

Paladin Energy Ltd

The New Energy In The Market

John Borshoff – Managing Director

Ron Chamberlain – Chief Financial Officer

March Quarter Financial Report & Investor Update
21 May 2008



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Quarter Activity Highlights

- Langer Heinrich production 490,800lb U_3O_8 , plus 60,600lb increase in inventory
- US\$50M stage II expansion commenced for 3.7Mlb pa production - scheduled for mechanical completion at end of calendar 2008
- Construction work on schedule and budget at the Kayelekera Uranium Project in Malawi
- Paladin and Cameco JV awarded the Angela Uranium Deposit in Northern Territory
- Focus on exploration and evaluation of Queensland (Mt Isa) and Northern Territory (Biglyi) Australian projects



Paladin Accomplishment overview

- **Achieving stated operational objectives**
 - Langer Heinrich and Kayelekera
- **A clear vision for its future development**
 - foresaw transformational changes in nuclear industry
- **Seeking to establish a global mining footprint by end 2009**
 - in the principal uranium rich continents
- **Sufficient funding available to support envisaged growth**
 - US\$416M (cash)
 - US\$167M (Kayelekera project debt)
- **Market cap:** US\$3.4Bn (A\$3.6Bn)



MARCH 2008 QUARTER FINANCIALS



Sales Revenue

- **Sales Revenue of US\$13.8M for the Mar 08 quarter and US\$57.5M for the nine months - Mar 08 quarter in line with revised plan to overcome shipping delays**
- **June 08 quarter sales will catch up shipping plan**
- **208,000lb sold for the Mar 08 quarter at an average realised price of US\$66/lb and 809,000lb sold for the nine months at an average realised price of US\$71/lb**
- **Cash Receipts from Customers of US\$3.3M for the Mar 08 quarter and US\$47.0M for the nine months – both lower than Sales Revenue as a consequence of timing of invoice receipts**



Income Statement

- **Gross profit of US\$7.5M for the Mar 08 quarter and US\$14.3M for the nine months with Langer Heinrich contributing US\$6.0M and US\$8.8M respectively – unit costs continuing to trend down and this will continue into the June 08 quarter**
- **Exploration expenditure of US\$2.5M for the Mar 08 quarter and US\$9.1M for the nine months. Finance costs of US\$7.0M for the Mar 08 quarter and US\$20.4M for the nine months**
- **Other expenses of US\$12.1M for the Mar 08 quarter and US\$28.1M for the nine months – includes forex loss and SBP**
- **Loss after tax of US\$8.4M or US\$0.01 per share for the Mar 08 quarter and US\$34.2M or US\$0.06 per share for the nine mths**



