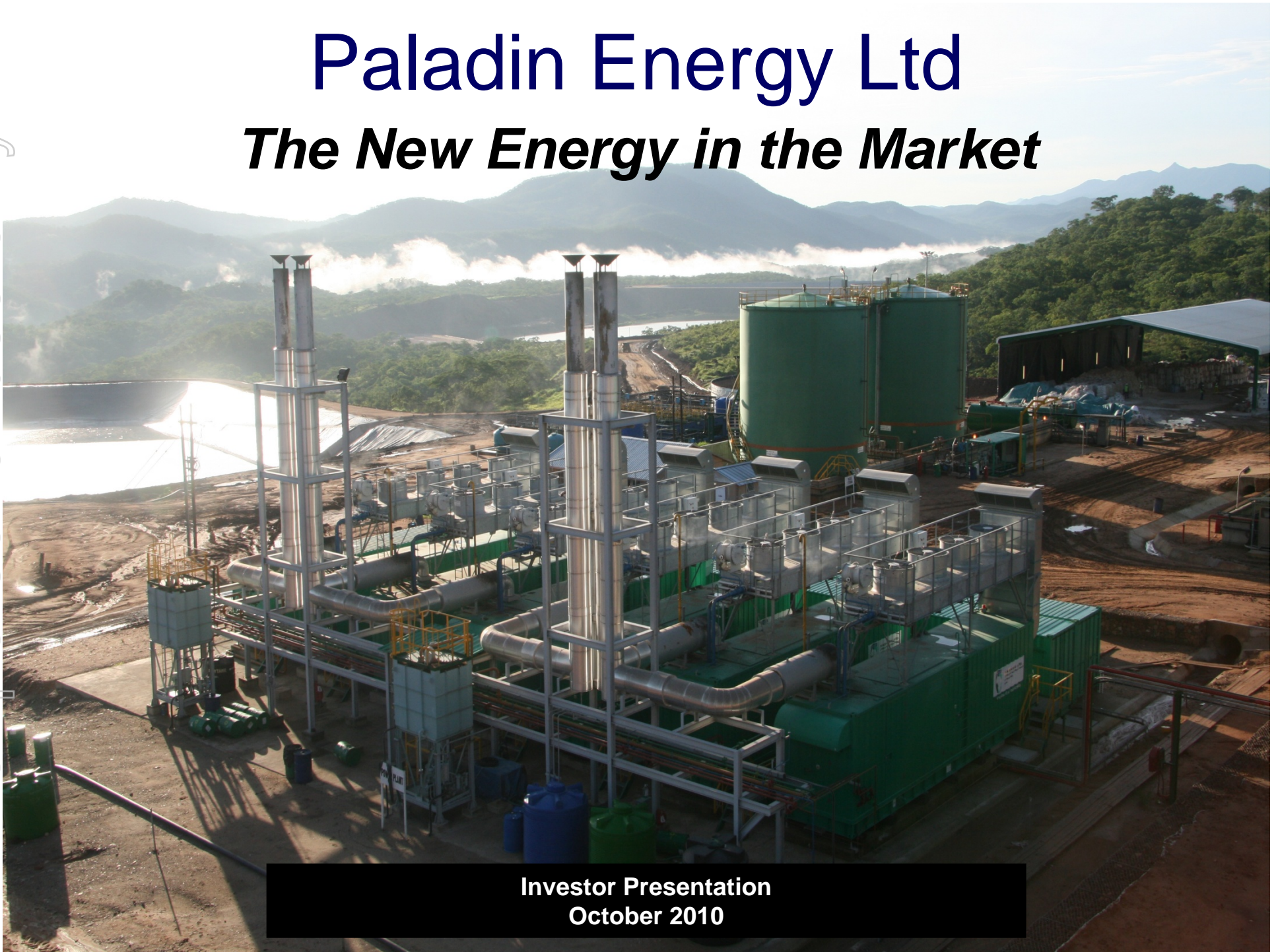


Paladin Energy Ltd

The New Energy in the Market

Investor Presentation
October 2010

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Important Information

This presentation includes certain statements that may be deemed “forward-looking statements”, such as 2011 target production and plans for expansion at our projects. These statements typically contain words such as “expects” and “anticipates” and words of similar import. 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 has reason to believe that the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not, and should not be taken as, forecasts or promises or implying any indication, assurance or guarantee that the assumptions on which such statements have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in this presentation. Further, forward-looking statements are not and should not be taken as guarantees of future performance. Such statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance, achievements or developments to be materially different from any future results, performance, achievements or developments expressed or implied by such 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.

The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise. All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

This presentation has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of its securities. Cooling off rights do not apply to the acquisition of the Company’s securities. Before making an investment decision, viewers should refer the offering circular to be published by the Company for more complete information about the potential offering and take into account existing public information and obtain professional advice as appropriate.



Competent Persons Statement

The technical information in this announcement that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by David Princep B.Sc. and Andrew Hutson B.E., both of whom are members of the Australasian Institute of Mining and Metallurgy. Messrs Princep and Hutson each have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and as Qualified Persons as defined in Canadian National Instrument 43-101. Messrs Princep and Hutson are full-time employees of the Company and consent to the inclusion of the relevant information in this announcement in the form and context in which it appears.

Previous tonnages, grades, assays and other technical data relating to the Manyingee deposit are taken from historical records prior to the implementation of the current NI 43-101. While the data is believed to have been acquired, processed and disclosed by persons believed to be technically competent, they were estimated prior to the implementation of NI 43-101 and are therefore regarded as historic resources. A Qualified Person as defined in NI 43-101 has not done sufficient work to classify the historical estimate as current Mineral Resources. The Company is not treating the historical estimates as current Mineral Resources as defined in NI 43-101 and for this reason the historical estimates should not be relied upon. At present, the Company considers that these resources have no equivalent classification under NI 43-101 and should therefore be considered as unclassified. The historical information is presented on the basis that it may be of interest to investors.



