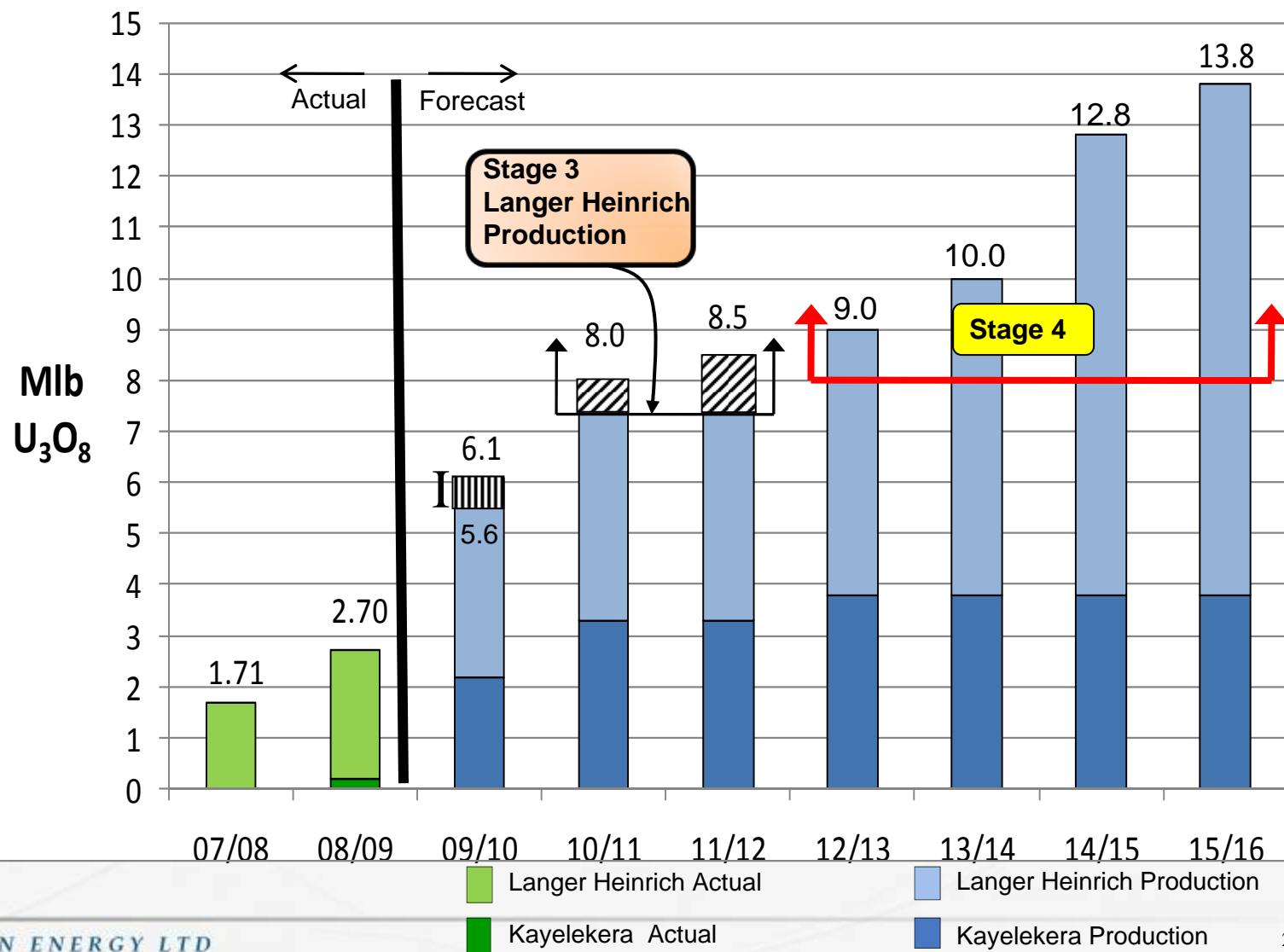
Angela Deposit (Northern Territory) progressed in parallel with Mount Isa Project – provides development optionality

