Paladin Energy Ltd

The New Energy In The Market

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Disclaimer

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Paladin – Basis for nuclear focus

Industry in a MAJOR upward transformation

- **Nuclear industry revival will be underpinned by adequate availability of mine-side uranium resources**
- **Supply-side ill prepared**
  - traditional Tier I suppliers in various stages of dysfunction (starting to improve)
  - all majors except KazAtomProm behind original production schedules due to **technical problems, cost, politics**
- **Supply will be deficient for 1-2 decades. Pressure from**
  - up-rating and performance improvements in existing reactor fleet
  - need to build substantial new fleet over next 30-40 yrs
  - operational inventories in need of replenishment
  - strategic inventories needing to increase
  - nuclear electrification tailor-made for carbon constrained 21st century

Paladin Strategy

- **Harness Paladin's considerable uranium expertise and know-how for shareholder benefit**
- **Establish geographically diversified project pipeline**
- **Drive projects to production ASAP**
  - establish expertise in construction and operations with competent management overall
  - demonstrate credibility in sustainable development
  - proceed to capitalise with new opportunities
- **Establish a trading arm to service and exploit new requirements emanating from a globalised uranium market**
- **Become a premier Tier I uranium supply company**

Presentation Outline

- Uranium Demand & Supply
- Paladin Status
- Projects Update
- Future Outlook
- Conclusion

Nuclear Generating Capacity
October 2007 & future

In Operation (currently)

- **439 REACTORS**
- **372,002 MWe (16% world electricity)**
- **31 Countries**
- **173Mlbs U_3O_8 required 2007**

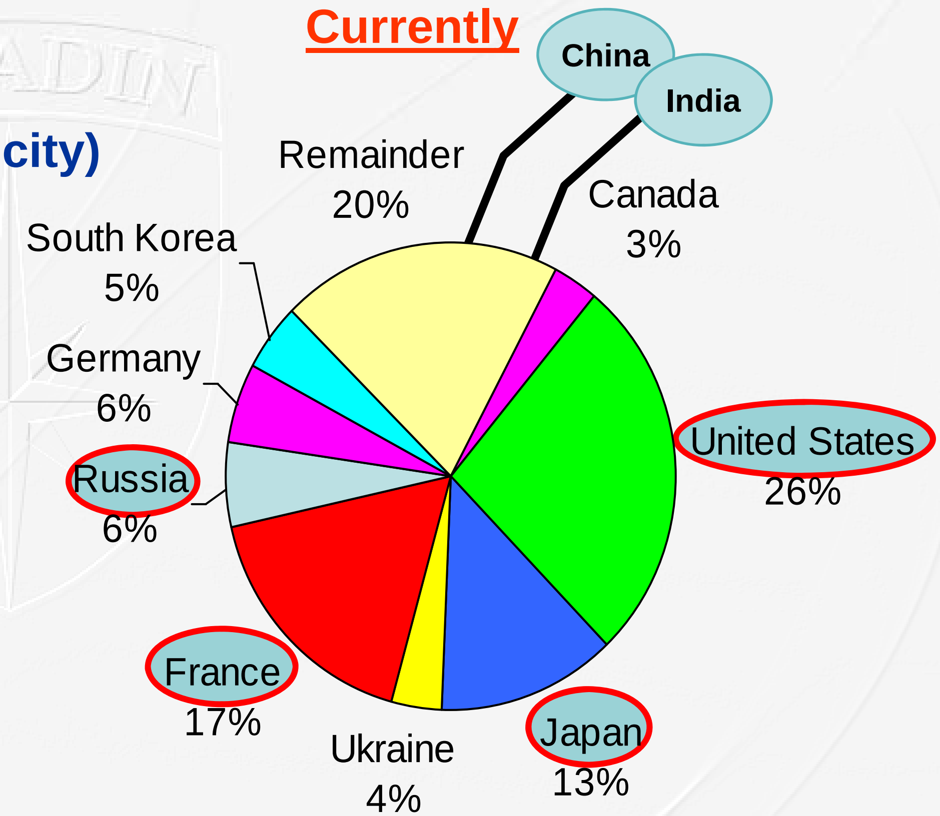
Under construction

- **33 REACTORS**
- **26,838 MWe**
- **13 Countries**

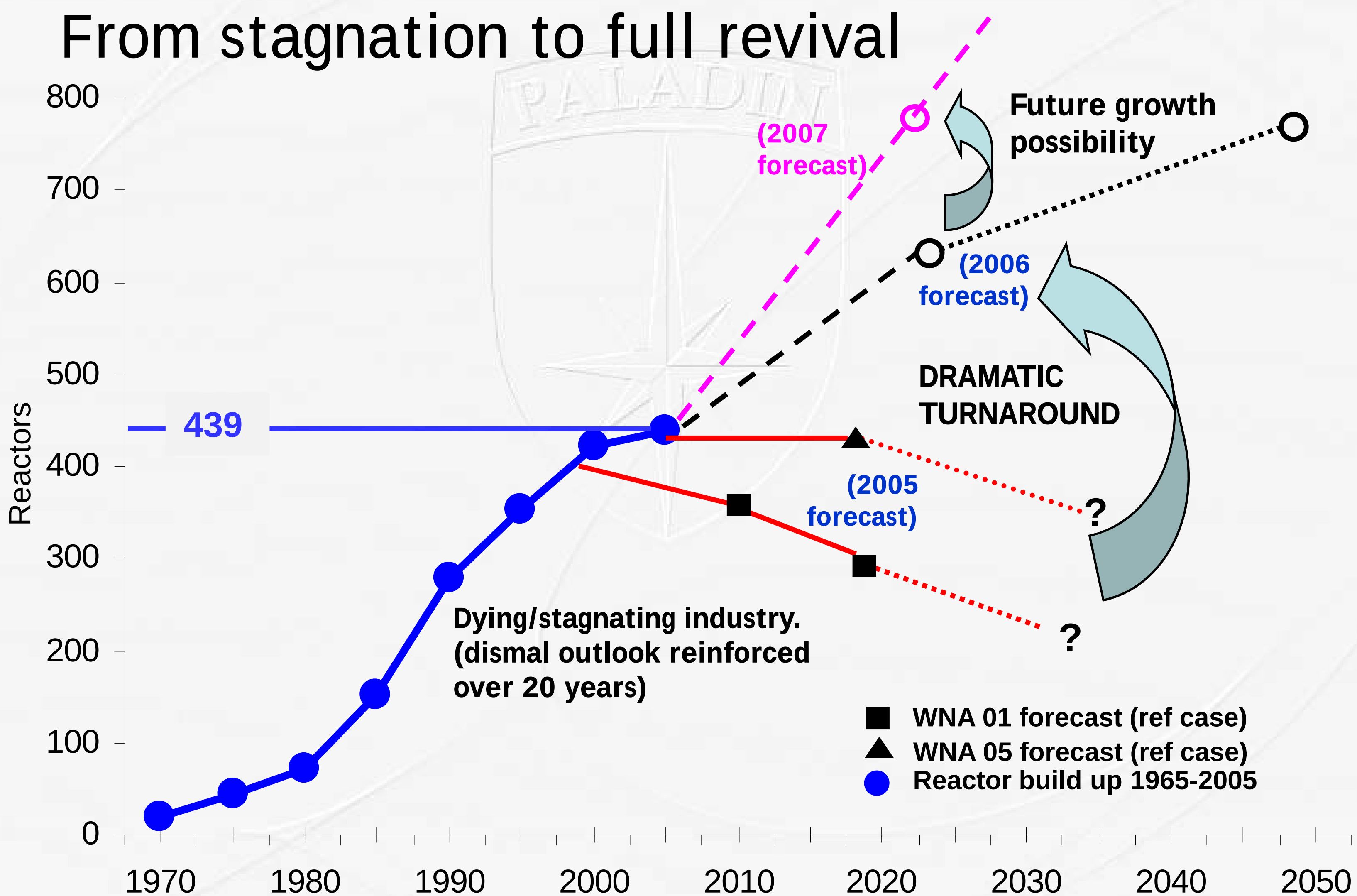
Planned and Proposed (by 2030)

