PALADIN ENERGY LTD

A.C.N. 061 681 098

THE NEW ENERGY IN THE MARKET

July 2010

Status

Paladin Energy Ltd is a uranium production company. It has two operating mines in Africa, the Langer Heinrich Mine (LHM), located in Namibia, and the Kayelekera Mine (KM), in Malawi. These are the world's newest conventional uranium projects. Paladin is listed on the Australian Securities Exchange (ASX), Toronto Stock Exchange (TSX) and Namibian Stock Exchange (NSX) under the symbol **PDN.** The Company also trades on Munich, Berlin, Stuttgart, and Frankfurt Exchanges under the symbol **PUR**.

The focus of Paladin is uranium, which it sells to electrical utilities for use in nuclear power reactors. Worldwide recognition that nuclear power offers one of the best solutions to meeting the world's insatiable appetite for electricity, without adding to the atmospheric carbon load, means uranium has an excellent short and long term market outlook. Paladin has assembled superb in-house uranium expertise and is applying it to the exciting, high quality, project development opportunities the Company holds in southern Africa and Australia, which combine to make a solid platform from which to increase shareholder value.

Background

Paladin's corporate pedigree dates back to 1970 when Uranerz Australia started operations in Perth, Western Australia, with Mr. John Borshoff, Paladin's Managing Director (CEO), serving as Chief Executive from 1986 to 1991. Uranerz, the Australian arm of German-based uranium mining house Uranerzbergbau, explored throughout Australia, New Zealand, and Africa, focusing primarily on uranium.

When Uranerz decided to close its Australian operations, John Borshoff acquired its extensive proprietary databases, which subsequently formed the nucleus for the public float of Paladin in 1994.

Board and Management Team

Industry-specific skills and experience are critical factors for success in the uranium business and the Paladin Group is backed by over 200 person years of direct experience. Paladin's Board of Directors and dedicated management team encompass high quality project evaluation, resource development, mining, marketing (uranium specialists), and corporate management professionals. The Management Team works cooperatively to apply their unique skills and knowledge to Paladin's projects.

Board

Rick Crabb	Chairman (Non-Executive)	Legal/Corporate
John Borshoff	Managing Director and CEO	Technical/Commercial
Sean Llewelyn	Director (Non-Executive)	Commercial/Finance
Don Shumka	Director (Non-Executive)	Finance
Ian Noble	Director (Non-Executive)	Technical
Peter Donkin	Director (Non-Executive)	Finance
Gillian Swaby	Company Secretary	Corporate

Management Team

Garry Korte	Chief Financial Officer
Wyatt Buck	Executive General Manager - Production
Simon Solomons	Executive General Manager - Operations Development
Dustin J. Garrow	Executive General Manager - Marketing
James Eggins	General Manager - Sales and Contract Administration
Brendan O'Hara	General Manager - Special Projects and Risk
Justin Reid	General Manager - Corporate Development
Dave Marsh	General Manager - Technical Project Development
Greg Walker	General Manager - International Affairs
Cathy Gupanis	General Manager - Sustainable Development
Ed Becker	General Manager - Geology and Exploration
Jim Morgan	General Manager - Project Construction
Werner Duvenhage	General Manager - Langer Heinrich

The Strategy

Paladin's long-established objective has been to accumulate advanced uranium projects, with defined resources, that would be positioned in the low cost producer category. Following many years of relatively low uranium prices – a time broadly recognised as a "buyers' market" – the uranium industry has rebounded to levels not seen in three decades. Few companies focused on uranium during the extended downturn, and so Paladin, as a producer, now finds itself in the unique situation of having a highly attractive uranium inventory in an extraordinarily strong market. Paladin has a global resource inventory of over 370Mlb of uranium in its project pipeline from seven deposits in three countries. The uranium spot price reached US$138/lb in June 2007, reflecting the widening supply deficit, and whilst price fluctuations are occurring and the spot price is now US$41.75/lb, there is no reason to believe the price will not continue its long term trend upwards as new demand comes into the market from existing plant requirements as well as from the emergence of China, Russia, and India as significant world market participants.

