



Paladin Energy Ltd

The New Energy In The Market

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March 2010 Quarter Results & Investor Update

18 May 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 9 months ending 31 March 2010
- Operational Update
- Future Outlook



Paladin Status

A Tier 1 global uranium producer

Multi-staged parallel activities – developing a complete company

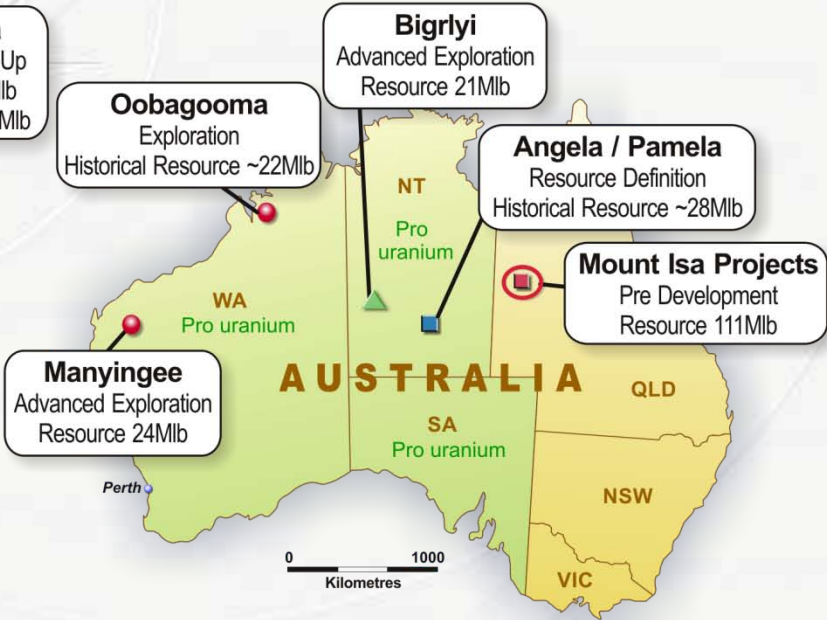
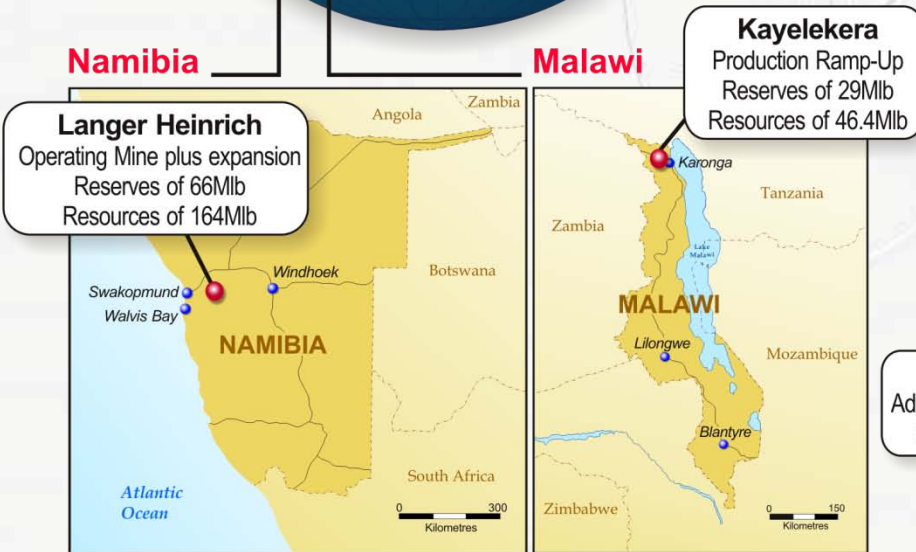
- **Sustained production** - LHM Stage 2 (3.7Mlb pa)
- **Ramping up production** - KM (75% nameplate of 3.3Mlb pa)
- **Expansion (immediate)** - LHM Stage 3 under construction
- **Expansion (mid term)** - LHM Stage 4 & KM Stage 2 in planning
- **Development/advanced exploration** - Mount Isa and Angela
- **New projects and M&A**



Paladin's Suite of Uranium Properties staged for sequential development



Total Resource Inventory
379.1Mlb 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 (April 2010)

	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%)	21,032	46.4	0.08	300	13,285	29.3	0.11	400
	Mount Isa (90%/100%)	45,455	100.2	0.07	Various				
	Manyingee (100%)	10,890	24.0	0.09	200				
	Bigrlyi (42%)	3,928	8.7	0.13	500				
	Sub Total (JORC)	154,607	340.8	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)	170,807	379.1	0.07		43,159	95.1	0.07	