- **316 REACTORS (222 in Sept 06)**
- **294,690 MWe**
- **34 Countries**

Currently

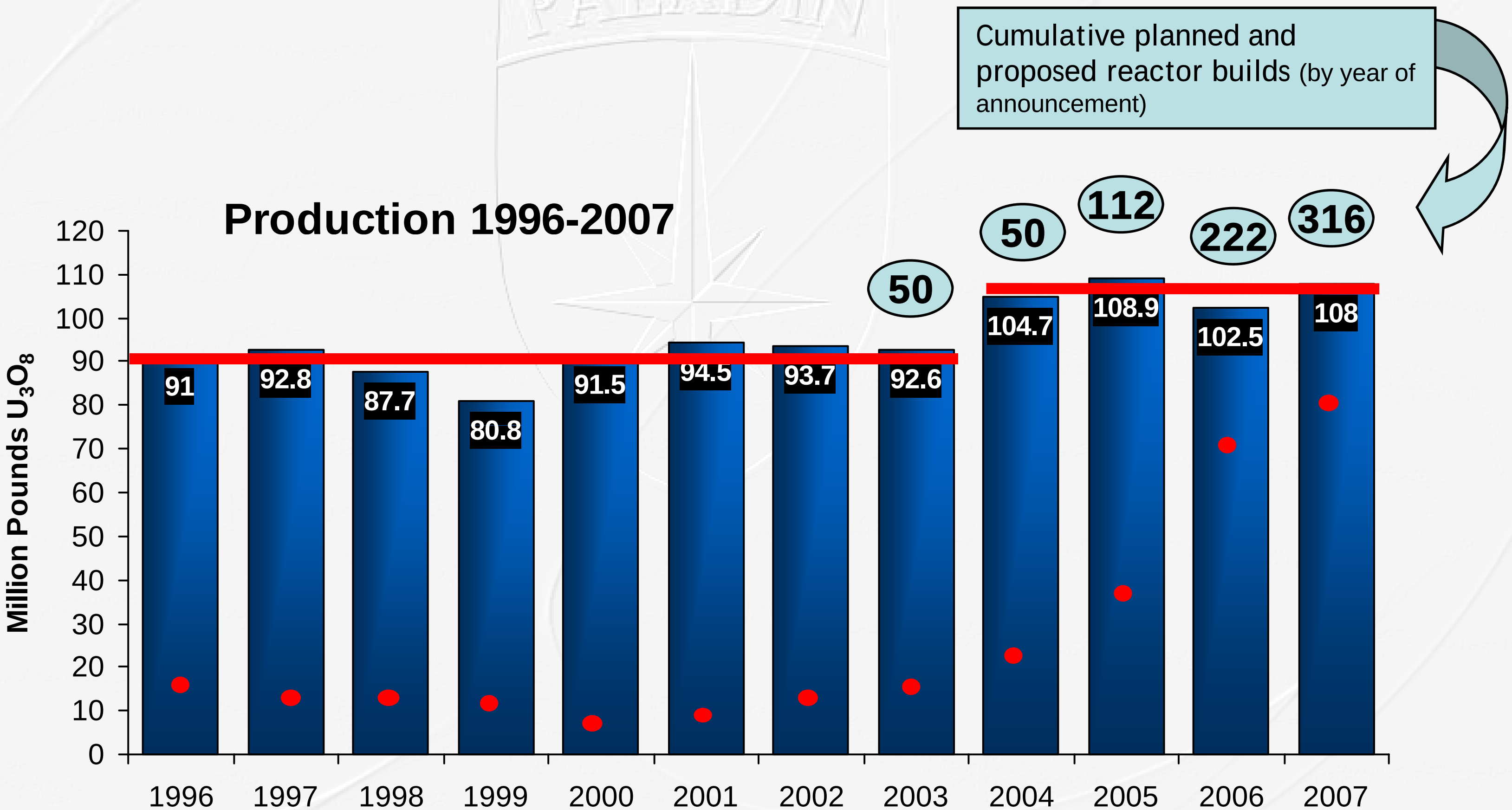


The Nuclear Reactor Fleet (1965 to 2050)