Presentation Outline

Paladin

- Introduction
- Paladin Status Update
- Y/E & September 2010 Quarter Highlights
- Uranium Outlook
- Projects
- Summary

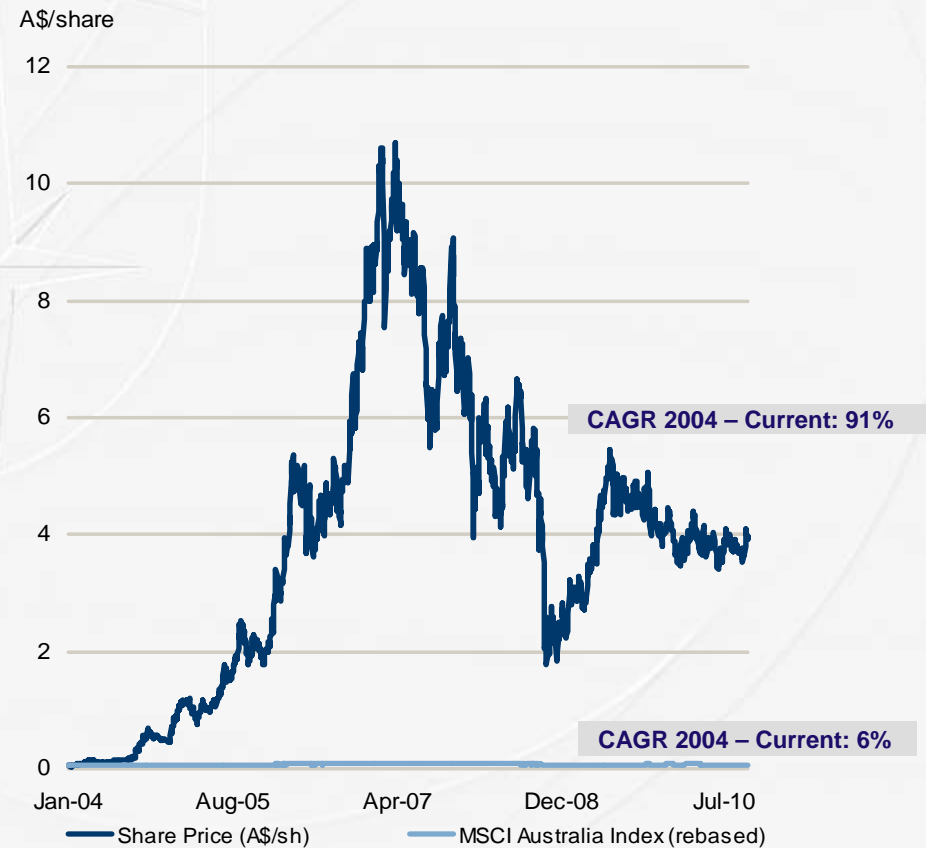


Introduction to Paladin Energy Ltd

Diversified shareholder base, dual-listed on the ASX/TSX with a track record of outperforming relevant indices

- Dual-listed on Australian (ASX) and Toronto (TSX) Stock Exchanges
 - Also trades on Munich, Berlin, Stuttgart, Frankfurt and Namibian (NSX) Exchanges
 - Included in the MSCI Global Standard Indices, ASX Top 100, and Dow Jones African Titans 50 Index
- Market Capitalization: A\$3.05 billion (US\$3.06 billion)¹
- Cash at Hand: US\$275.2 million (30 September 2010)
- Issued Capital: 718.4 million shares²
 - US\$250 million Convertible Bond due Dec 2011
 - US\$325 million Convertible Bond due April 2013
- Shareholding: 40,000 shareholders / 60% institutional
 - Liquid stock
 - 6-month Average Daily Trading Volume: US\$13.7m (ASX) and US\$5.4m (TSX)
 - Highly diversified shareholder base
- Employee Base: 900 permanent / 500 mining contractors

Historical Trading Performance¹



1. As of 25 October 2010. Assumes AUD:USD of 1.0056

2. Paladin may issue up to 7,119,058 shares if all NGM Resources Ltd shareholders accept Paladin's takeover offer. The takeover offer became unconditional on 25 October 2010.



Value Proposition

Paladin offers an attractive investment offering at a time when the uranium market outlook remains uniquely positive

Uranium Producer

Paladin is an (emerging Tier I global) uranium producer

Fully Independent

Paladin is the only non-aligned pure uranium producer

Increasing Production

Paladin has consistently increased production quarter over quarter

Diversified Asset Base

Paladin is geographically diversified with projects at all stages of the development cycle

Strong Balance Sheet

Low gearing and strong balance sheet to capitalise on opportunities

Superior Share Market Returns

Delivered continued increases in share price equivalent to a compound annual growth rate of 91% since 2004 – materially outperforming its peer group and the market in general

Management Team

Paladin has a stable, deeply experienced Board and experienced and proven senior management team. Paladin is the only company to have commissioned a global conventional uranium mine in the last 25 years