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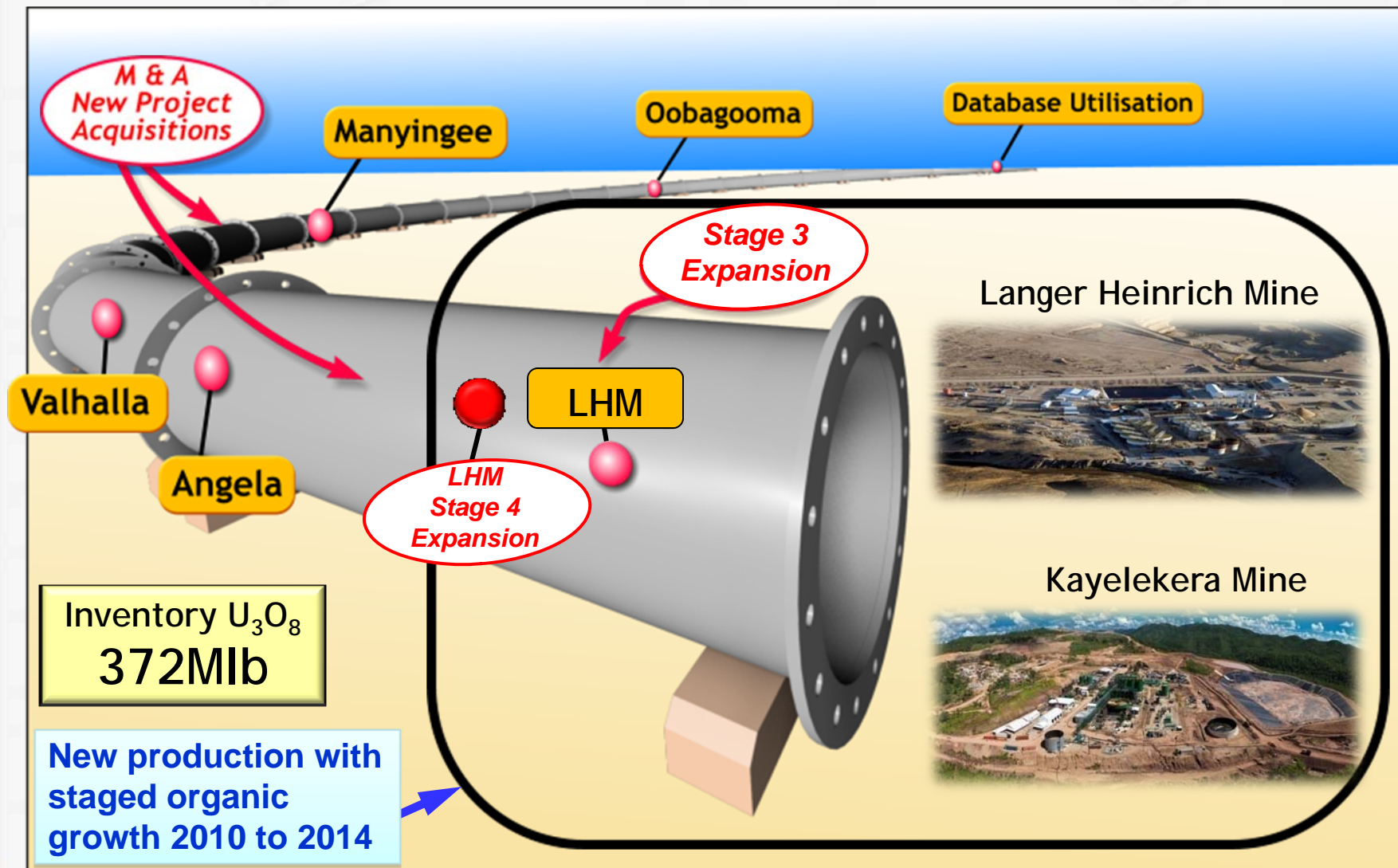


4 Year Production Outlook



Project Pipeline

assets acquired & projects developed



Paladin Outlook – strong growth

- **Langer Heinrich (Namibia)**
 - optimise current production
 - Stage 3 construction to underway
 - Stage 4 feasibility to underway
- **Kayelekera (Malawi)**
 - nameplate production in early June 2010 qtr
 - drilling of hot targets
- **Mount Isa Project (Queensland)**
 - commence feasibility study early 2011
 - continue resource expansion work
- **Angela/Pamela Uranium Deposit (Northern Territory)**
 - produce first JORC/43-101 compliant resource March 2010 qtr
- **Manyingee & Oobagooma (Western Australia)**
 - establish ground access
- **Continue with selected M&A activities**



Key Takeaways

- **Multi-mine/multi-country operating status**
- **Priority focus on meeting production objectives**
- **Maintaining strong production profile**
- **Kayelekera set to achieve nameplate by early in June 2010 qtr**
- **Langer Heinrich Stage 3 expansion increasing production to 5.2Mlb pa**
 - **commissioning start up Dec qtr 2010**
- **Langer Heinrich Stage 4 expansion to 10Mlb by 2014**
- **Strong development potential from project pipeline**
 - **Mount Isa and Angela Projects**
 - **strategic investments in Deep Yellow (Australia/Namibia) and NGM (Niger)**
 - **additional expansion possibility through M&A**
- **Uranium market outlook remains very positive**
- **Only non-aligned pure uranium producer**
- **Stable, effective Board & experienced management group**





PALADIN ENERGY LTD

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