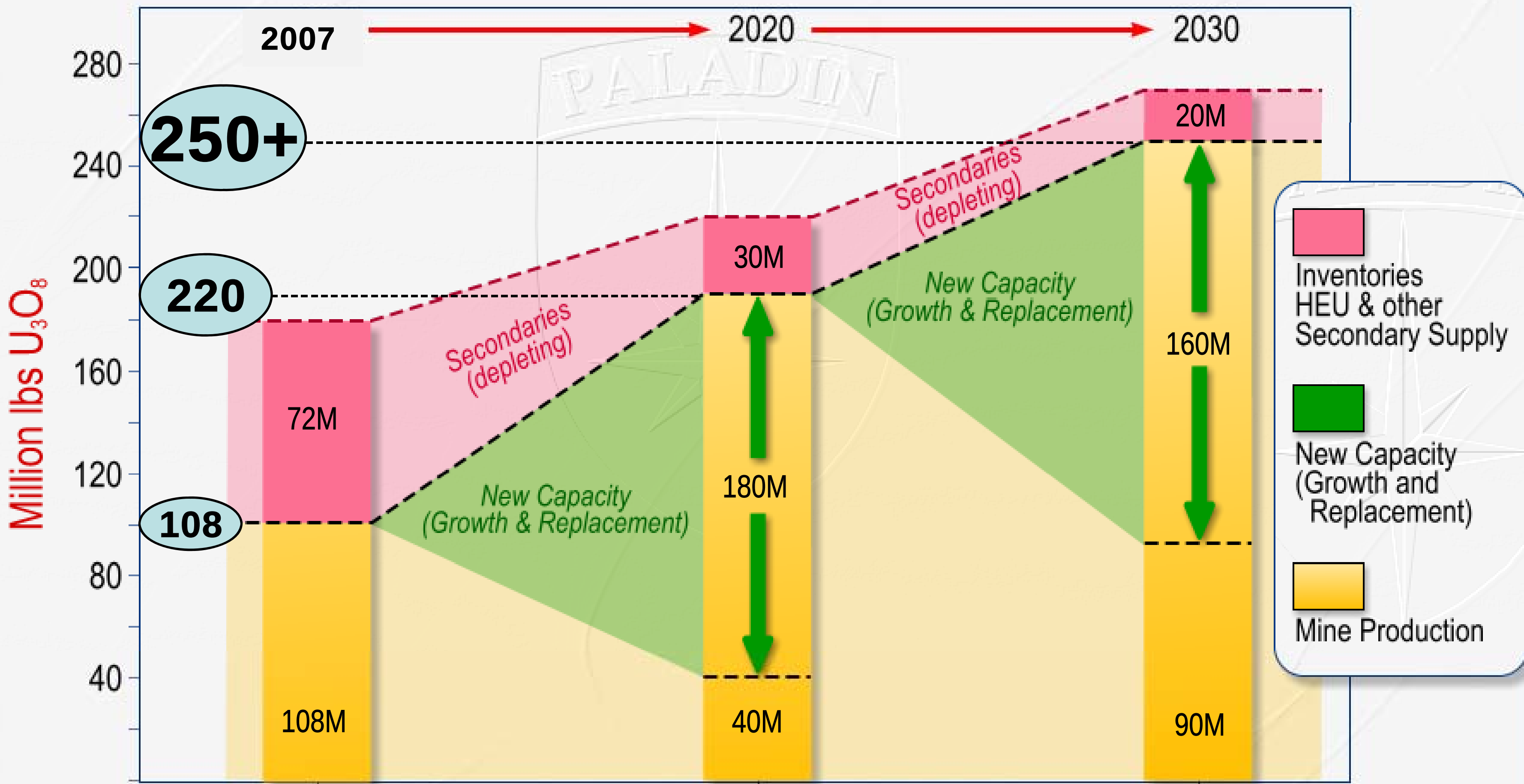
Global Uranium Production/Demand

Supply is flat despite strong price/demand growth



2006 Production 102.5Mlb - Down 5%
2007 Production 108.0Mlb - Up 5%

Building a New Mining Supply Industry
2007 to 2030 and beyond



Nuclear Capacity	370GW	445GW	520GW (Reference case-conservative)
New Mines		30 - 40	25 - 35

2005 WNA forecast

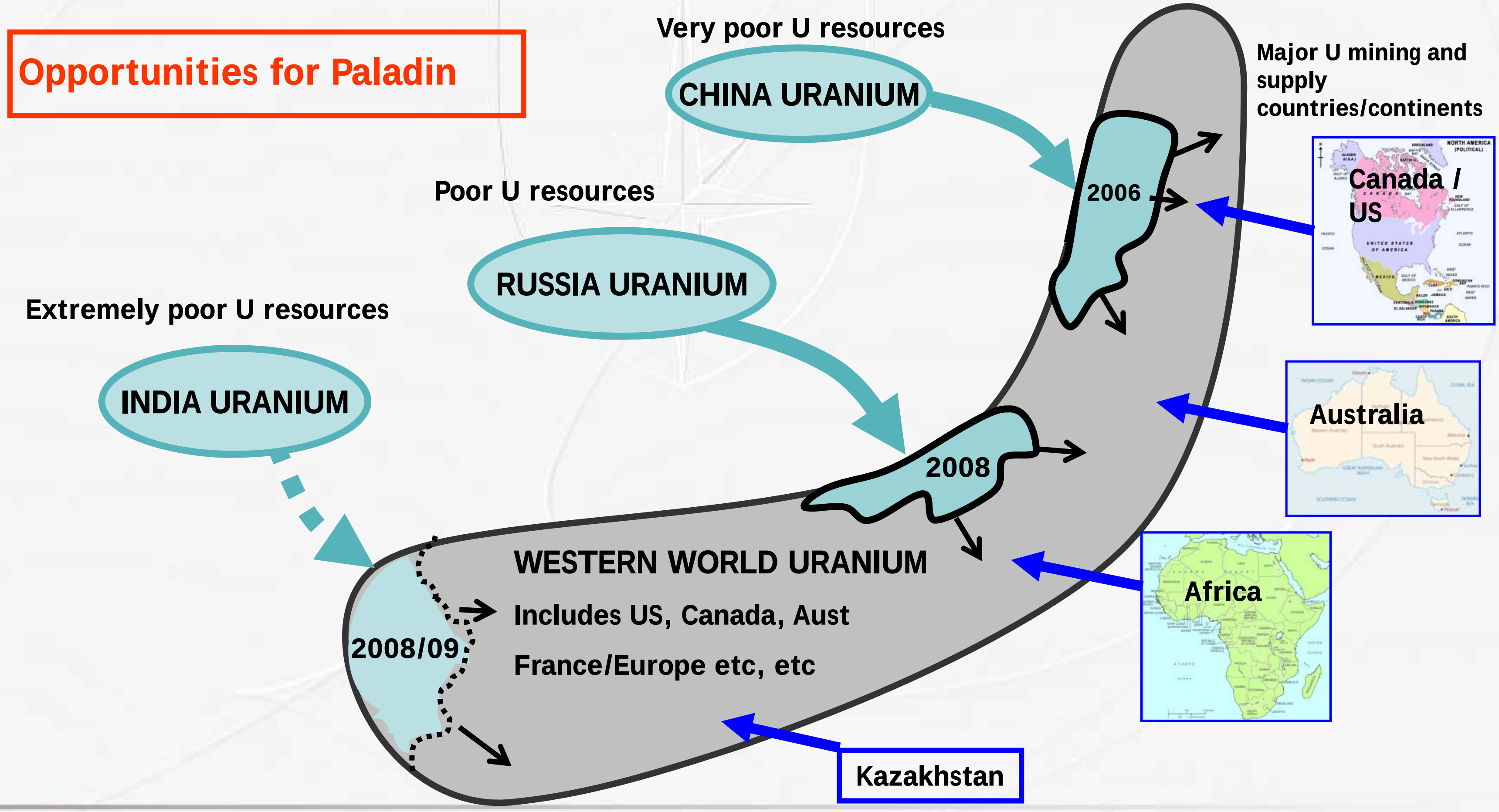
Huge discovery/development effort required