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World Nuclear Capacity - Growth is Assured

number of reactors proposed to be operating by 2030 Status April 2010

Total 958 vs **[853]** – 12% increase in 12 months

	Current Nuclear Capacity	Under Construction	Planned
Reactors / (Capacity)	438 (372.5GWe)	52 (44.3GWe) [43]	143 (150GWe) [108]
	170Mlb U ₃ O ₈ required (WNA Estimate)		
Countries	30	13	25 [23]
China	11 (8.6GWe)	21 (15.3GWe) [11]	36 (36.4GWe) [26]
Russia	32 (21.7GWe)	8 (7.1GWe) [8]	16 (8GWe) [7]
India	19 (3.8GWe) [17]	4 (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]	9 (13.8GWe) [12]

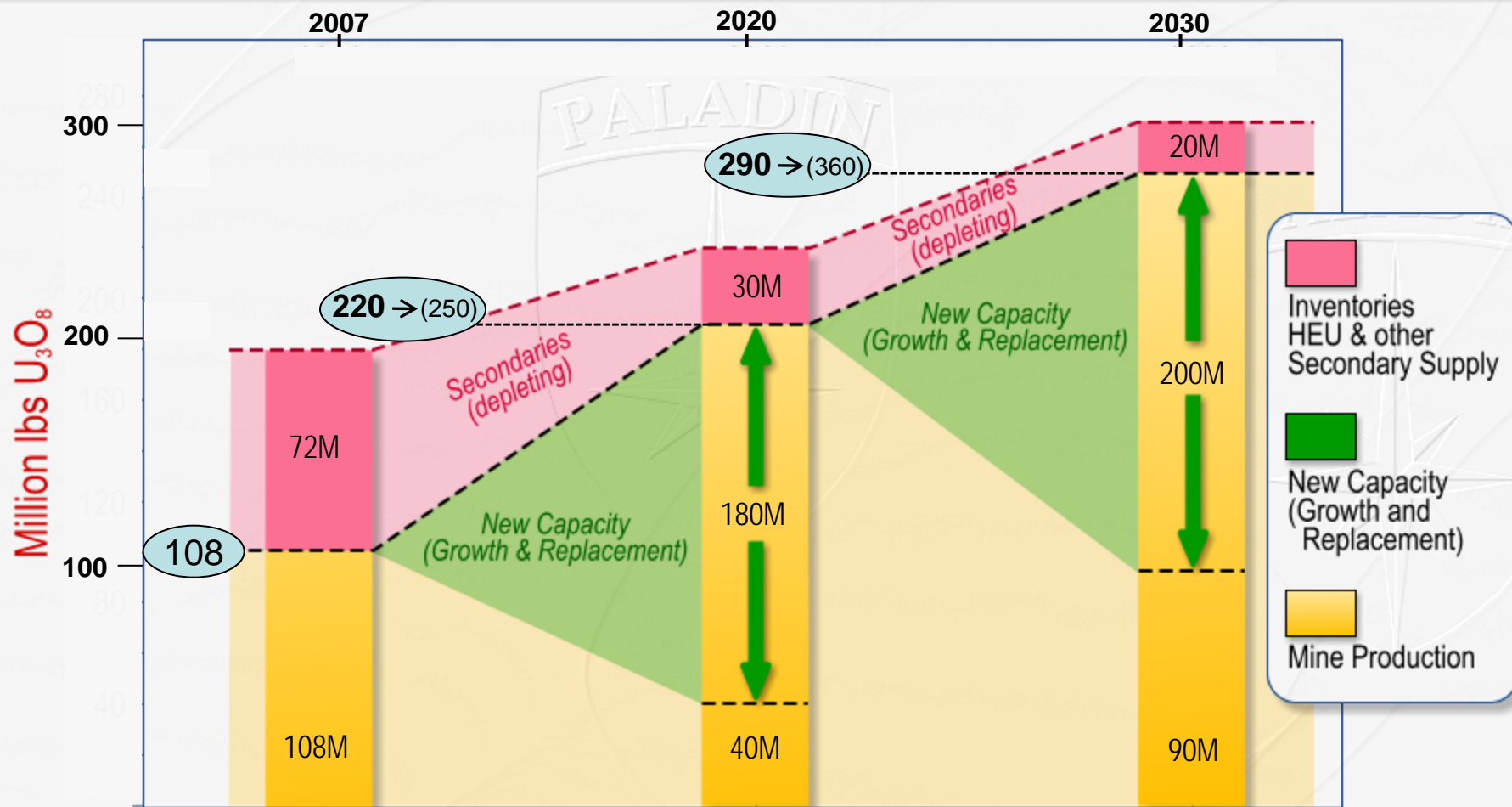
In addition:

[] status April 2009

Proposed Reactors: 344 Reactors (288.8GWe) in 36 countries **[266]**



Building a New Mining Supply Industry 2007 to 2030 and beyond



Nuclear Capacity 370GW

New Mines

445GW

25-30

520GW

25 - 35

Huge discovery/development effort required

(ADDITIONAL NEW DISCOVERIES ESSENTIAL TO MEET 2030/40 REPLACEMENT/GROWTH REQUIREMENTS)

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Key Quarterly Highlights

- **Langer Heinrich Mine**
 - US\$42.0M revenue with gross profit of US\$12.2M
 - 928,377lb produced (Stage 2 nameplate), a 10% increase in quarter
 - cost of sales (C1) of US\$26/lb for the quarter and nine months
- **Kayelekera Mine**
 - US\$10.7M revenue with gross profit of US\$1.8M
 - production of 228,998lb, a 57% increase from previous quarter
 - step-change achieved, with 156,000lb production in April 2010
 - on track to reach design capacity in June 2010 quarter
- **Group Cost of Sales**
 - revenue above US\$50/lb, group cost of sales (C1) reduce to US\$30/lb
 - increased profit after cost of sales (C1) of US\$21.0M
- **Long Term Contracts**
 - execution of 0.7Mlb sales contract builds on 4Mlb for previous quarter



Financial Performance

	Mar 10 Quarter	Dec 09 Quarter	Sept 09 Quarter	Mar 10 Nine Months	June 09 Full Year
Production (lb) – LHM	928,377	841,995	654,513	2,424,885	2,702,972
Production (lb) – KM	228,998	145,315	74,086	448,399	34,600
Total Production (lb)	1,157,375	987,310	728,599	2,873,284	2,737,572
<i>Annualised (lb pa)</i>	<i>4.6M</i>	<i>3.9M</i>	<i>2.9M</i>	<i>3.8M</i>	<i>2.7M</i>
Sales (lb)	1,043,000	1,095,000	703,000	2,841,000	2,021,000
Average Sales Price (US\$/lb U ₃ O ₈)	50	57	55	54	55
Sales Revenue (US\$M)	52.7	61.9	38.3	152.9	111.8
Gross Profit (US\$M)	14.0	14.7	14.9	43.6	48.4



Gross Profit – March 2010 Quarter

	<u>LHM</u>	<u>KM</u>	<u>Total</u>
Revenue			US\$52.7M
<i>Volume Sold (lb)</i>	<i>893,000</i>	<i>150,000</i>	<i>1,043,000</i>
<i>Average sales price (per lb)</i>			<i>US\$50.5/lb</i>
Cost of Sales (C1) - US\$M	US\$23.1M	US\$8.6M	US\$31.7M
<i>Cost of Sales (C1) – per lb</i>	<i>US\$26/lb</i>	<i>US\$57/lb</i>	<i>US\$30/lb</i>
Profit after cost of sales (C1)			US\$21.0M
Other Revenue and Costs, mainly depreciation			US\$7.0M
Gross Profit			US\$14.0M

- **LHM C1 costs remain at US\$26/lb**
- **KM C1 costs impacted by production ramp up in March 2010 quarter. Costs forecast to reduce as volumes increase to design capacity**
 - 150,000lb sale satisfied from 51,000lb of production at a cost of U\$71/lb and 99,000lb of loaned material at a cost of U\$53/lb



Income Statement

March 2010 quarter

- **Group revenue of US\$53.3M and gross profit of US\$14.0M**
- **Exploration expenditure of US\$3.2M**
 - US\$1.7M on Mount Isa Project in Queensland
 - US\$0.4M on Angela Joint Venture in the Northern Territory
- **Other expenses of US\$10.4M**
 - share based payments expense, US\$2.0M (non-cash)
 - forex loss of US\$1.1M (net)
 - employee benefits expense of US\$3.6M
 - corporate and marketing US\$3.2M
- **Finance costs of US\$5.3M**
- **Loss after tax of US\$7.0M**



