

Paladin Energy Ltd

The New Energy In The Market

John Borshoff - Managing Director



Australian Uranium Conference, Fremantle, 23 July 2008

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Paladin – Basis for nuclear focus

Industry in a MAJOR upward transformation

- **Nuclear industry revival will need to be underpinned by new mines and 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**



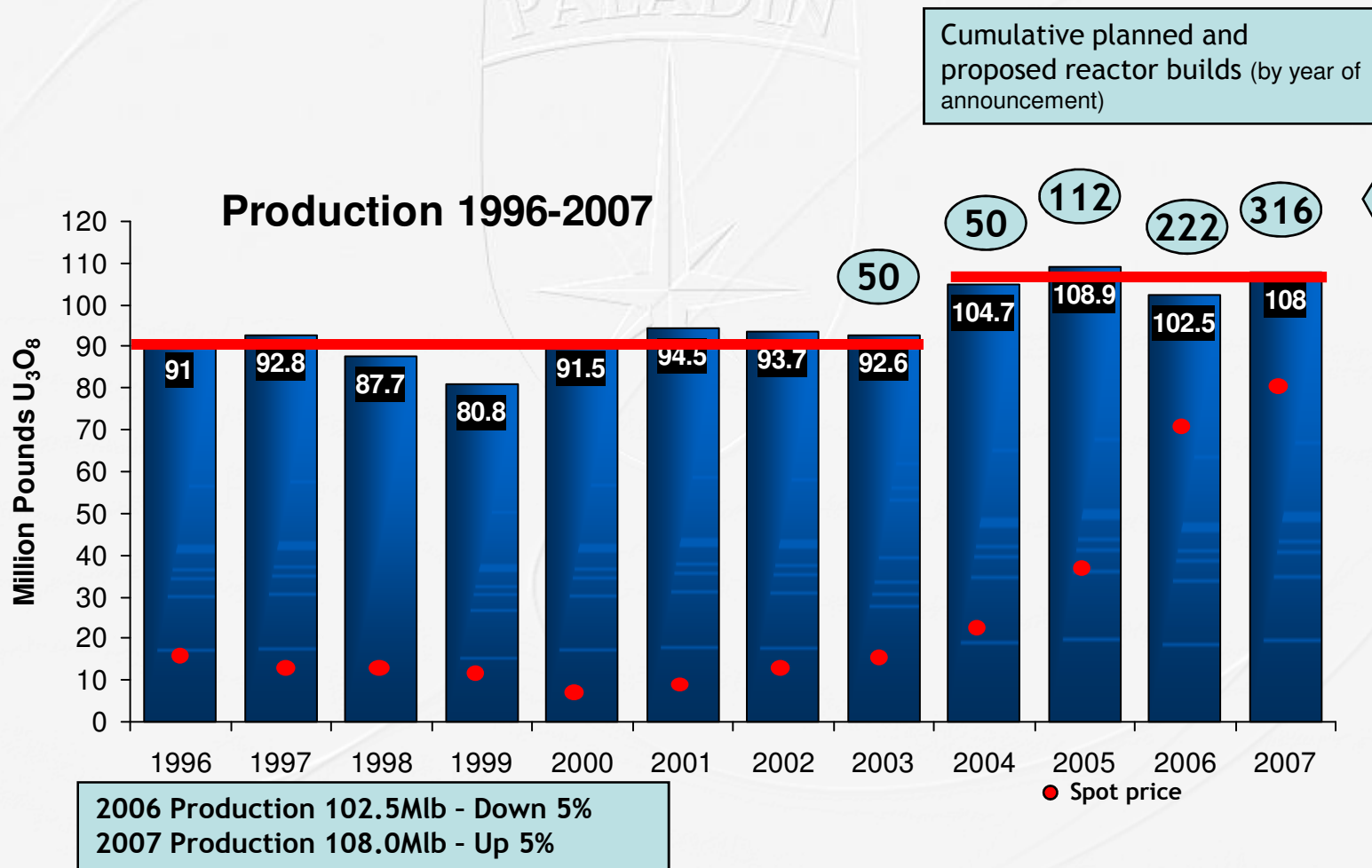
Presentation Outline

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