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

Current World Uranium Status

globalisation of uranium markets – one nuclear economy

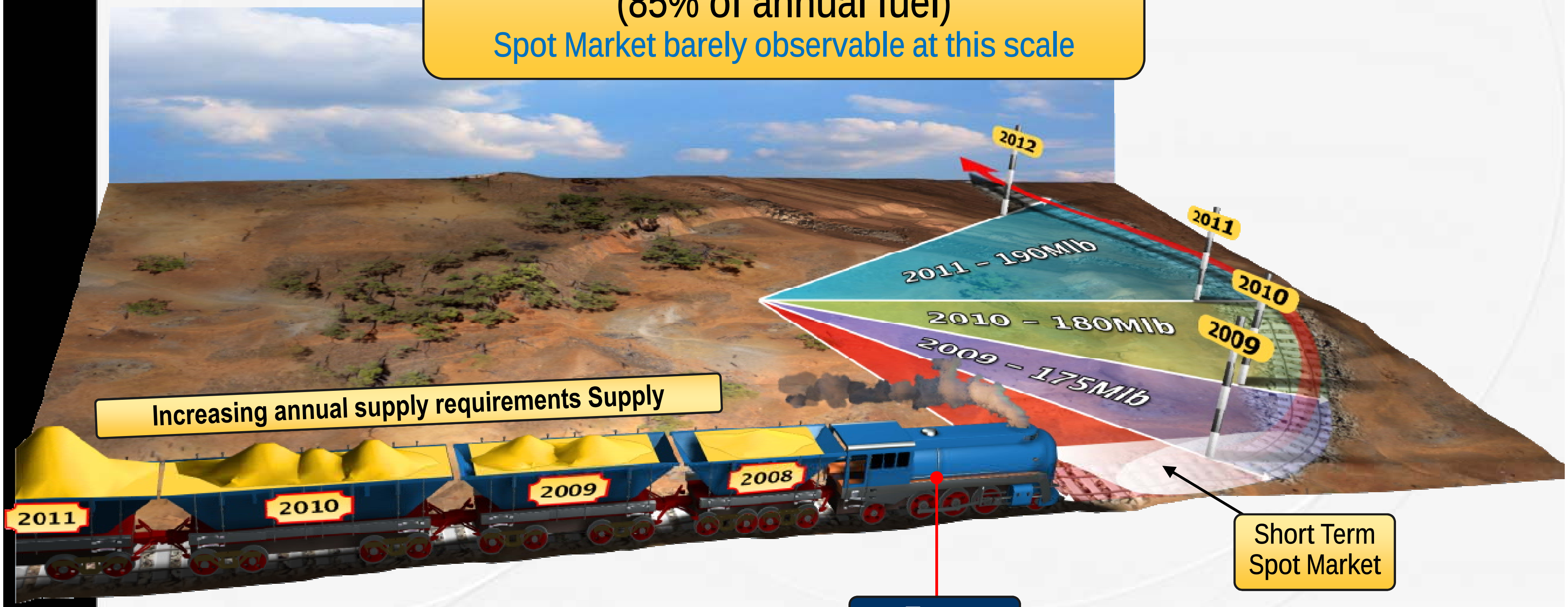
- Process of inevitable globalisation of markets has commenced
- Have NEW nuclear economies (e.g. China and India)
- Have GROWING nuclear economies (e.g. US, Russia & France)



The Uranium Term Market

Bulk of Nuclear industry is time based long dated uranium contracts (85% of annual fuel)

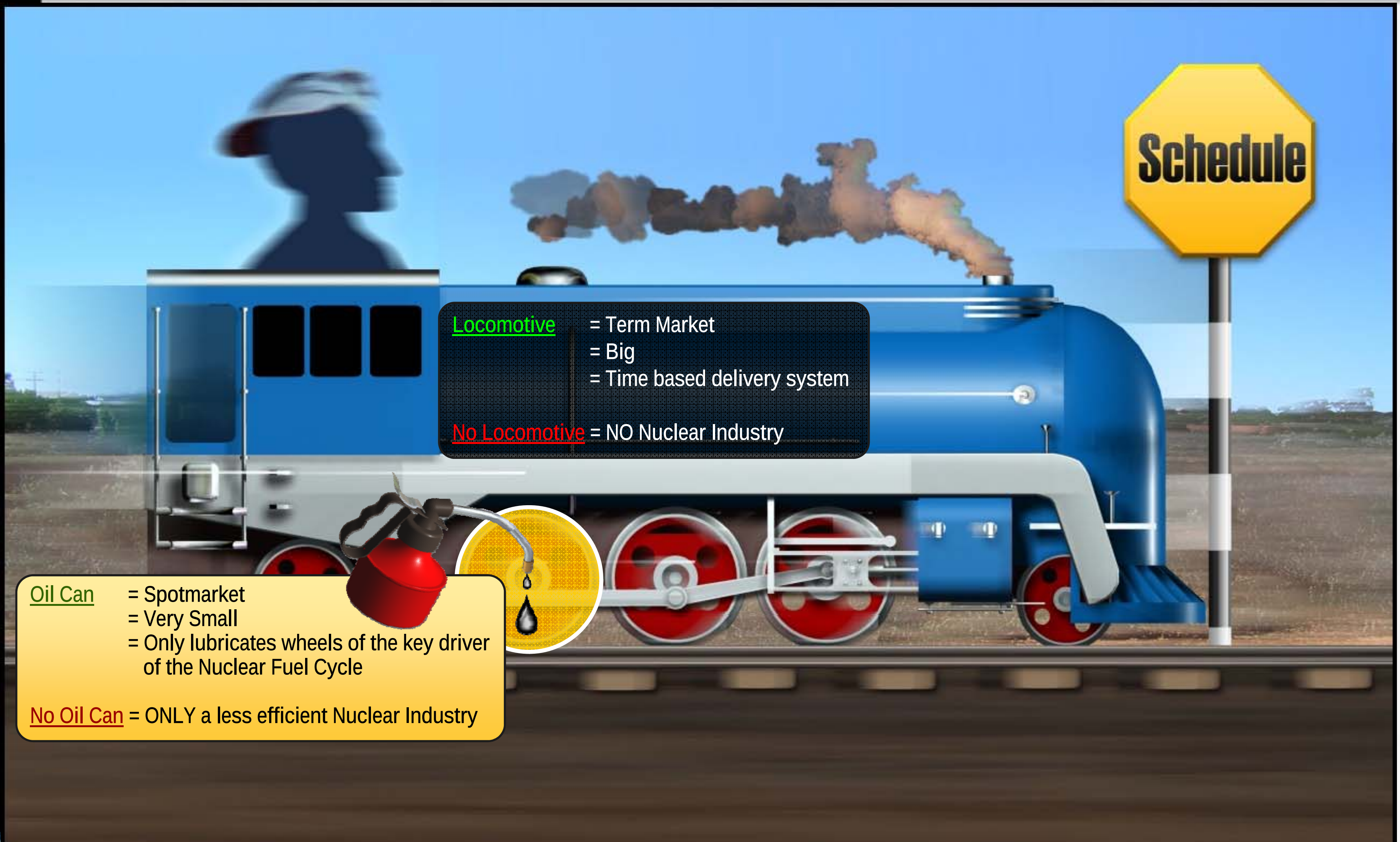
Spot Market barely observable at this scale