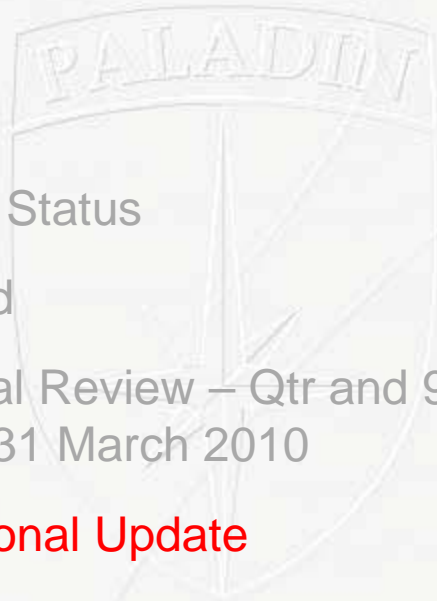
Balance Sheet and Cash Flow

- **Cash and cash equivalents of US\$400.6M at 31 March 2010**
 - held with Australian banks with minimum AA rating
- **Significant cash flows during the quarter**
 - net cash inflow of US\$7.8M from surplus of customers receipts over payments to suppliers and employees
 - US\$24.6M KM production ramp up
 - US\$4.7M LHM Stage 3 construction
 - US\$3.0M exploration
 - US\$9.5M interest payments on borrowings
- **Project finance movements for the nine months**
 - US\$145M drawn down to 31 March 2010
 - US\$6.6M repaid on LHM project finance loan



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Langer Heinrich Project Location

Swakopmund

B1
Windhoek



Langer Heinrich Uranium Mine

Walvis Bay



Stage 2

50 km
20 mi

Langer Heinrich Project

staged growth

- **Stage 1 – Alkaline leach, CAPEX US\$100M (Jan 2007)**
 - design 2.6Mlb pa
- **Stage 2 – Full quarter of nameplate production achieved**
 - design 3.7Mlb pa, CAPEX US\$59M
- **Stage 3 - Expansion - increase to 5.2Mlb pa**
 - EIS approval received from Government
 - mechanical completion on track for Dec 2010
 - CAPEX US\$99.5M
 - earthworks complete, civil construction underway
- **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 Project