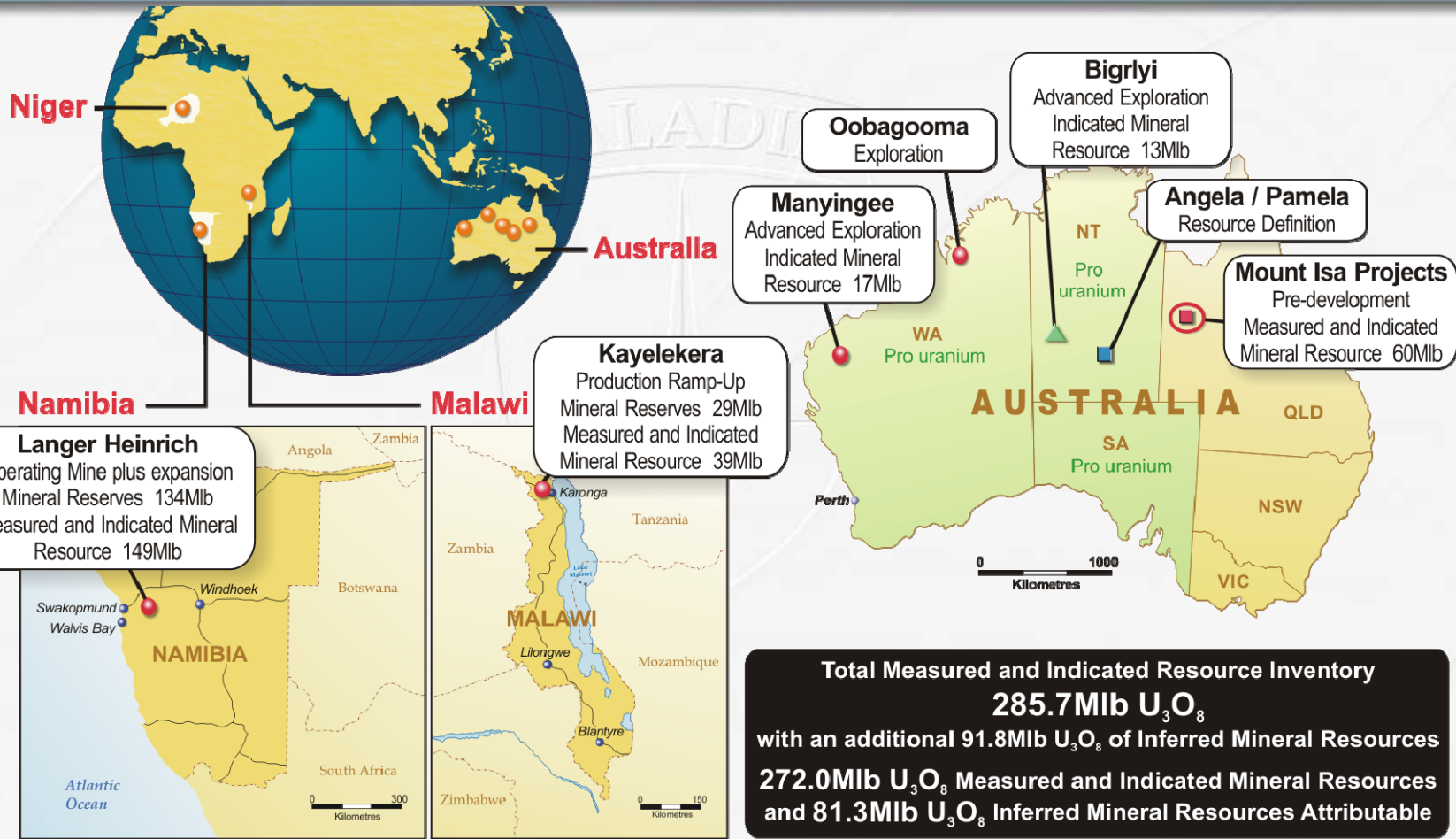
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Paladin's Suite of Uranium Projects staged for sequential development



Deep Yellow Ltd 19.6%

NGM Resources Ltd 90.78% voting power (as at 25 October 2010); takeover unconditional

Attributable Pounds:

- Paladin 100%
- ▲ Paladin 41.71%
- Paladin 50% JV Cameco
- ◻ Mount Isa Projects

Mineral Resources and Mineral Reserves shown above represent 100% of the resource - not the participants share. Additional Inferred Mineral Resources exist at Langer Heinrich (24Mlb), Kayelekera (8Mlb), Bigrlyi (9Mlb), Mount Isa (45Mlb) and Manyingee (6Mlb) for a total of 92Mlb. Mineral Resources are shown inclusive of any Mineral Reserves.

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Paladin Energy

Resources and Reserves (September 2010)

| Project | Measured and Indicated Mineral Resources Attributable to Paladin | | | | Inferred Mineral Resources Attributable to Paladin | | |
|-----------------------------|---|---------------------------------|-----------------------------------|---------------------------------|---|-----------------------------------|---------------------------------|
| | Cut-off ppm U ₃ O ₈ | t U ₃ O ₈ | Mlb U ₃ O ₈ | % U ₃ O ₈ | tU ₃ O ₈ | Mlb U ₃ O ₈ | % U ₃ O ₈ |
| Langer Heinrich (100%) | 250 | 67,759 | 149.4 | 0.055 | 10,910 | 24.0 | 0.06 |
| Kayelekera (100%) | 300 | 17,599 | 38.9 | 0.08 | 3,433 | 7.6 | 0.06 |
| Mount Isa (82%/91%/100%) | Various | 27,410 | 60.4 | 0.08 | 18,078 | 39.9 | 0.06 |
| Manyingee (100%) | 200 | 8,080 | 17.8 | 0.10 | 2,810 | 6.2 | 0.05 |
| Bigrlyi (42%) | 500 | 2,544 | 5.6 | 0.13 | 1,668 | 3.7 | 0.12 |
| Total (all) | | 123,392 | 272.0 | 0.07 | 36,901 | 81.3 | 0.06 |
| | Mineral Reserves 100% project basis | | | | | | |
| Langer Heinrich (100%) | 250 | 60,830 | 134.1 | 0.055 | | | |
| Kayelekera (100%) | 400 | 13,285 | 29.3 | 0.11 | | | |
| Total (all) | | 74,115 | 163.4 | 0.07 | | | |



Two Operating Uranium Mines in Two Years

WORLD FIRSTS ON BOTH OPERATIONS

- New process technologies utilised
- Langer Heinrich Mine
 - Alkaline Leach
- Kayelekera Mine
 - Resin-in-Pulp
- Gives Paladin a strong competitive edge and valuable internal IP

**THIS APPROACH HAS MADE PALADIN A WORLD LEADER IN
MODERN URANIUM EXTRACTIVE PROCESSES**



A Tier 1 Global Uranium Producer

Multi-staged parallel activities—developing a complete company

- **Sustained production** Langer Heinrich Stage 2 (3.7Mlb pa)
- **Ramping up production** Kayelekera commercial production achieved, 100% nameplate as of mid-September 2010
- **Immediate Expansion** Langer Heinrich Stage 3 under construction 3.7Mlb - 5.2Mlb pa (Brownfield)
- **Medium Term Expansion** Langer Heinrich Stage 4 & KM Stage 2 in planning
- **Advanced Exploration** Mount Isa and Angela
- **MOU with CGNPC:**
 - Providing a framework from long-term sales, potential participation in future growth and expansion of current JV relationships