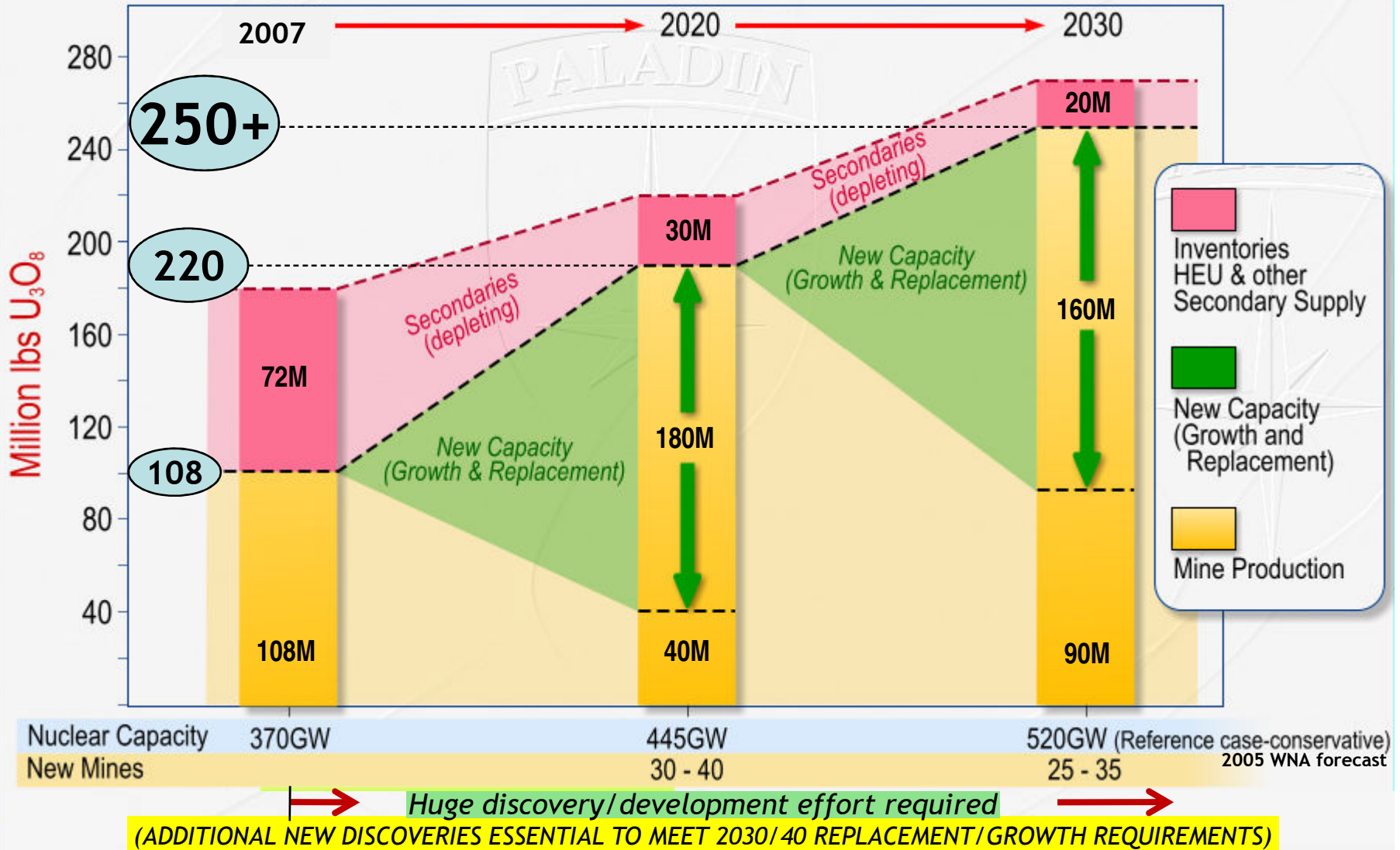


Global Uranium Production/Demand

Supply is flat despite strong price/demand growth



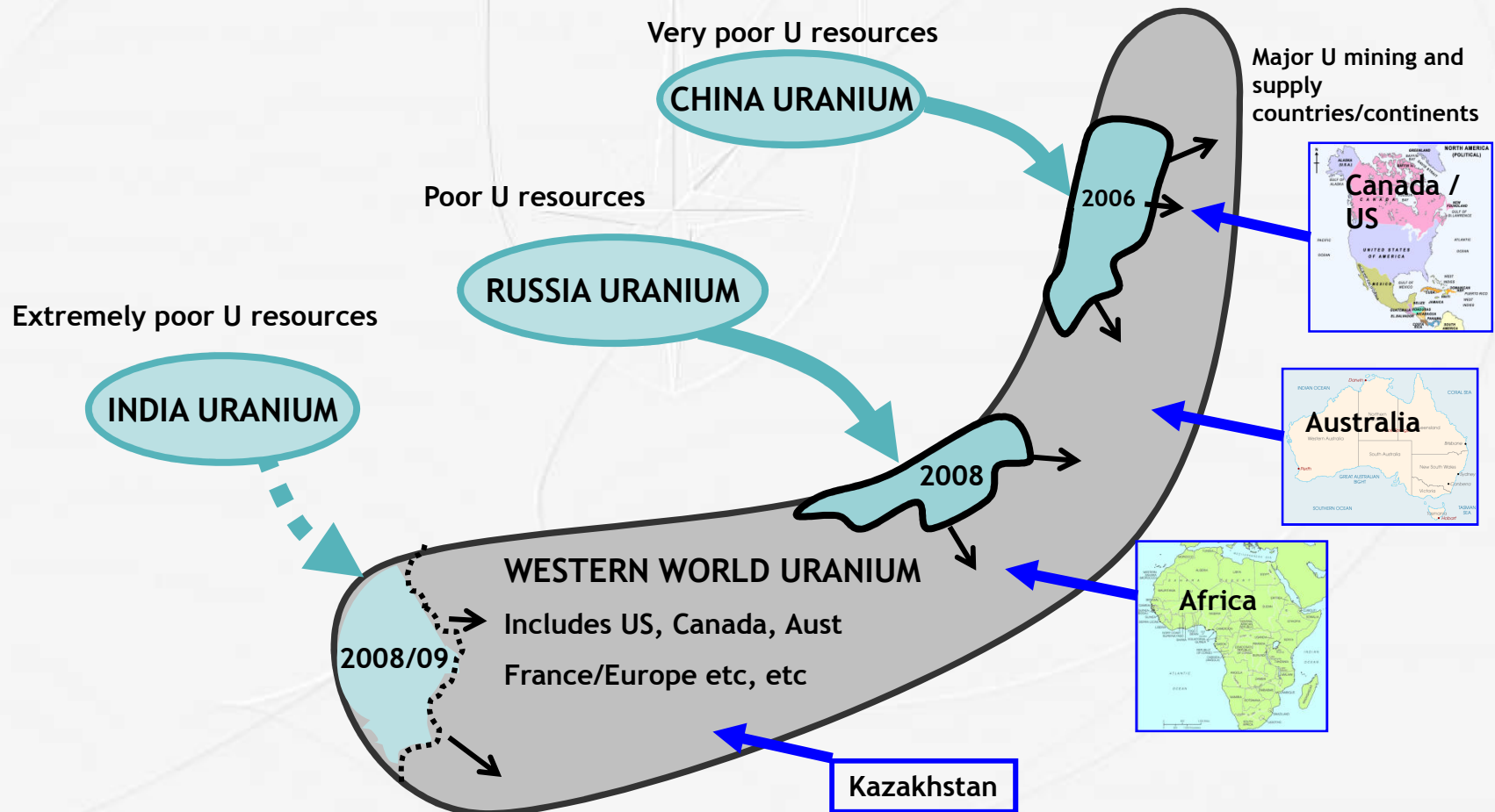
Building a New Mining Supply Industry 2007 to 2030 and beyond



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)