Balance Sheet and Cash Flow

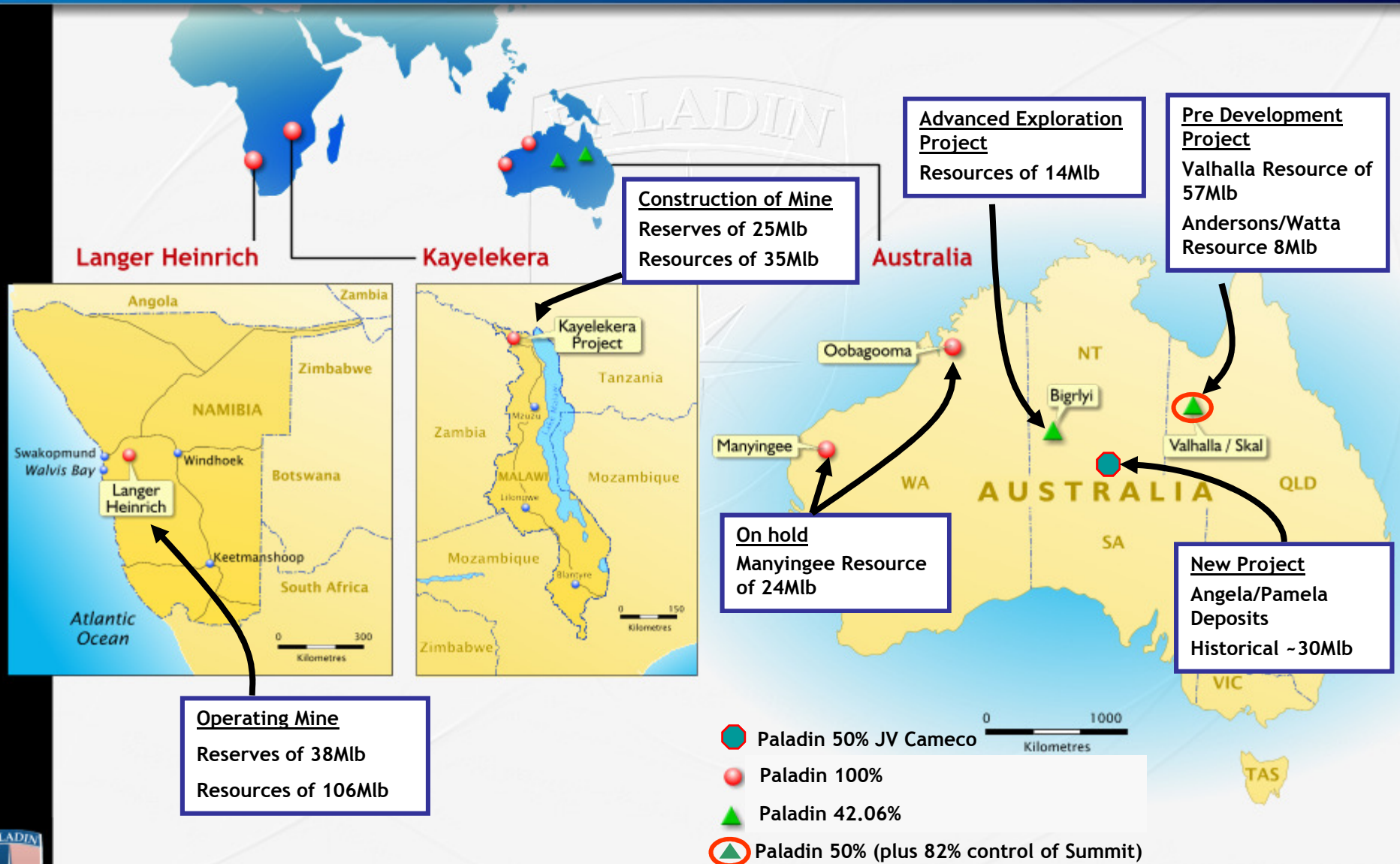
- **Cash and cash equivalents of US\$417M at 31 Mar 08 – includes net proceeds from US\$325M Convertible Bond on 11 Mar 08**
- **Net assets of US\$1.4 billion – includes inventories of US\$37.5M of which US\$19.1M relates to Langer Heinrich finished goods**
- **Cash outflow from operations of US\$12.9M for the nine months attributed to delay in sales receipts from revised shipping plan**
- **Cash outflow from investing of US\$80.6M relating to Kayelekera mine construction, investment in Deep Yellow and exploration**
- **Offers received for US\$167M in Kayelekera project finance**



PROJECTS



Paladin's Suite of Uranium Properties



Langer Heinrich Uranium Project

current status

- **Stage I ramp-up completed**
 - now on plant optimisation and recovery improvement programmes
- **Production improving**
 - H2/CY07 - 650,562lb U₃O₈
 - Q2/CY08 - 490,800lb U₃O₈ (plus 60,600lb increase in inventory)
 - expected H1/CY08 – 1.1-1.2Mlb U₃O₈
- **Stage II expansion commenced - 2.6Mlb to 3.7Mlb U₃O₈ annual**
- **Stage III expansion announced 3.7Mlb to 6Mlb for mid 2010**



Kayelekera Project

construction progressing well



Status December Quarter 2007



Status March Quarter 2008



Kayelekera Uranium Project

current status

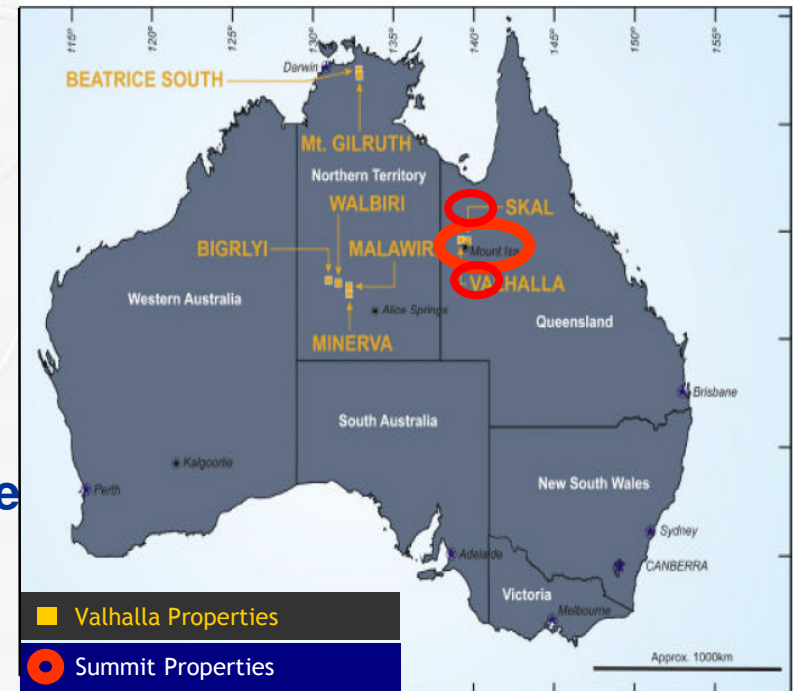
- **US\$200M CAPEX – (US\$140M committed)**
 - US\$167M project finance approved (project now fully funded)
 - project on schedule and on budget with completion end 2008
- **Civil earthworks and plant erection underway – 900 people on site**
- **Long lead capital items – power plant installed, mill on site, acid plant delivery September 2008 and on schedule**
- **Open pit pre-strip underway**
- **Tailings Dam and other water structure construction underway**
- **GM Operations appointed and strong, uranium experienced operational team being established**