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Paladin Y/E 2010 Highlights

| | June 10 Quarter | Mar 10 Quarter | Dec 09 Quarter | Sept 09 Quarter | June 10 Full Year | June 09 Full Year |
|---|--------------------------------|-------------------|-------------------|--------------------|--------------------------------|----------------------|
| Production (lb) – LHM | 927,373 ↑ | 928,370 | 841,995 | 654,513 | 3,352,251 ↑ +26% Y/Y | 2,702,972 |
| Production (lb) – KM | 515,478 ↑ +125% Q/Q | 228,996 | 145,315 | 74,086 | 963,875 ↑ | 34,600 |
| Total Production (lb) | 1,442,851 ↑ +24% Q/Q | 1,157,366 | 987,310 | 728,599 | 4,316,126 ↑ +58% Y/Y | 2,737,572 |
| <i>Annualised (lb pa)</i> | ↑ 5.8M | ↑ 4.6M | ▲ 3.9M | 2.9M | 4.3M ↑ | 2.7M |
| Sales (lb) | 885,000 ↓ | 1,043,000 | 1,095,000 | 703,000 | 3,726,000 ↑ | 2,021,000 |
| Average Sales Price (US\$/lb U ₃ O ₈) | 55 | 50 | 57 | 55 | 54 | 55 |
| Sales Revenue (US\$M) | 49.1 | 52.7 | 61.9 | 38.3 | 202.0 ↑ | 111.8 |



Financial Highlights

Financial Position

- C1 costs at LHM maintained at US\$26/lb (June qtr 2010)
- Industry leading US\$55/lb realised sales price
- FY 2011 target production of 7.0Mlb
- Revenue growth of 78% over FY 2009
- Cash position of US\$348.8 million at YE 2010 (US\$275.2m at 30 Sept 2010)
- Net gearing of 28.5%, a decrease of 17% from FY 2009

Key Financial Metrics and Debt Summary

(US\$ millions)
Year end 30 June,

| | <u>2009</u> | <u>2010</u> | |
|---|-----------------|-------------|-------------|
| Revenue | 114.8 | 204.3 | |
| YoY Growth | 12.7% | 78.0% | |
| Gross Profit | 61.8 | 72.7 | |
| Gross Margin | 53.8% | 35.6% | |
| Total Debt | 586.2 | 730.1 | |
| Cash | 66.2 | 348.8 | |
| Net Debt | 520.0 | 381.3 | |
| Equity | 631.2 | 956.4 | |
| Net Debt / Net Debt + Equity | 45.2% | 28.5% | |
| Outstanding Debt | <u>Maturity</u> | <u>2009</u> | <u>2010</u> |
| Unsecured Convertible Bond ⁽¹⁾ | 2011 | 227.5 | 236.7 |
| Unsecured Convertible Bond ⁽¹⁾ | 2013 | 304.6 | 310.1 |
| Secured Bank Loan | 2012 | 39.9 | 24 |
| Secured Bank Loan | 2015 | 0 | 111.4 |
| Current Portion of Secured Bank Loan | | 14.2 | 47.9 |
| Total Outstanding Debt | | 586.2 | 730.1 |

1. Reflects accreted amount.



September 2010 Quarterly Activities Report

- Quarterly production of 1.36Mlb vs 1.44Mlb from previous quarter
- Kayelekera delayed in achieving sustained nameplate until mid September
 - higher efficiencies and nameplate production achieved after introduction of a resin cleaning circuit
- Langer Heinrich Reserves increased 104% to 134.1Mlb backstopping Stage 4 expansion targeting 10Mlb pa
- Sale of 1.043Mlb U3O8 at an average realised price of US\$46.50/lb
 - biased towards a predominance of spot sales in the quarter
- LHM stage 3 tracking early 2011 mechanical completion and start-up of commissioning.



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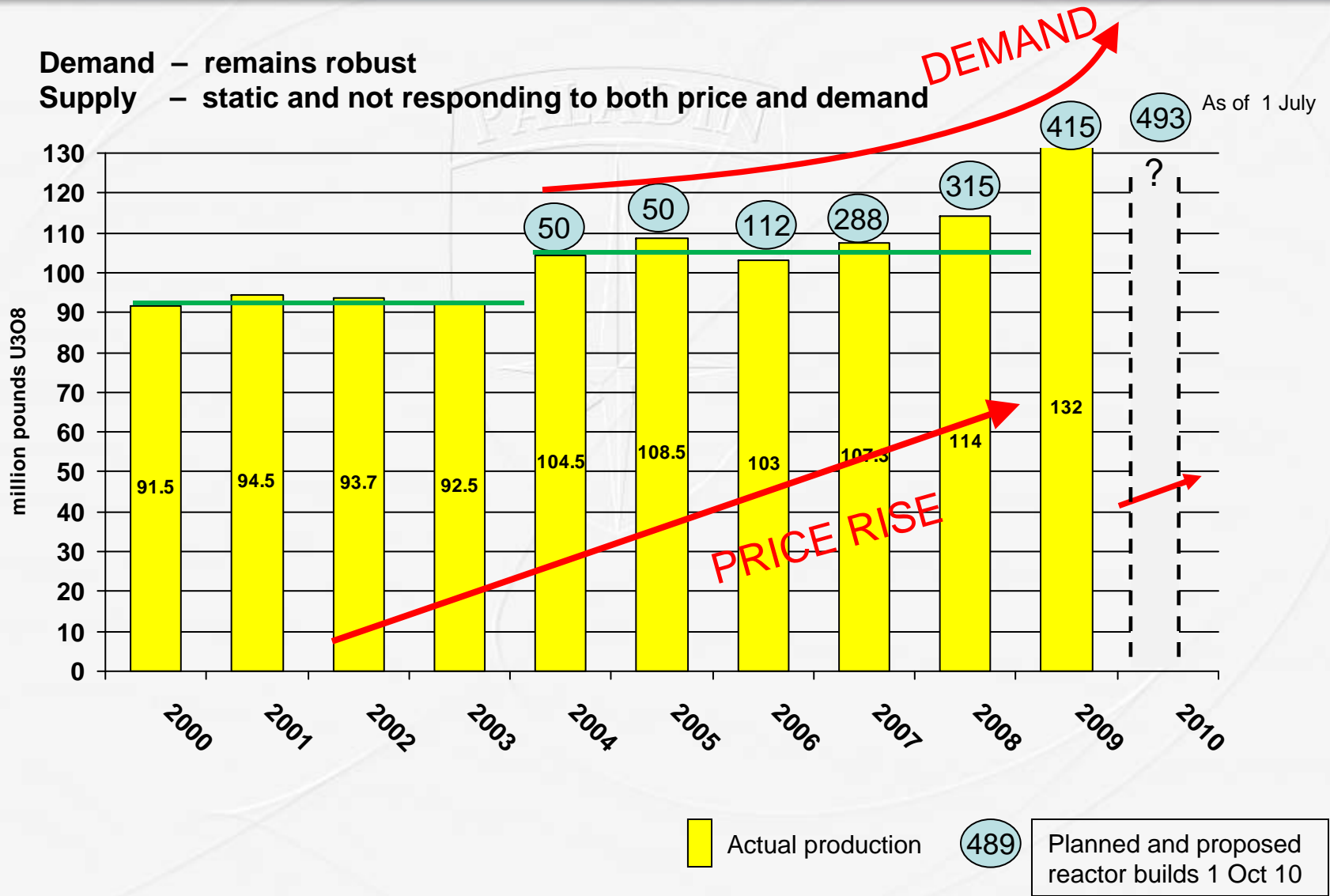