Strong Project Base

The Company's uranium projects have the added benefit of geographical diversification: Langer Heinrich in Namibia; Kayelekera in Malawi; and Manyingee in Western Australia. Each of these projects had feasibility studies carried out by previous owners during the 1980s, and Paladin secured them at low cost during the depressed uranium market. Paladin has augmented its resource base in Australia through the acquisition of Valhalla Uranium Limited, whose primary assets are the 50% joint venture interests in the Valhalla and Skal deposits near Mount Isa in Queensland and 42.06% ownership of the Bigrlyi deposit in the Northern Territory. Paladin also has an 82.05% controlling interest in Summit Resources Limited, Valhalla's joint venture partner at Mount Isa and the holder of other promising exploration titles in the region. In February 2008, Paladin, in conjunction with joint venture partner Cameco, were selected from a highly-competitive field to explore the Angela and Pamela deposits located approximately 30km south of the town of Alice Springs in the Northern Territory. Paladin and Cameco have completed their first drilling programme and are advancing towards a compliant resource and preliminary economic assessment on the project. In February 2009, Paladin completed the takeover of Fusion Resources, adding the Duke Batman and Honey Pot deposits to the existing Mount Isa project area. The Fusion tenements are to the north of, and contiguous with, the Summit Isa North Uranium Project tenements and affords on opportunity to consolidate exploration efforts in these areas.

The successful construction and commissioning of LHM, which is now operating at its Stage 2 rate of 3.7Mlb U_3O_8 per annum, together with KM, illustrate the development potential of these projects, uniquely positioning Paladin as a key global supplier of primary uranium.

Proprietary Database – Project Generating Advantage

In 1994, Paladin acquired the Australian archival proprietary database and data reference system from Uranerz after that company ceased its Australian operations in 1991. This unique database resulted from a US$38M (unadjusted) exploration effort in Australia carried out over a 20-year period. In 1998, Paladin also acquired the residual uranium technical database from Uranerz Germany covering Africa, the Americas, and Asia, where the company had worked extensively over a 30-year period.

This vast database was primarily focused on uranium. This data represents an invaluable information resource for generating future uranium projects, giving Paladin enormous competitive advantage in its worldwide exploration effort, a fact well demonstrated in 1997 when the Company quickly secured projects containing in excess of 60Mlb U_3O_8.

Southern African Focus

LHM in Namibia is Paladin's flagship project. Having reached its initial production of 2.6Mlb per annum in 2008, the mine has recently completed its Stage 2 ramp-up to 3.7Mlb per annum. Subsequently, the Company announced its US$99M Stage 3 expansion, which will increase production to 5.2Mlb per annum and an additional expansion to 10Mlb by 2014 via Stage 4. Langer Heinrich will be a core, long-term production centre for Paladin in the continuing positive outlook for uranium. An enormous amount of quality technical work had been completed on this project since its discovery in 1973, mainly by Gencor (the original explorer), a large South African mining house that evolved into BHP Billiton. Paladin acquired Langer Heinrich in 2002, and started a Bankable Feasibility Study (BFS) in 2004. Paladin's Board approved the development proposal at a capital cost of US$92M in 2005, site works began in September 2005, and the project construction was completed on time and within budget. The mine was officially opened by the President of the Republic of Namibia in March 2007.

KM in Malawi, the Company's second mine, provides an excellent follow-up to Langer Heinrich. A Development Agreement with the Government of Malawi was executed in February 2007 which provides fiscal stability for the project for 10 years. Construction activities took approximately two years with final capital costs within 5% of budget at US$215M. KM was officially opened in April 2009 and is now operating close to design production rates. Annual production will be 3.3Mlb U_3O_8 for eight years with potential for a further 1.1Mlb U_3O_8 per annum for another four years.

Paladin Uranium Project Summary

A summary of the status for each of the advanced projects is detailed in the following table. This table does not include Inferred Resources from Bikini, Andersons and Watta deriving from Paladin's 82.05% ownership of Summit Resources Ltd.