Mt Isa Uranium Project

current status

- Intensive drilling of Valhalla for resource expansion and classification
- Focused metallurgical test work underway
- Environmental baseline work ongoing
- Preparing for Pre-Feasibility Study end 2008
- Ongoing lobbying of QLD government re uranium policy



OUTLOOK



Production Schedule

plenty of upside on existing major projects

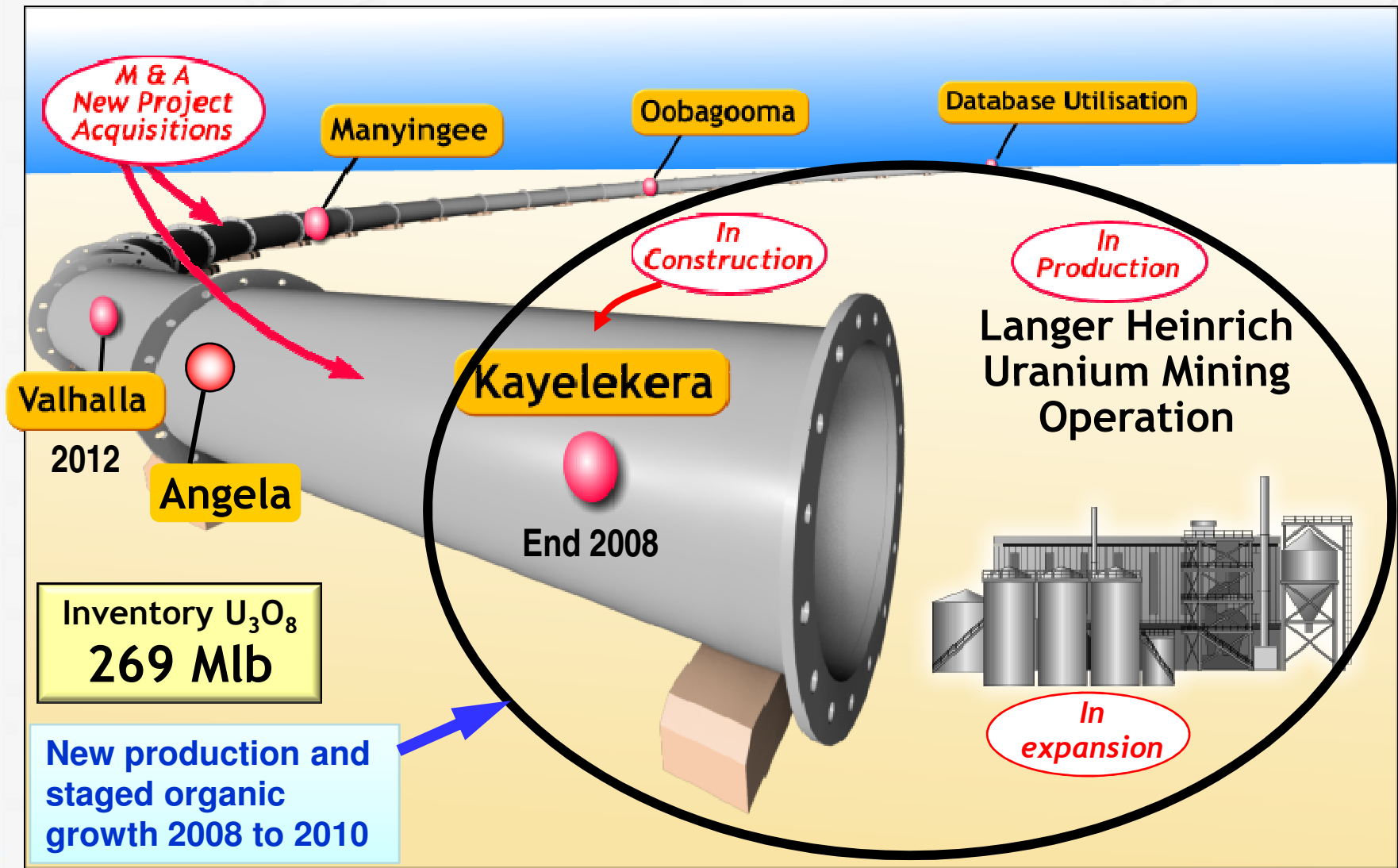
	2007 Mlb	2008 Mlb	2009 Mlb	2010 Mlb	2011 Mlb	2012 Mlb
LH Stage I (2.6Mlb)	-	2.6	2.6	2.6	2.6	2.6
LH Stage II (3.7Mlb)	-	-	0.5	1.1	1.1	1.1
LH Stage III to 6Mlb	-	-	-	0.4	1.6	2.3
Sub Total	-	2.6	3.1	4.1	5.3	6.0
Kayelekera	-	-	1.6	3.3	3.3	3.3
Total Production	-	2.6	4.7	7.4	8.6	9.3