Short Term Spot Market

Term Market

Uranium Term Market Drives The Nuclear Industry



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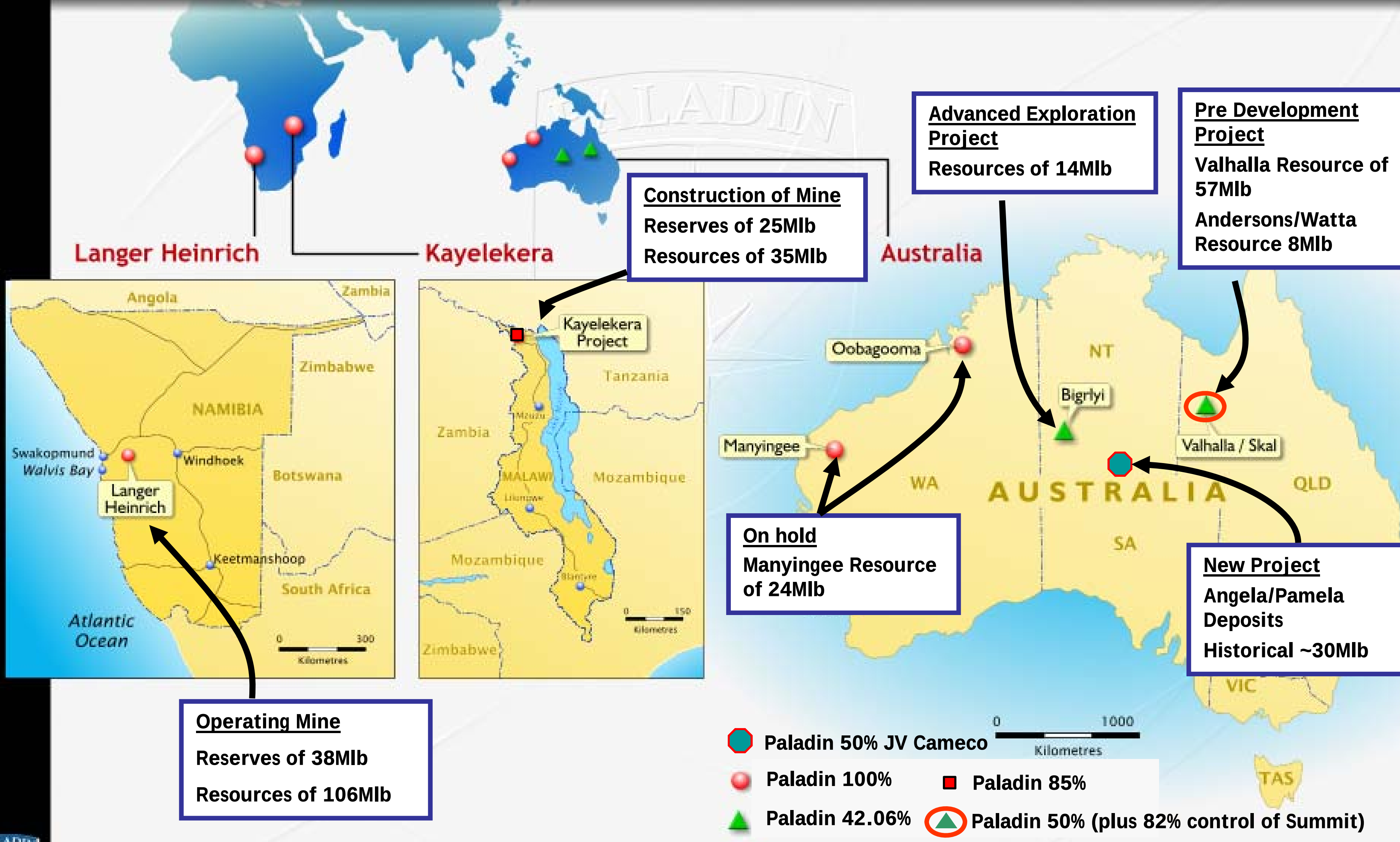
Uranium Companies
current global status

	Companies	Operations
Producers - 18 countries		
Tier I Companies	• Cameco, AREVA, Rio Tinto, BHP-B, Kazatomprom, ROSATOM, Navoi	• ~85% of 2007 mine production operating in 9 Countries
Tier II Companies	• **Paladin**, Uranium One, Denison, Heathgate, Mesteña and other smaller producers	• ~15% of 2007 production in 4 of above & 9 other countries
Non Producers		
Tier III Companies	• Dozen or so companies with resources >20Mlb U_3O_8 resources	• Speculative • Operating in 9 countries (6 new)
Tier IV Companies	• 100's of companies	• Highly speculative

Paladin Accomplishments
overview

- **Achieving stated operational objectives**
  - Langer Heinrich and Kayelekera
- **Demonstrating clear action to support its 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) - 613M shares
- **Corporate Interests:** 82% holding in Summit Resources Ltd
  14.3% holding in Deep Yellow Ltd

Paladin's Suite of Uranium Properties



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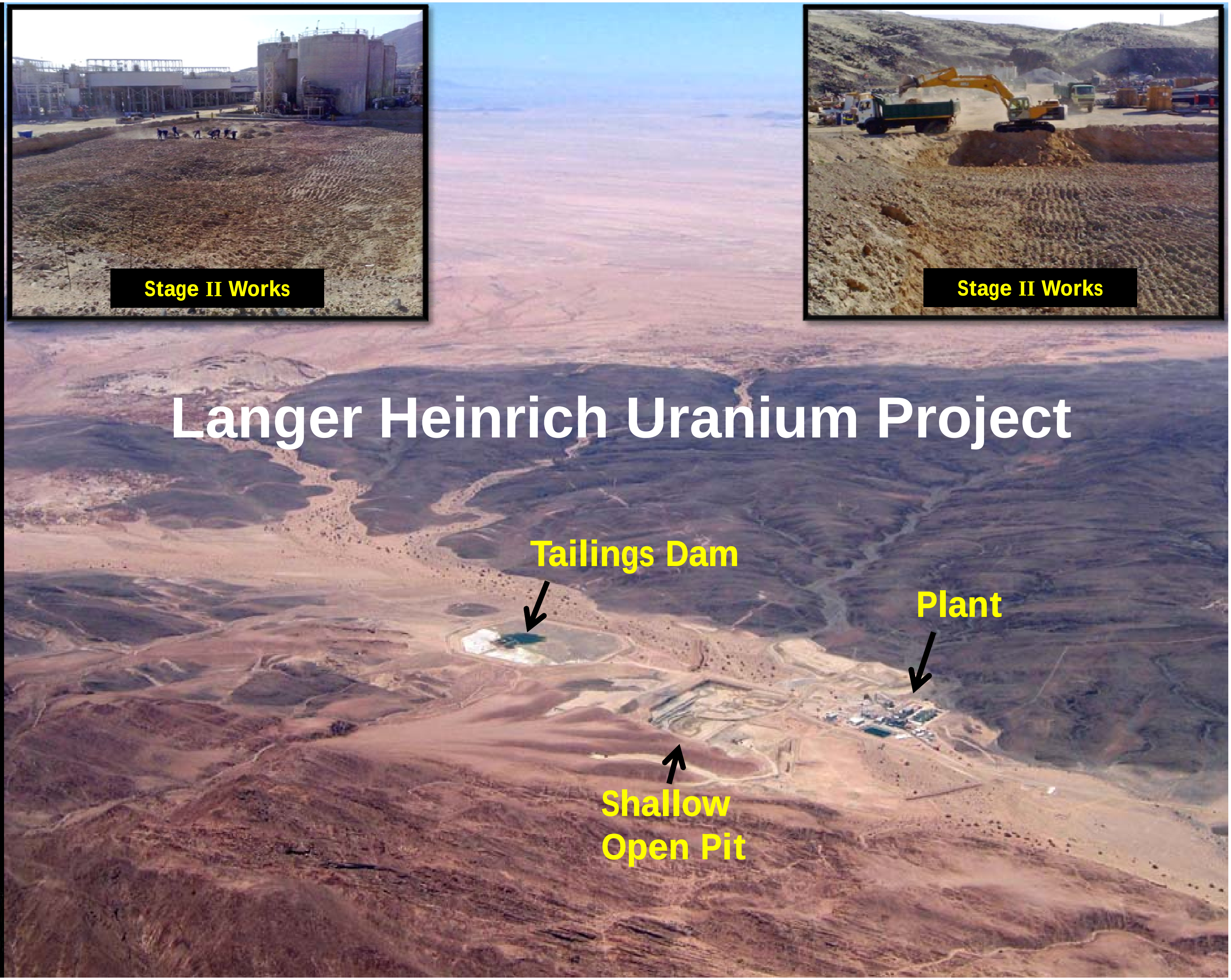
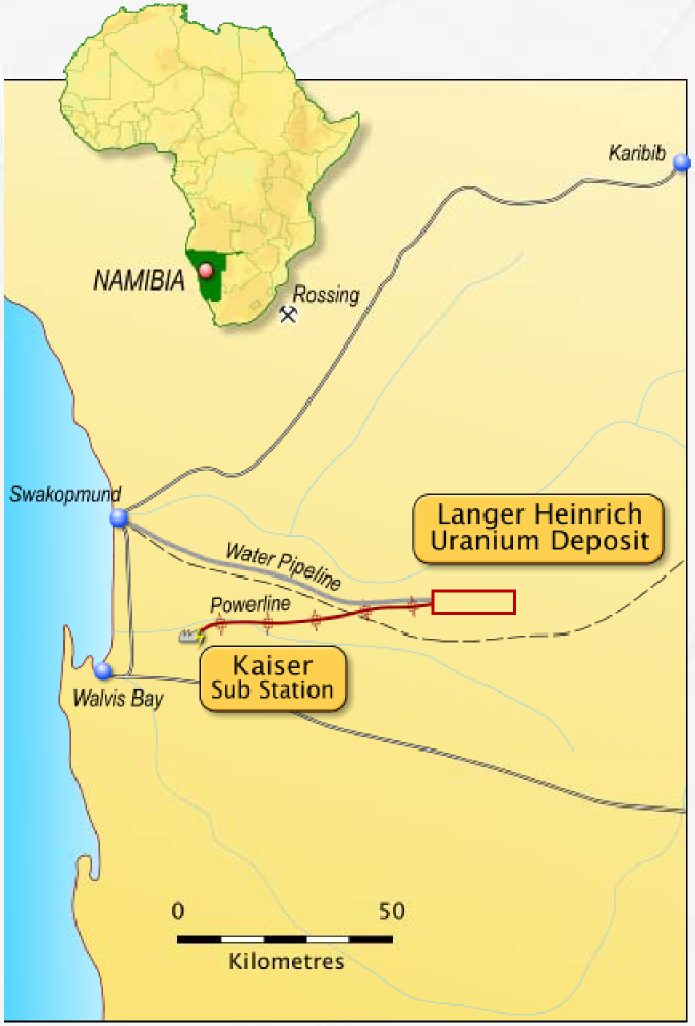