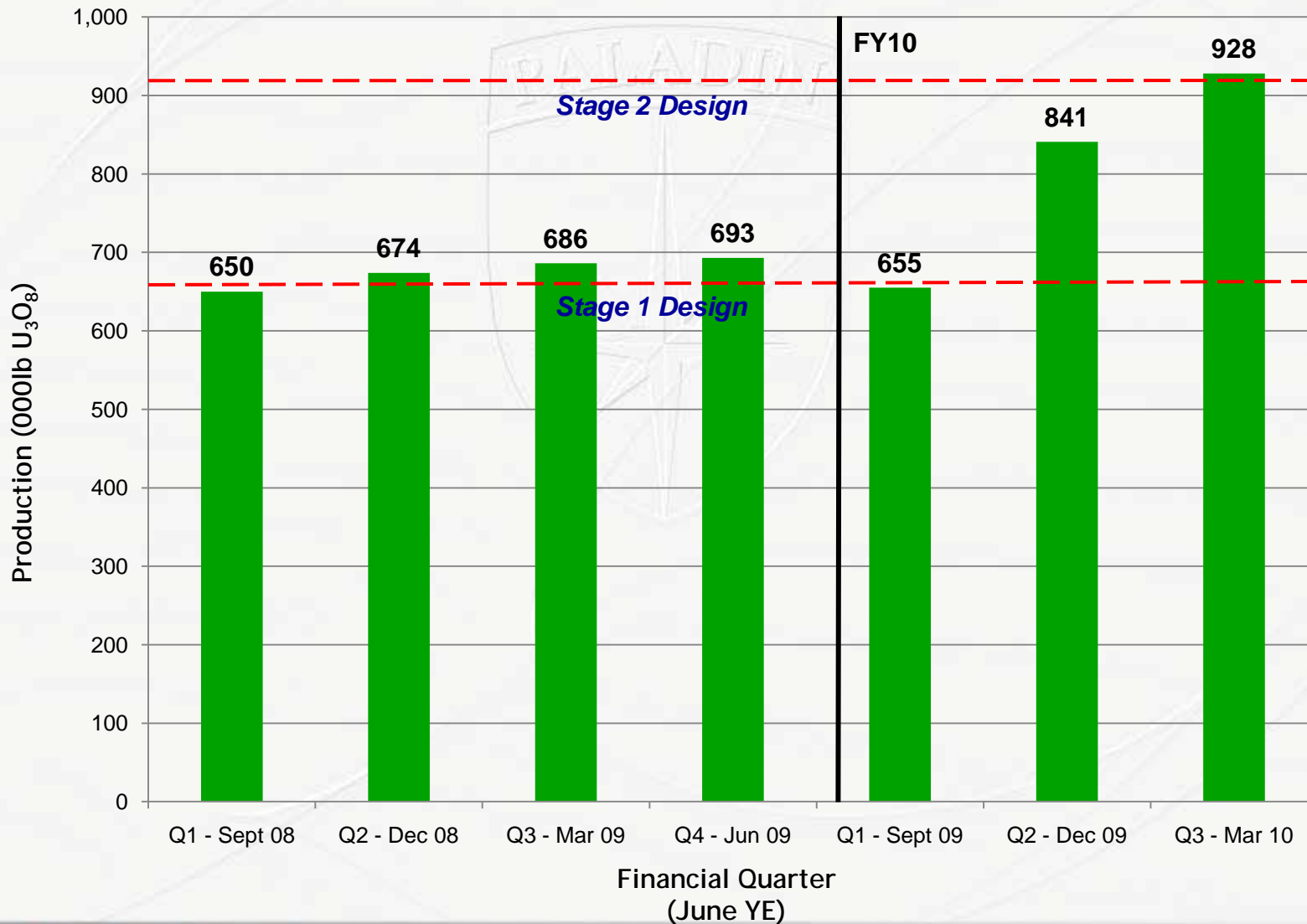
key operational data March 2010 quarter

- Record quarterly production of 928,370lb vs nameplate of 925,000lb
- 2,100,117t of ore mined at and average grade of 772ppm U_3O_8
- 504,722t of additional low grade mined at an average grade of 276ppm
- Average ore to waste ratio of 0.57
- 528,828t of ore crushed at an average grade of 970ppm
- Scrubbing efficiency of 90% for the quarter
- Leach recoveries of over 95% for the quarter
- New packaging dryer commissioned during the quarter resulting in record tonnage in March of 170t of product



Langer Heinrich Production

quarter by quarter



Kayelekera Project Location



Kayelekera Mine

current status (May 2010)

- Resin handling issues at RIP now resolved- circuit no longer a bottleneck
- Resin movement time from RIP to Elution significantly reduced from 6-8 hours to 2-3 hours by installation of new screen cloth
- Traditional design elements proven to deliver at nameplate
- Proving of ore feed to 190tph (nameplate)
- RIP & Elution efficiencies now both >90%
- Final product well within commercial specification
- 308,000t of ore on ROM pad or exposed in pit
- Orebody reconciliation has been excellent



Kayelekera Mine

Key operational data March 2010 quarter

- Quarterly production of 228,998lb vs 145,315 for the December 2009 quarter
- Operation exceeding 75% of nameplate
- 1,228 operating hours vs 1,074 for the December quarter
- 144,639t of ore at an average grade of 1,353ppm processed vs 103,421t at an average grade of 1,656ppm
- April production exceeds 150,000lb (50% increase over March)
- Positioned to achieve nameplate and commercial levels in June quarter