PALADIN URANIUM PROJECT SUMMARY								
CRITERIA	**LANGER HEINRICH MINE***	**KAYELEKERA MINE***	**MANYINGEE PROJECT****	**OOBAGOOMA PROJECT**	**VALHALLA DEPOSIT***	**SKAL DEPOSIT***	**BIGRLYI DEPOSIT***	**ANGELA DEPOSIT**
Paladin Attribution	100%	100%	100%	100%	91.03%	91.03%	42.06%	50%
Location	Namibia, Southern Africa	Malawi, Southern Africa	West Pilbara, Western Australia	West Kimberley, Western Australia	Queensland, Australia	Queensland, Australia	Northern Territory, Australia	Northern Territory, Australia
Deposit Type	Calcrete	Sandstone	Sandstone	Sandstone	Metasomatic	Metasomatic	Sandstone	Sandstone
Measured & Indicated Resources	56.4Mt @ 0.06% U_3O_8 (32,858t U_3O_8) 72.4Mlb	20.7Mt @ 0.08% U_3O_8 (17,599t U_3O_8) 38.8Mlb	7.9Mt @ 0.1% U_3O_8 (8,080t U_3O_8) 17.8Mlb	----------	27.8Mt @ 0.09% U_3O_8 (24,765t U_3O_8) 54.6Mlb	4.3Mt @ 0.06% U_3O_8 (2,458t U_3O_8) 5.4Mlb	2.7Mt @ 0.15% U_3O_8 (4,190t U_3O_8) 9.2Mlb	----------
Inferred Resource	70.7Mt @ 0.06% U_3O_8 (41,557t U_3O_8) 91.6Mlb	5.5Mt @ 0.06% U_3O_8 (3,433t U_3O_8) 7.6Mlb	5.5Mt @ 0.05% U_3O_8 (2,810t U_3O_8) 6.2Mlb	----------	7.3Mt @ 0.08% U_3O_8 (5,864t U_3O_8) 12.9Mlb	8.4Mt @ 0.05% U_3O_8 (4,129t U_3O_8) 9.1Mlb	4.5Mt @ 0.11% U_3O_8 (5,150t U_3O_8) 11.4Mlb	----------
Historic Resources (non-JORC compliant)	----------	----------	----------	8.3Mt @ 0.12%-0.14% U_3O_8 (9,950t U_3O_8) 21.9Mlb	----------	----------	----------	11Mt @ 0.1%-0.13% U_3O_8 (12,000-13,000t U_3O_8) 26-28Mlb
Mining Method	Conventional open pit	Conventional open pit	In-Situ Leach	In-Situ Leach	Open pit / Underground	Open pit / Underground	Open pit / Underground	Open pit / Underground
Previous Owners	Gencor Limited (South African Mining Company) and Acclaim	Central Electricity Generating Board (UK utility)	Cogema (French utility)	Cogema (French utility)	Queensland Mines Ltd	Queensland Mines Ltd	AGIP Australia Pty Ltd	Uranerz Australia Pty Ltd
Activity Periods	1973 - 1980, 1999 to present	1982 – 1990, 1998 to present	1979 - 1988 Acquired 1998	1982 - 1985 Acquired 1998	1968 - 1972, 1997 to present	1970 - 1980, 2005 to present	1974 - 1983, 2005 to present	1972 – 1983, 2009 to present
Project Status	Stage 3 planning underway.	Ramp-up commenced.	Resource definition planning commenced.	Re-assessment underway. Resource definition drilling required.	Resource definition drilling in progress.	Resource definition drilling in progress.	Resource definition drilling in progress.	Resource definition and confirmation drilling underway.
Project Significance	Globally first new uranium mine and mill in a decade.	Significant contributor to Malawi economy. Approx. 10% GDP.	One of only three Australian advanced ISL projects.	Large resource potential.	Large uranium resource.	Large uranium resource.	High uranium grades.	Large uranium resource.
Timeframe	Production commenced in 2007. 27 year project life. Ramp-up to 3.7Mlb/pa September quarter 2009. Expansion to 5.2Mlb/pa 2010.	Commissioning commenced in early 2009. 11 year project life. Ramp-up to 3.3Mlb/pa underway.	3 year staged feasibility study required.	2 year reserve / resource drilling required.	Development dependent on Queensland Government U Policy changes.	Development dependent on Queensland Government U Policy changes.	Prefeasibility Study if sufficient resources.	Prefeasibility Study to follow resource validation.