Stage II Works
Stage II Works
Langer Heinrich Uranium Project
Tailings Dam
Plant
Shallow
Open Pit

Langer Heinrich Uranium Project
current status

- **Stage I ramp-up completed**
  - **focus on plant optimisation and recovery improvement programmes**
- **Production improving**
  - **H2/CY07 - 650,562lb U_3O_8**
  - **Q2/CY08 - 490,800lb U_3O_8 (plus 60,600lb increase in inventory)**
  - **expected H1/CY08 – 1.1-1.2Mlb U_3O_8**
- **Stage II expansion commenced**
  - **2.6Mlb to 3.7Mlb U_3O_8 annual**
- **Stage III expansion announced**
  - **3.7Mlb to 6Mlb for mid 2010**



Langer Heinrich Operations

Langer Heinrich Pit and Mine Fleet

Langer Heinrich Process Plant

LHUPL Product Ready For Shipment

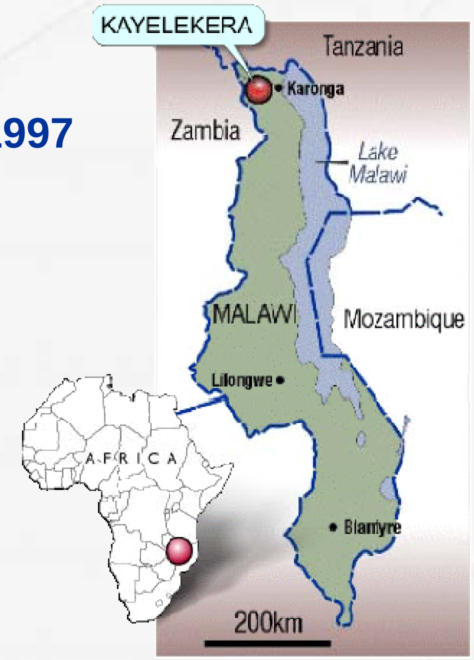
Stage II Expansion - Earthworks

Kayelekera Uranium Project

Kayelekera Uranium Project

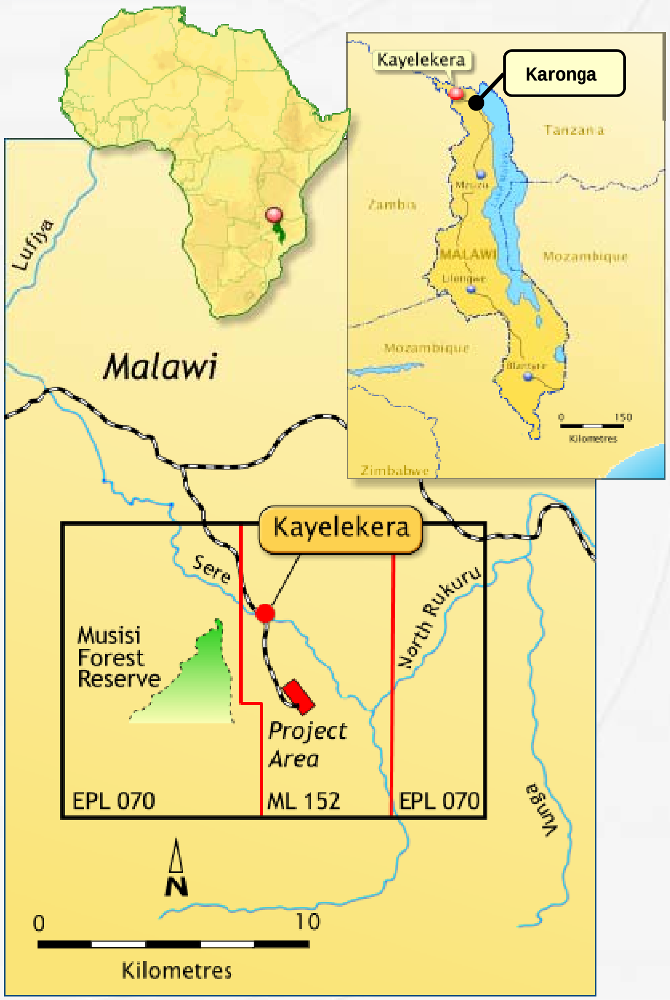
Project Summary

- **Discovered 1980 - worked to 1991 by other parties**
- **Feasibility study and project databases acquired by PDN 1997**
- **BFS completed in 2006 modelled at US$60/lb**
- **Project represents:**
  - **10% of GDP**
  - **40% of export revenue of Malawi**
- **Treatment Plant:**
  - **1.5Mtpa at 0.11% U_3O_8 with 90% recovery**
  - **acid leach/RIP flowsheet**
- **11 year project operational life – complete construction end 2008**
- **Annual production 3.3Mlb U_3O_8 (yrs 1 to 7) & 1.17Mlb thereafter**
  - **BFS OPEX US$19.5/lb yrs 1-7 (overall US$23/lb yrs 1 to 11)**