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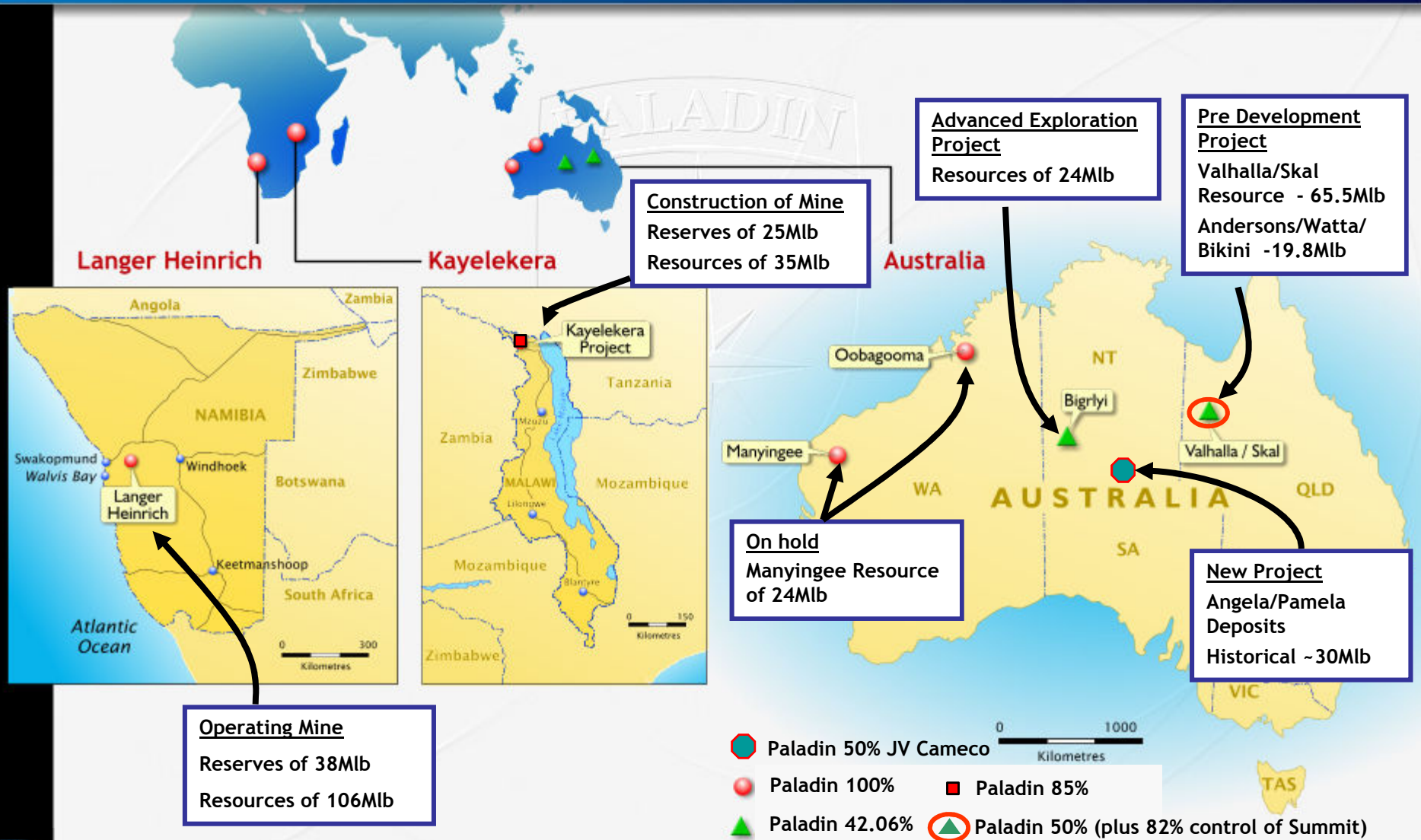
Paladin Accomplishments

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\$340M (cash) & US\$167M Kayelekera project debt
- **Market cap:** US\$3.3Bn (A\$3.4Bn) - 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