Resources are quoted inclusive of any reserves that may be applicable.
Resources detailed above in all cases represent 100% of the resource – not the participant's share.
**Complies with JORC(2004) guidelines & is NI 43-101 Compliant*
***Complies with JORC(1999) guidelines*
For Valhalla and Skal, Paladin's interest is based on 50% deriving from the Mount Isa Joint Venture and 41% via Paladin's 82.05% ownership of Summit Resources Ltd.
For Kayelekera, the Government of Malawi holds a 15% equity interest in the subsidiary, Paladin (Africa) Ltd, the holder of the Kayelekera Mining Licence.
Langer Heinrich and Kayelekera Mineral Resources have been depleted for mining at the time of resource estimation and are inclusive of any Ore Reserves that may be applicable.

Uranium Market

The spot price for uranium has been negatively affected by the general economic turbulence over the last eighteen months which largely reflects conditions in the commodity investment sector but not in the primary market for nuclear fuel. The medium and long term outlook for uranium is extremely buoyant. This strength is underpinned by a fundamental imbalance between increasing demand for uranium to fuel existing and new reactors and the inability of the current uranium supply sector to significantly increase production.

The spot market for uranium (near-term delivery within twelve months) traditionally accounts for only 10-15 percent of annual transactions. However the entry of investment funds and other financial participants has seen the spot market increase in volume and volatility with a pronounced rise in activity during 2008 and 2009. Spot prices moved through a range from US$44.50/lb U_3O_8 in January 2010 to a low of US$40.50/lb U_3O_8 in March and remaining in the low $40's/lb through to July. In 2009 spot volumes increased to 52 million pounds marked by opportunistic buying on the part of nations with aggressive nuclear growth plans. However the larger proportion of uranium is traded between suppliers and utilities under multi-year term contracts that do not exclusively reference spot market prices. The relevant long term price indicator has exhibited less volatility during the recent downturn, moving from US$62/lb U_3O_8 in January 2010 down to US$58/lb U_3O_8 in July.

The volatility in the spot price and the slight weakness in the term price have little to do with the macro conditions of the uranium market. The existing world fleet of power reactors consumes annually about 65 million pounds more natural uranium than is currently being produced. This creates a widening gap between supply and demand as inventories and secondary supplies, which currently meet the shortfall, are consumed. At the same time, new reactors are being built not only in rapid growth countries such as China, India and Russia, but also in mature economies such as the UK, the USA, Japan, Korea, as well as in parts of the EU where the economic and environmental advantages of nuclear power are compelling. The recent decision by the United Arab Emirates to order 4 nuclear plants from Kepco (South Korea) illustrates the growing interest in nuclear power worldwide.

A long period of under-investment in uranium production coupled with long development lead times for new projects means primary uranium supply will continue to lag behind demand growth resulting in higher uranium prices and a tight market for many years. The risk of supply disruption from over-reliance on a few large mines implies that not only is more uranium production essential, but that new supply sources from new producers in different regions are vital to ensure supply reliability for the world's nuclear power reactors.

Corporate / Contact Details

AUSTRALIA
Investor Relations Team
Level 4, 502 Hay Street
Subiaco Western Australia 6008
PO Box 201, Subiaco, Western Australia 6904
Telephone: +61 (0) 8 9381 4366
Facsimile: +61 (0) 8 9381 4978
Email: paladin@paladinenergy.com.au
Website: www.paladinenergy.com.au

NORTH AMERICA
Mr Greg Taylor (Investor Relations)
Telephone: +1 (905) 337 7673
Cell: +1 (416) 605 5120
Fax: +1 (905) 844 6532
Email: greg.taylor@paladinenergy.com.au
Oakville Ontario Canada

Scientific or technical information in this communication has been prepared under the supervision of John Borshoff, Managing Director, a Fellow of the Australasian Institute of Mining and Metallurgy and a qualified person under National Instrument 43-101.