Kayelekera Uranium Project
current status

- **US$200M CAPEX – (US$155M committed)**
  - **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 commissioned, completely refurbished 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**



Kayelekera Project
construction progressing well

Mt Isa Uranium Project
current status

- **Intensive drilling of Valhalla for resource expansion and classification**
  - **50,000m/definition to 300m depth**
- **Focused metallurgical test work underway**
- **Environmental baseline work ongoing**
- **Preparing for Pre-Feasibility Study end 2008**
- **Ongoing lobbying of QLD government re uranium policy**

Angela Project

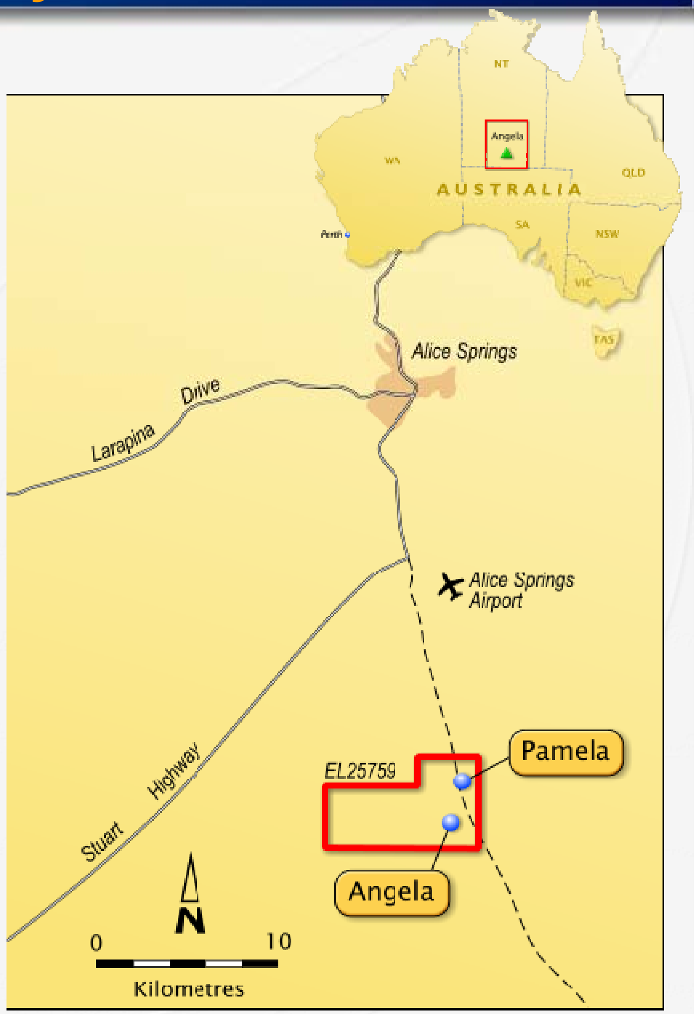
Angela Deposit – Northern Territory

- **Uranium Deposits in Northern Territory**
  - **37 applicants to Government for much sought after properties**

- **Successful applicants – Cameco and Paladin in 50:50 JV**
  - **awarded Feb 08**
  - **NIL acquisition cost**
  - **commitment to explore and finalise BFS/EIS in 2 years**

- **Pre JORC resource of 27Mlb – 30Mlb U_3O_8 grade range 0.1% to 0.13% U_3O_8**
  - **sandstone hosted deposit (open pit/underground mining proposition)**
  - **explored by Uranerz 1973 to 1983 – taken to feasibility**
  - **all project data with Paladin**
  - **deposit open at depth, high upside potential**

- **Northern Territory has pro uranium mining policy**



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Production Schedule

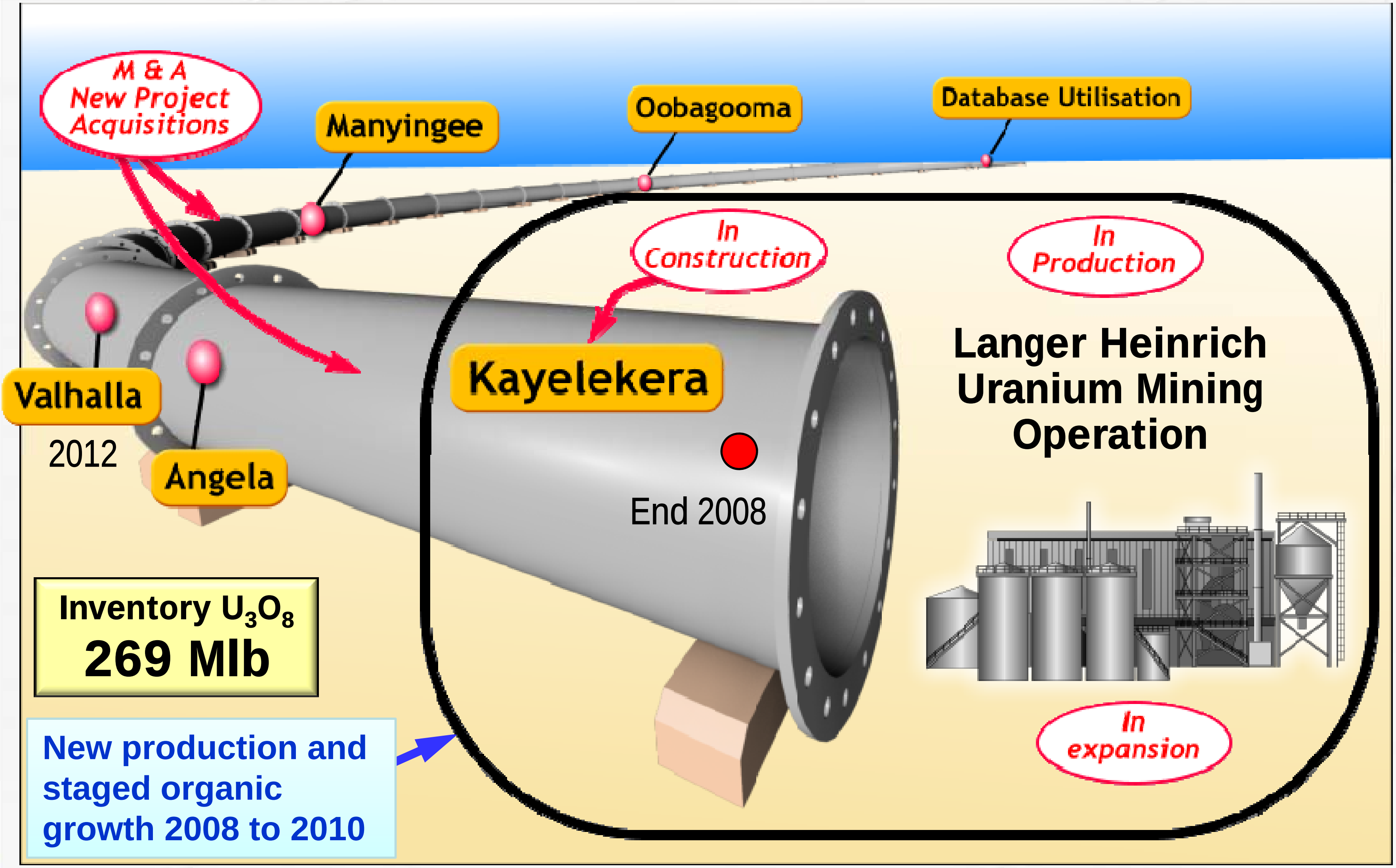
plenty of upside on existing major projects