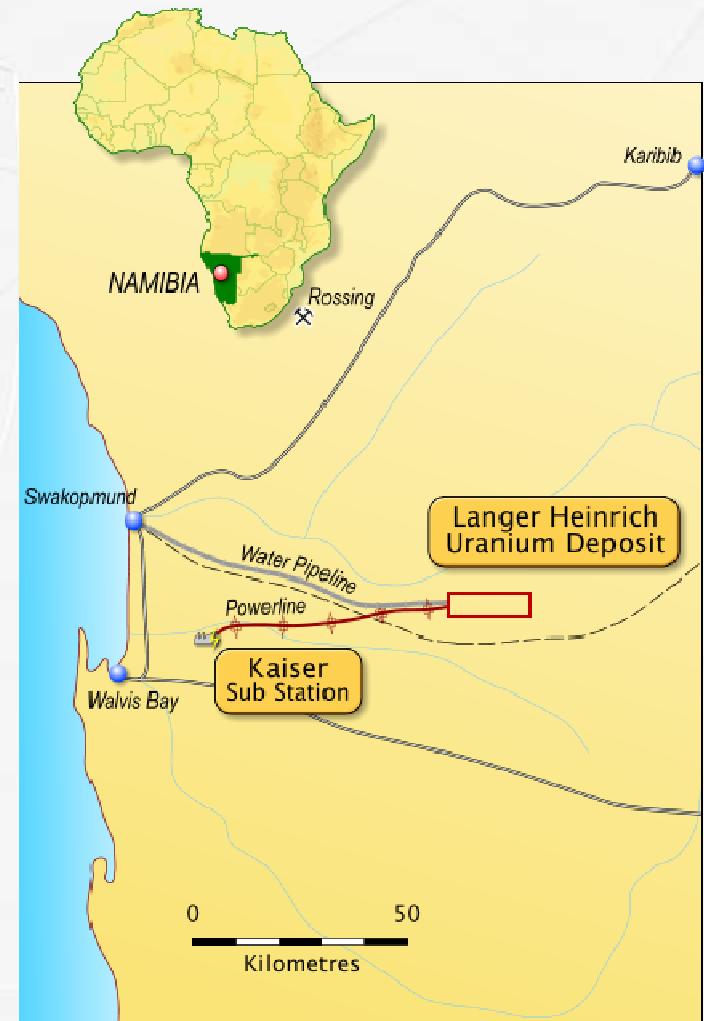
**Shallow
Open Pit**



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 U₃O₈
 - H1/CY08 – 1,060,000lb U₃O₈
 - expected H2/CY08 – 1.4 to 1.55Mlb U₃O₈
- **Stage II expansion commenced**
 - 2.6Mlb to 3.7Mlb U₃O₈ annual
- **Stage III expansion announced**
 - 3.7Mlb to 6Mlb for mid 2010