Global Uranium Production

2000 - 2009

Demand – remains robust

Supply – static and not responding to both price and demand



World Nuclear Capacity - Growth is Assured

number of reactors proposed to be operating by 2030 Status 1 July 2010

Total 991 vs [898] – 10.4% increase in 12 months

| | Current Nuclear Capacity | Under Construction | Planned |
|-----------------------|--|--------------------|----------------------|
| Reactors / (Capacity) | 439 (374.8GWe) | 59 (60.GWe) [43] | 149 (163.2GWe) [133] |
| | 178Mlb U ₃ O ₈ required (WNA Estimate) | | |
| Countries | 30 | 15 | 28 [23] |
| China | 11 (8.6GWe) | 24 (26.5GWe) [14] | 33 (36.9GWe) [35] |
| Russia | 32 (23GWe) | 10 (8.96GWe) [8] | 14 (16GWe) [8] |
| India | 19 (4.1GWe) [17] | 4 (2.6GWe) | 20 (16.7GWe) [23] |
| South Korea | 20 (17.7GWe) | 6 (6.7GWe) | 6 (8.2GWe) [7] |
| Japan | 55 (47.3GWe) | 2 (2.7GWe) | 12 (16.5GWe) [13] |
| United States | 104 (101.1GWe) | 1 (1.2GWe) [1] | 9 (11.8GWe) [11] |

In addition:

[] status July 2009

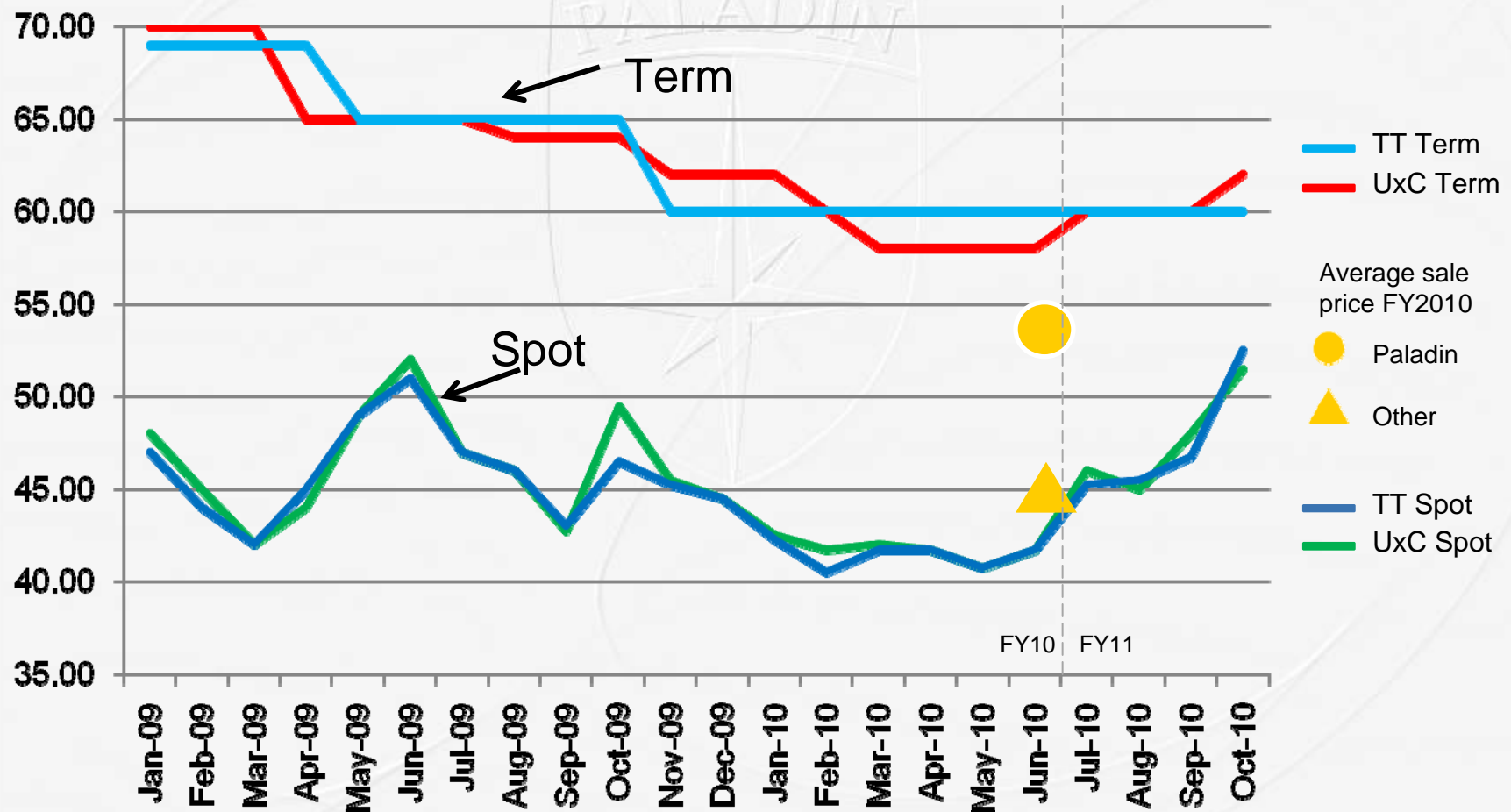
Proposed Reactors: 344 Reactors (365.1GWe) in 37 countries [282]