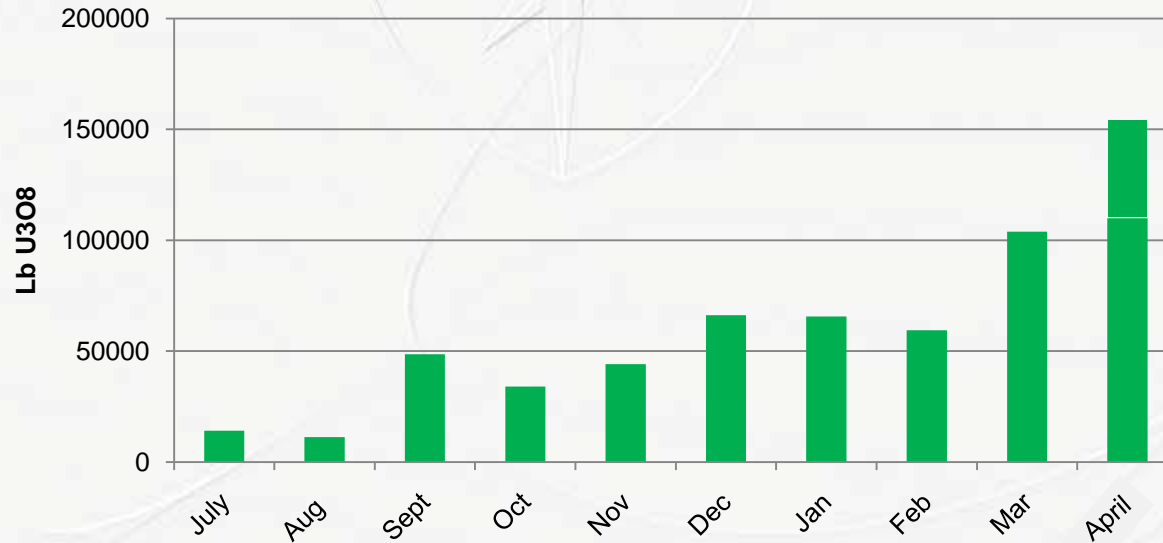
Kayelekera Mine

current status May 2010 (cont)

Short Term Objectives

- Achieve nameplate capacity during the June 2010 qtr
- Improve mechanical availability