Potential to further expand African projects
Additional production potential on Australian projects 2012 and beyond



Project Pipeline

assets acquired & projects developed



Paladin Offers Excellent Upside

key outcomes for 2008

- **Langer Heinrich (Namibia)**
 - complete Stage II expansion (2.6Mlb to 3.7Mlb pa)
 - optimisation of Stage I (2.6Mlb + for 2008)
 - new resource estimate by mid 2008
- **Kayelekera (Malawi)**
 - construction completed end 2008
 - new resource estimate by mid 2008
- **Mt Isa Project (Queensland - Australia)**
 - excellent potential to increase current resource base
 - new resource estimate by Sept 2008
- **Bigrlyi Project (Northern Territory – Australia)**
 - focussed on highly prospective target
 - opportunity to increase resource base - new estimate by early 2009

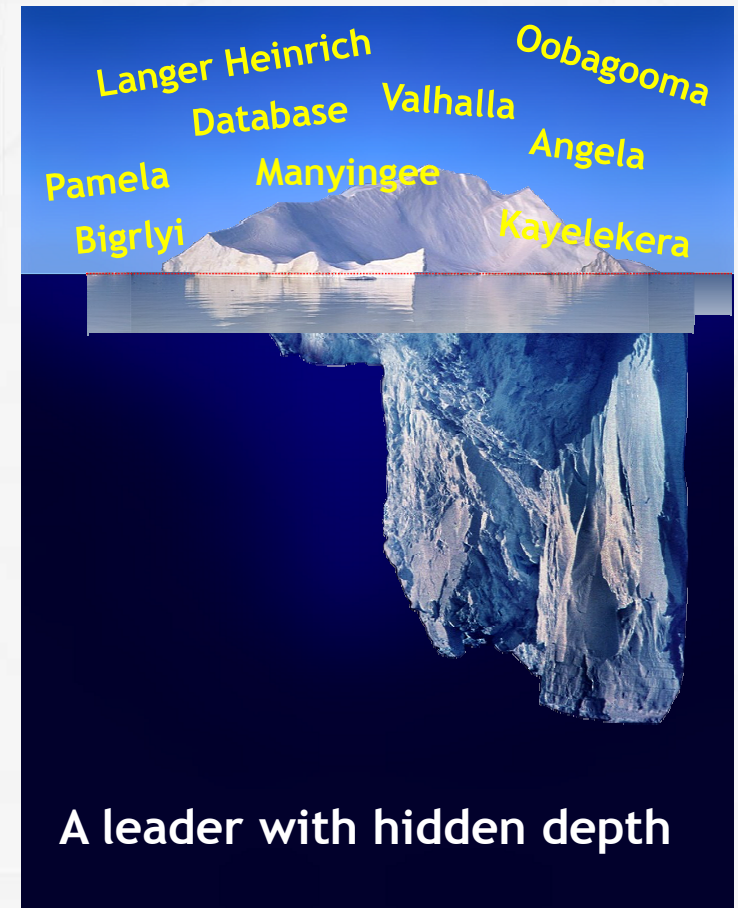
Significant opportunity to increase overall resource base in 08/09



Conclusion

Develop Paladin Into A Major Global Uranium Supplier

- **A focused uranium energy company**
 - large resource base in 6 deposits - 269Mlb
 - strong resource upside potential
 - strength through geographic diversity
 - expertise and funding to deliver
- **Langer Heinrich and Kayelekera**
 - production schedules in tune with market upturn
- **Pure uranium play with unhedged upside**
- **Develop uranium trading subsidiary**
- **Continue M&A opportunities**
 - with uranium proprietary database and specific enquiry





PALADIN ENERGY LTD

Contact Details

Mr John Borshoff
(Managing Director)
Mobile: +61 (0) 419 912 571
Email: john.borshoff@paladinenergy.com.au

Grand Central 1st Floor, 26 Railway Rd
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