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Uranium Price Trends

CY 2009/10/11



Sourced publications: TT= TradeTechUxC= Ux Consulting

* October spot references UXC BAP

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Uranium Companies

current global status

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Companies

Operations

Producers - 18 countries

Tier I Companies

- Cameco, AREVA, Rio Tinto, BHP-B, Kazatomprom, Atomredmetzoloto (ARMZ), Navoi

Paladin

takeover

Tier II Companies

- ↑ Uranium One, Denison, Heathgate, Mesteha and other smaller producers

Non Producers

Tier III Companies

- Dozen or so companies hopefully with >30Mlb U₃O₈ resources. Only 1 or 2 of the Tier III will develop

Tier IV Companies

- 100's of companies
(now largely disappearing)

- ~85% of 2009 mine production operating in 8 countries

- ~15% of 2009 production in 4 of above & 7 other countries

- Speculative
- Operating in 9 countries (6 new)

- Highly speculative



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Langer Heinrich Project Location



Swakopmund

★ Langer Heinrich Mine

Walvis Bay

B1
Windhoek

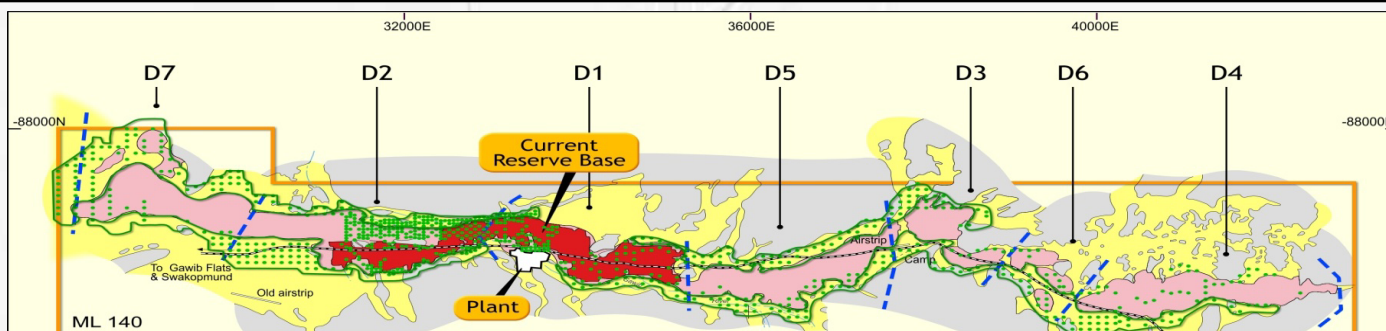
50 km
20 mi



Langer Heinrich Project

large resource/reserve upgrade

| MINERAL RESOURCES | | | | |
|----------------------|-------|------------------|------------|--------------|
| 250ppm Cut-off | Mt | Grade % U_3O_8 | t U_3O_8 | Mlb U_3O_8 |
| Measured Resources | 46.7 | 0.053 | 24,838 | 54.71 |
| Indicated Resources | 77.6 | 0.055 | 42,921 | 94.54 |
| Measured + Indicated | 124.3 | 0.055 | 67,758 | 149.25 |
| | | | | |
| Inferred Resources | 18.5 | 0.06 | 10,910 | 24.04 |



| MINING RESERVES @ US\$60/lb U_3O_8 | | | |
|--------------------------------------|--------------|------------------|--------------------------|
| 250ppm Cut-off | Mt | Grade % U_3O_8 | Tonnes U_3O_8 |
| Proven Ore Reserves | 31.4 | 0.055 | 17,360 (38.3Mlb) |
| Probable Ore Reserves | 66.5 | 0.057 | 37,570 (82.8Mlb) |
| Stockpiles | 12.3 | 0.049 | 6,021 (13.2Mlb) |
| Total | 110.2 | 0.055 | 60,830 (134.1Mlb) |

Mineral Resources and Ore Reserve conforms to both JORC and NI 43-101 guidelines

*As of October 2010



Langer Heinrich

staged growth

- **Stage 1 – Alkaline leach, start-up Jan 2007** ✓
 - design 2.6Mlb pa, CAPEX US\$100M
- **Stage 2 – Full 7 months of nameplate production achieved** ✓
 - design 3.7Mlb pa, CAPEX US\$59M



- **Stage 3 – Expansion – increase to 5.2Mlb pa**
 - CAPEX US\$99.5M
 - construction advancing (70% complete as of mid-October)
- **Stage 4 – Feasibility continuing for 10Mlb pa**
 - updated resource announced to underpin expansion