Kayelekera Uranium Project

Tailings Dam



Treatment Plant



Camp



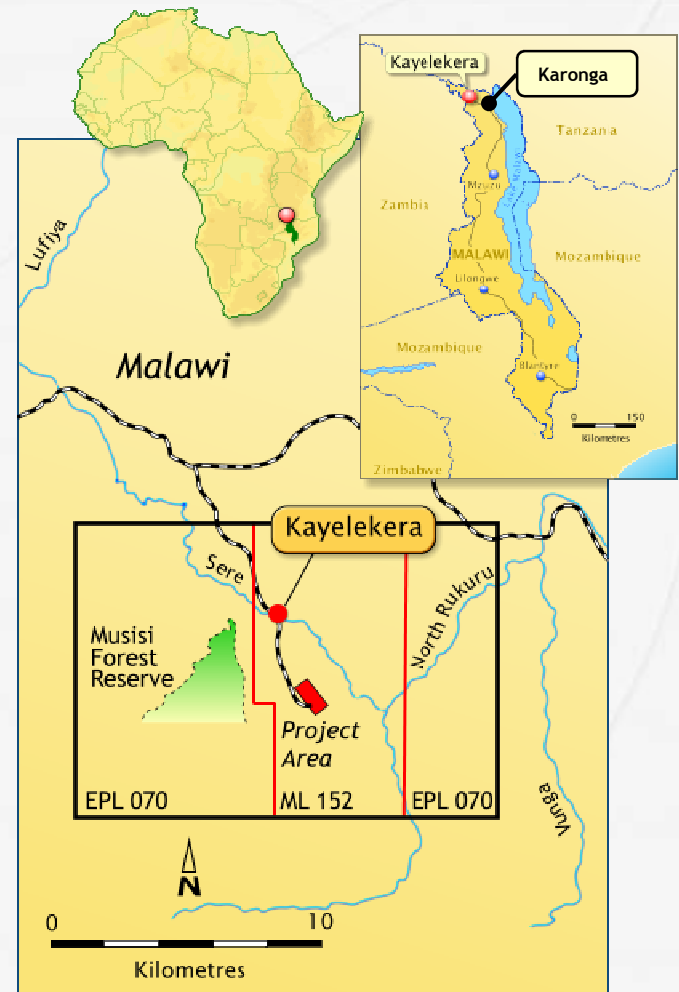
Open Pit



Kayelekera Uranium Project

current status

- **US\$200M CAPEX – (US\$165M committed)**
 - project on schedule and on budget with completion end 2008 to produce 3.3Mlb U_3O_8 using acid leach/Resin in Pulp flowsheet
- **Civil earthworks and plant erection underway**
 - 1140 people on site
- **Long lead capital items**
 - power plant commissioned, SAG mill under installation, acid plant delivery 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



Mill Foundation



Crusher Foundation



Pre Leach



Mt Isa Uranium Project

current status

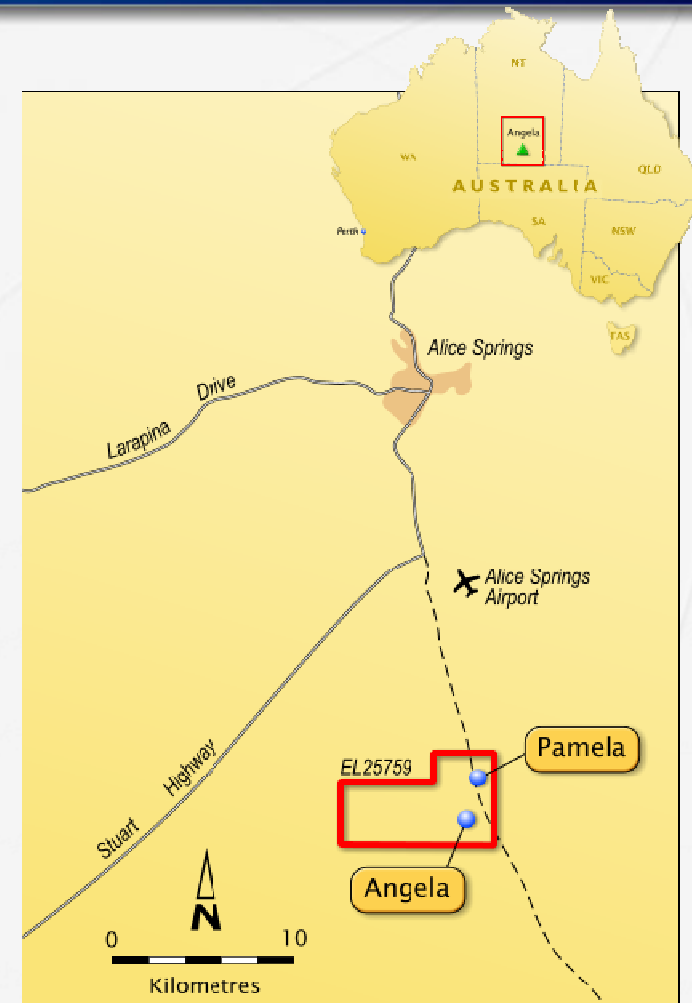
- 50:50 JV with Summit (Valhalla/Skal). Balance of Project Area held by Summit - 100%
- Uranium resource attributable to Paladin increased by 30% to 75.5Mlb
 - Valhalla resource upgrade due Dec 08 (drilling underway to 300m depth)
- Focused metallurgical scoping test work underway
- Environmental baseline work ongoing
- Preparing for Bankable Feasibility Study to start end 2009/early2010
- 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