Kayelekera Production

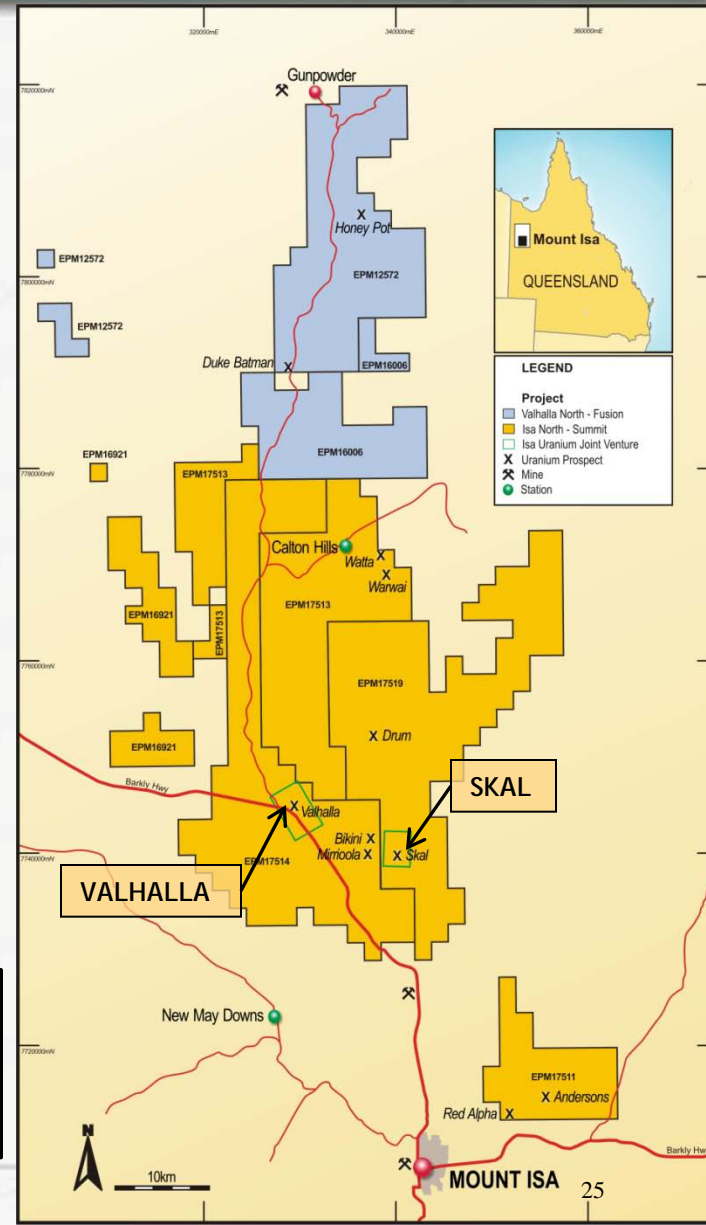


Mount Isa Uranium Project

current status

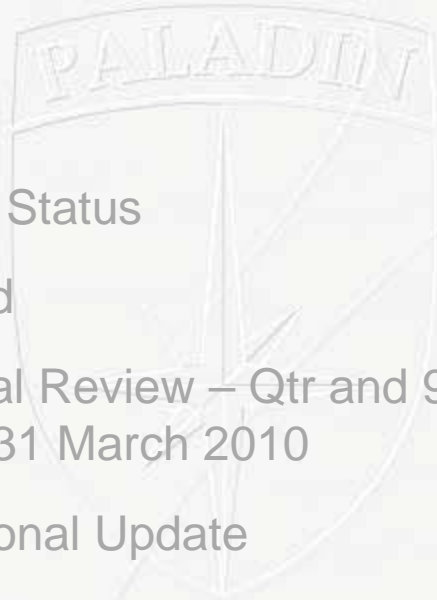
- Uranium resource now 111Mlb
- Focussed metallurgical scoping test work underway
- Environmental baseline work ongoing
- Feasibility study to start mid 2011
- Ongoing lobbying of QLD Government re uranium policy
- 09/10 budget A\$10.5M
- Significant drill results expanding the known resource