Langer Heinrich

Stage 3 construction status



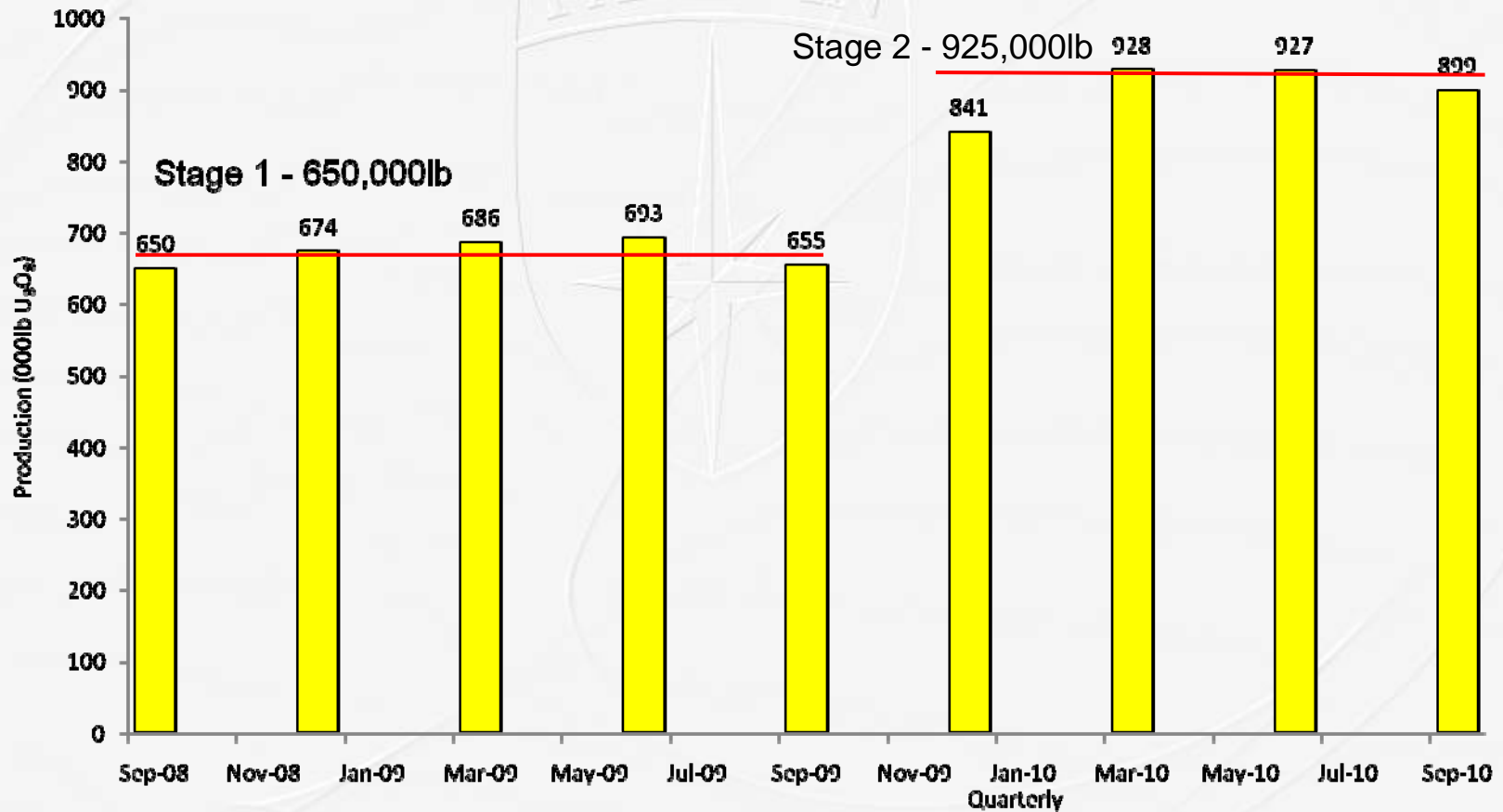
Langer Heinrich

Operational / Expansion Update

- **Qtrly production of 899,735lb vs 927,373lb previous qtr**
- **97.3% of nameplate achieved with the shortfall resulting from introduction of new pit-f material into the plant**
 - minor modifications have sorted this issue and plant now running steadily at minimum of design (3.7Mlb pa)
- **Stage 3 construction expanding operations to 5.2Mlb pa is 70% complete with mechanical completion targeting early March qtr 2011**
 - earth works substantively complete
 - most major long-lead time items on site, IX columns remaining pressure item
 - installation of scrubber, crusher, flash splash, leach tanks, CCD tanks and tailings thickeners well advanced