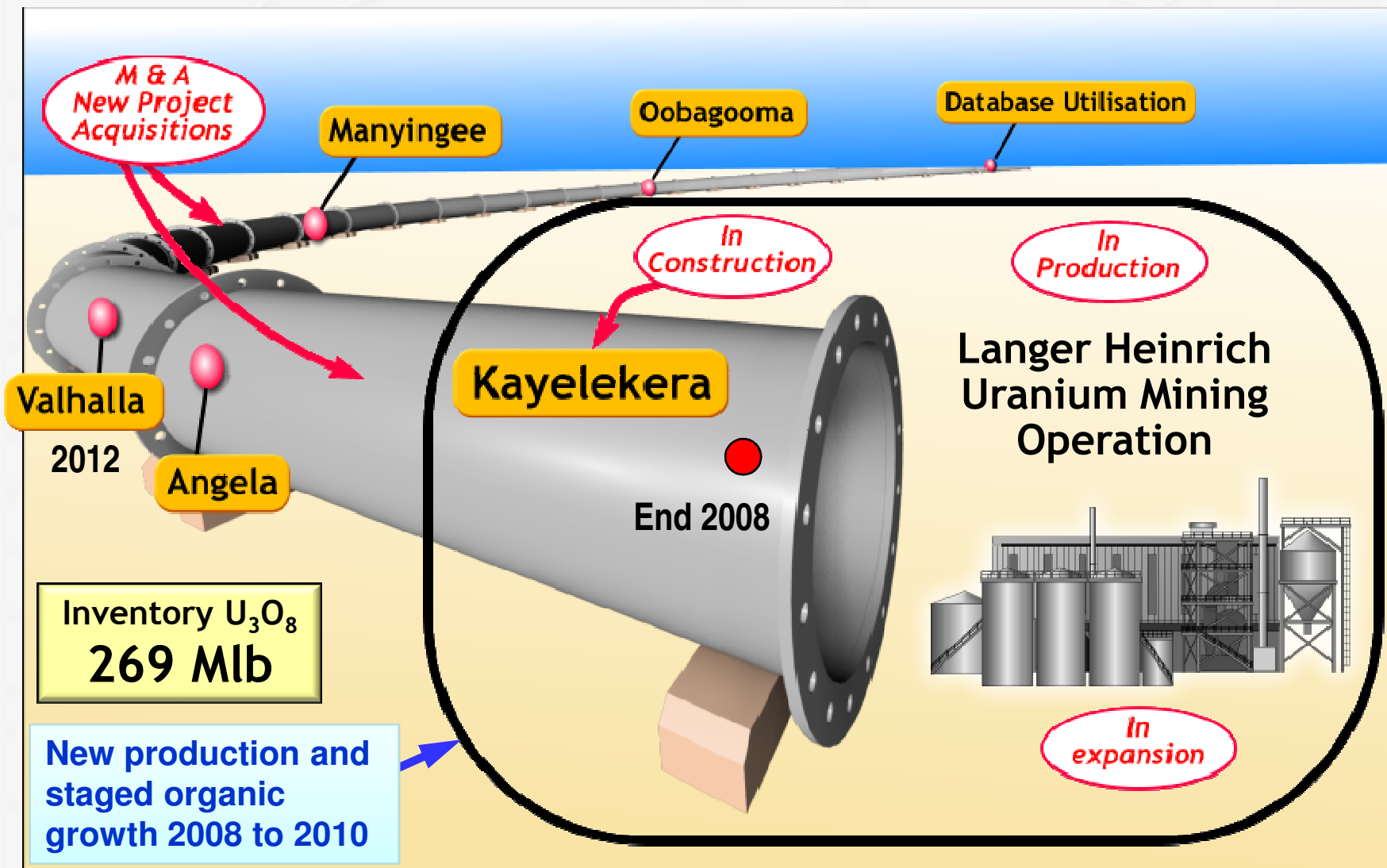
	2007 Mlb	2008 Mlb	2009 Mlb	2010 Mlb	2011 Mlb	2012 Mlb
LH Stage I (2.6Mlb)	0.65	2.45-2.6	2.6	2.6	2.6	2.6
LH Stage II (3.7Mlb)	-	-	0.5	1.1	1.1	1.1
LH Stage III to 6Mlb	-	-	-	0.4	1.6	2.3
Sub Total	-	2.45-2.6	3.1	4.1	5.3	6.0
Kayelekera	-	-	1.6	3.3	3.3	3.3
Total Production	0.65	2.45-2.6	4.7	7.4	8.6	9.3

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



Project Pipeline

assets acquired & projects developed



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 (2.45Mlb to 2.6Mlb for 2008)
 - new resource estimate July/Aug 2008
 - initiate planning/design for Stage III expansion
- **Kayelekera (Malawi)**
 - construction completed end 2008
 - new resource estimate by Aug/Sept 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





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