	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**

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

Project Pipeline

assets acquired & projects developed



Inventory U_3O_8
269 Mlb

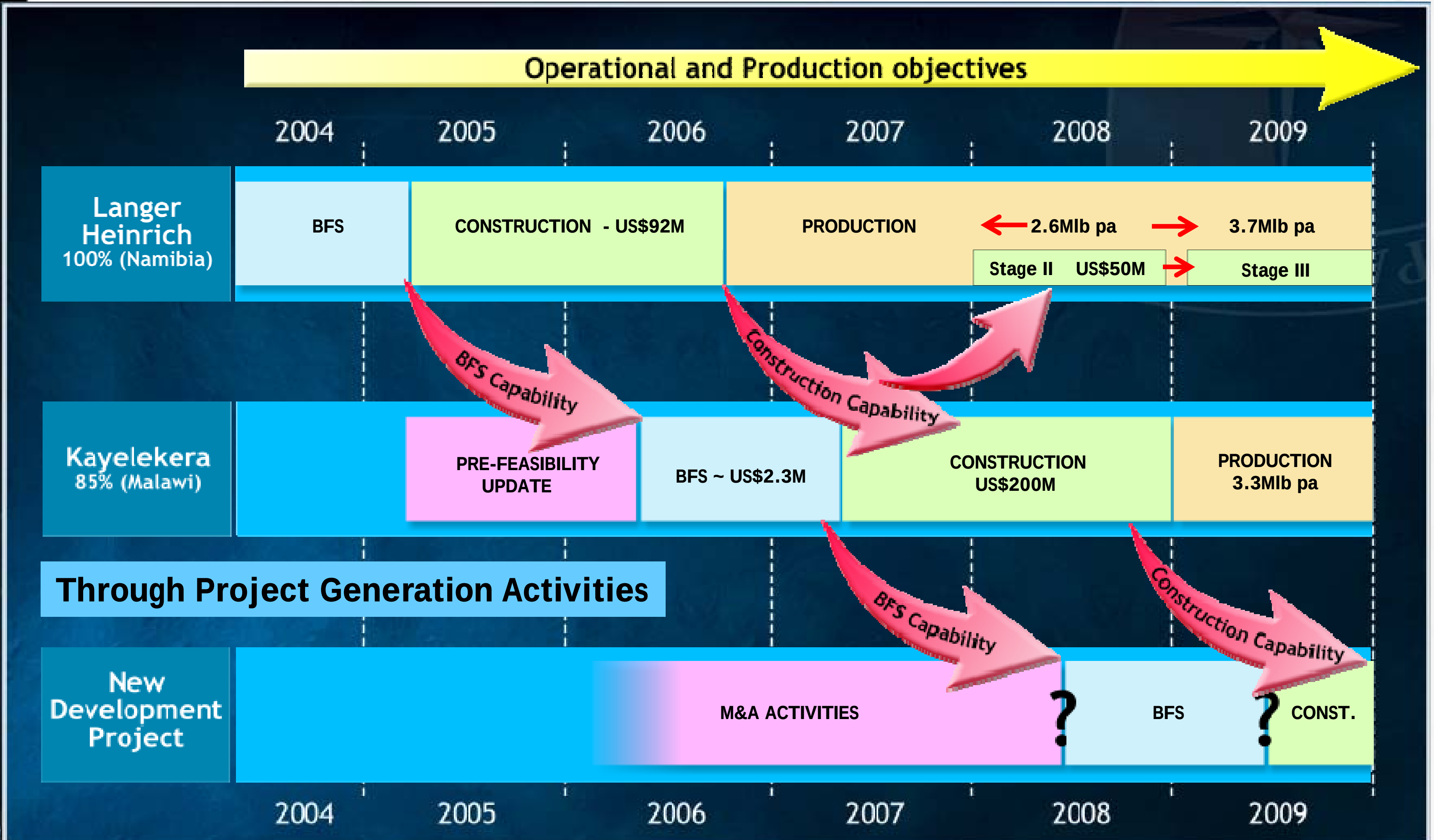
New production and staged organic growth 2008 to 2010

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
  - Initiate planning/design for Stage III expansion
- **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

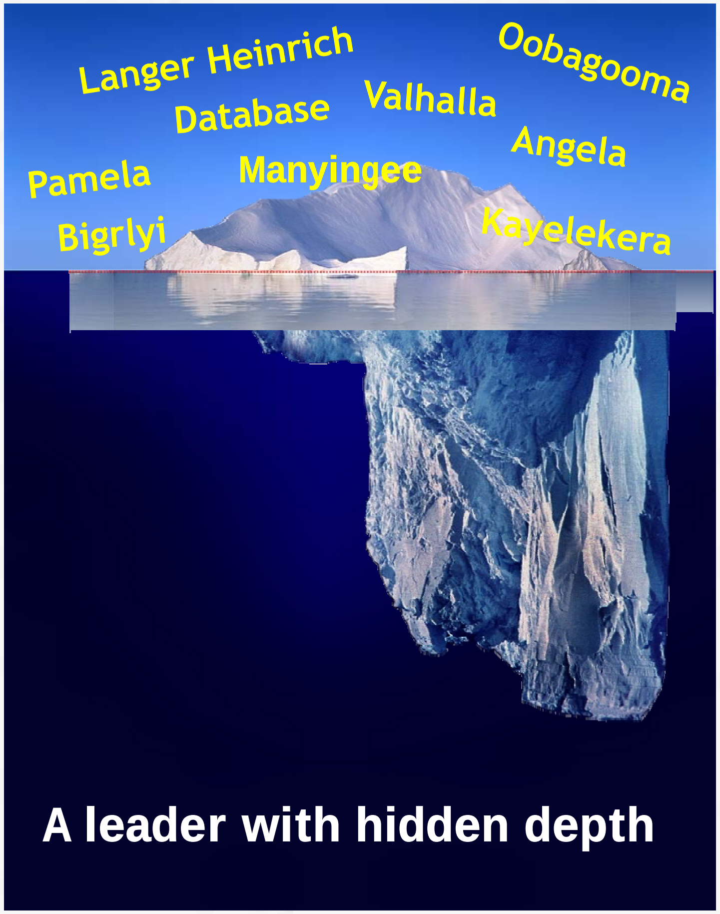
Project Development
established team and sequential development capability



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



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