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

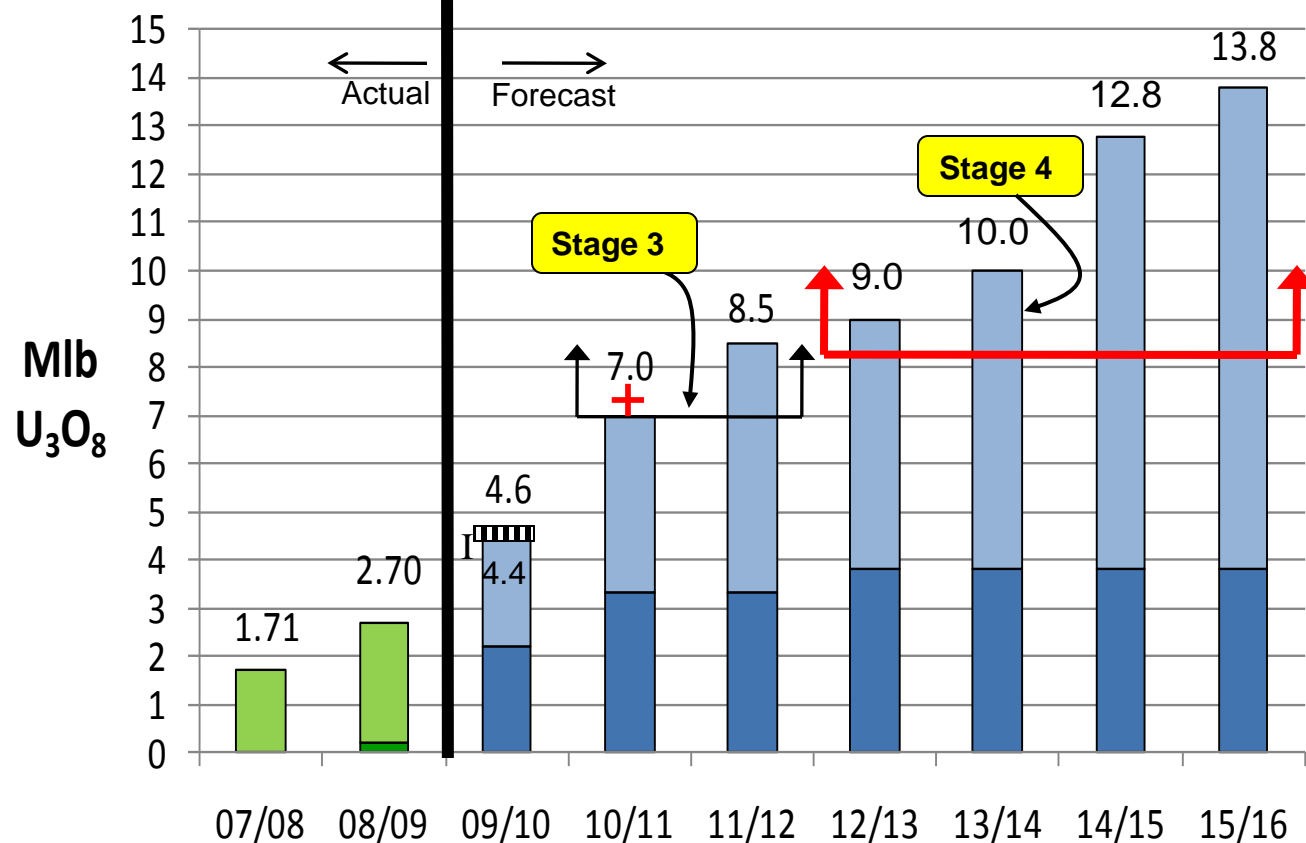


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4 Year Production Outlook



+ Stage 3 unquantified ramp up contribution

Langer Heinrich Actual

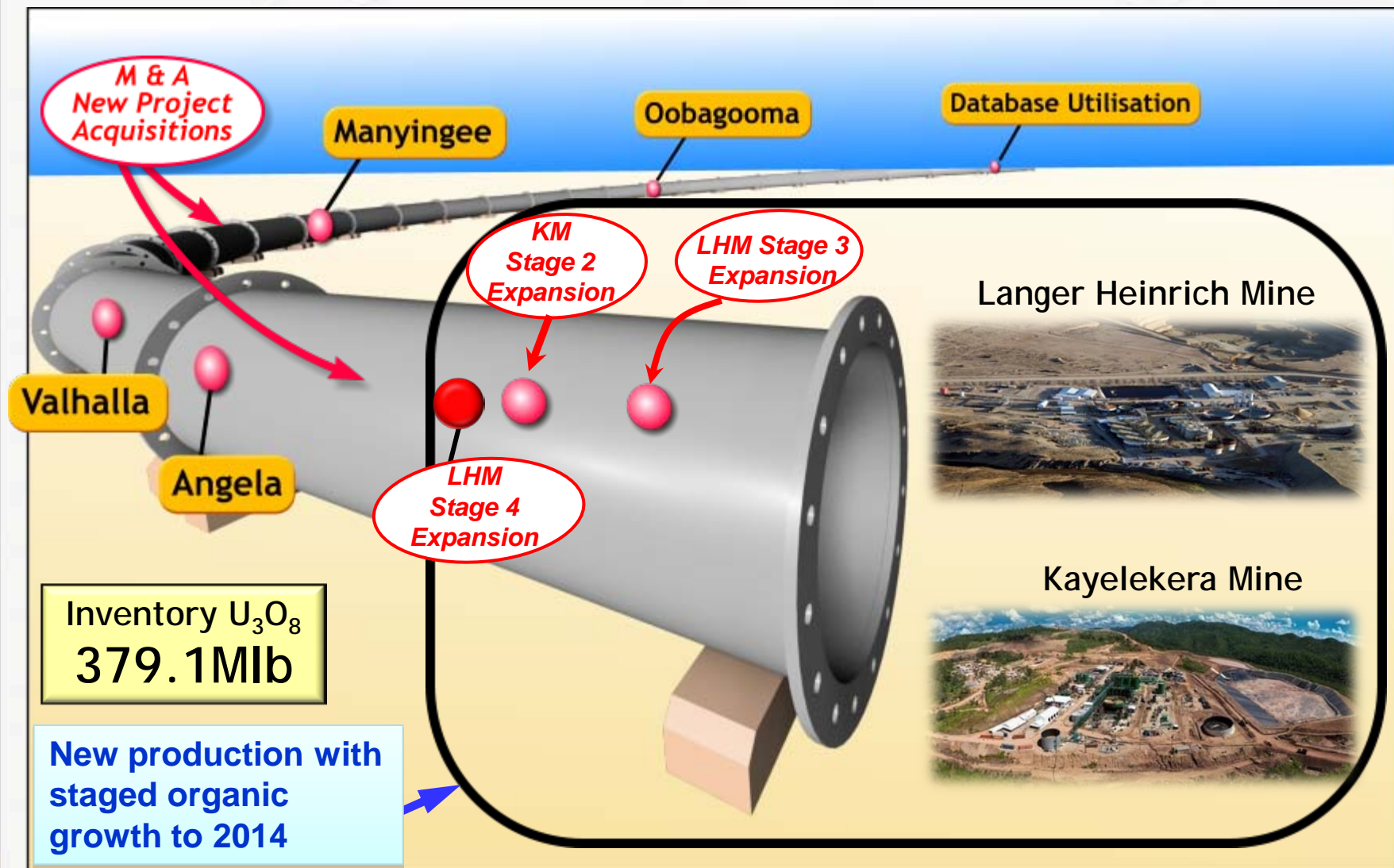
Langer Heinrich Production

Kayelekera Actual

Kayelekera Production

Project Pipeline

assets acquired & projects developed



Key Takeaways

strong growth

- **Multi-mine/multi-country operating status**
- **Priority focus on meeting production objectives**
- **Maintaining strong production growth profile**
- **Langer Heinrich Stage 3 expansion increasing production to 5.2Mlb pa**
 - commissioning start up Jan 2011
- **Langer Heinrich Stage 4 expansion to 10Mlb by 2014**
 - maintain a minimum 15 year LOM
- **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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