Langer Heinrich Production quarter by quarter

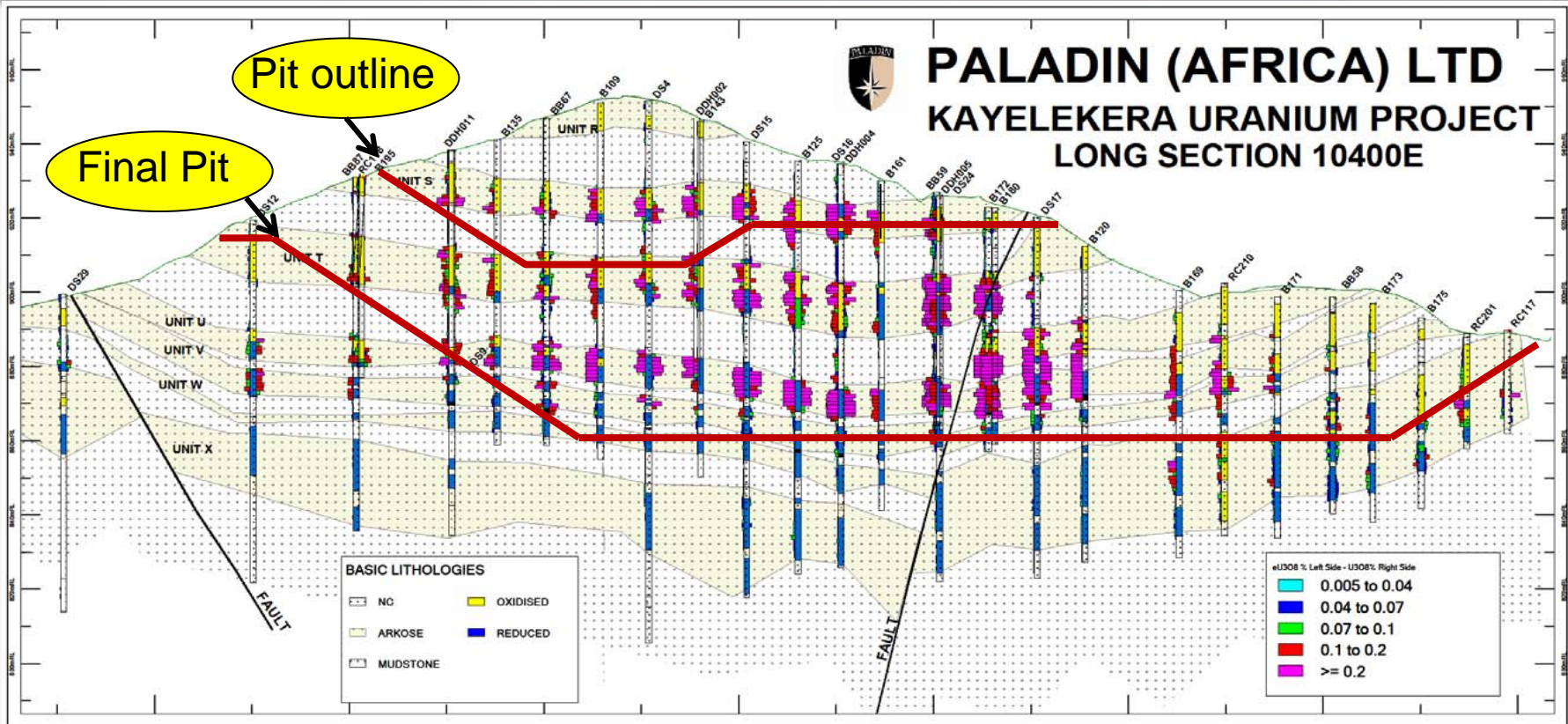


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Kayelekera Project Location



Kayelekera Geology and Resources



| | Measured | | | Indicated | | | Inferred | | |
|-----------|----------|-----------|---------|-----------|-----------|---------|----------|-----------|---------|
| | Mt | Grade ppm | Metal t | Mt | Grade ppm | Metal t | Mt | Grade ppm | Metal t |
| Resources | 3.5 | 1,241 | 4,347 | 17.2 | 769 | 13,242 | 5.5 | 625 | 3,433 |



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Kayelekera Mine

Design Production Achieved

- Ore feed proven to 220tph vs 190tph design
- All circuits are consistently operating at design and able to produce 3.3Mlb pa



- RIP efficiency 97% versus the June quarter of 85%
- Mechanical availability of the plant now at design
- Reconciliation of ore body to resource model excellent



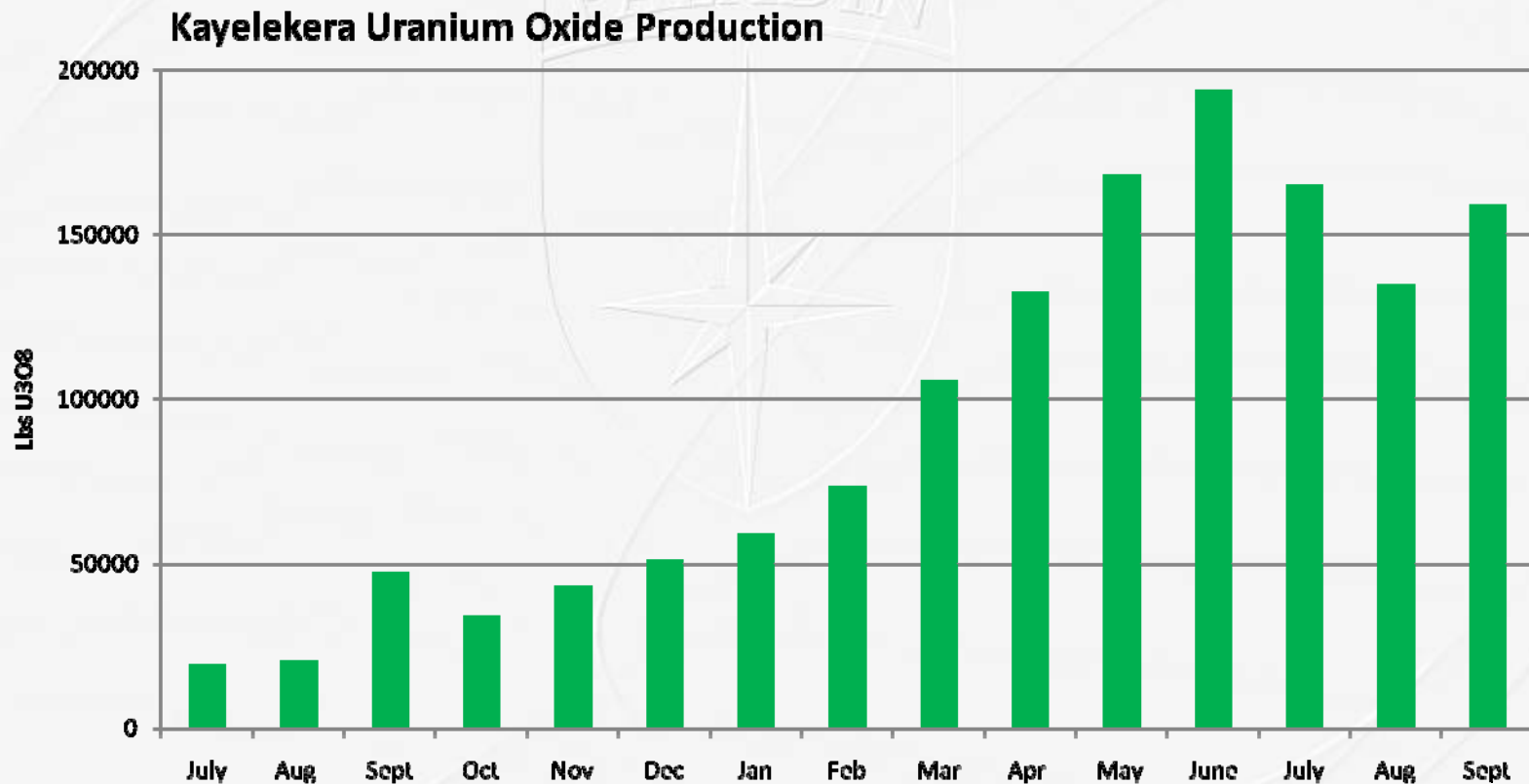
Kayelekera Mine Operational Update

- Quarterly production of 462,977lb vs 515,478lb from previous quarter
- Production plateau at 75% of design resulting from bottleneck associated with resin cleaning.
- Expanded cleaning circuit installed and optimized after which design easily achieved (mid-September)
- U3O8 precipitation shown to exceed design of 9,041 lb/day
- Operational focus on sustained nameplate production and cost optimization
- Rigorous maintenance program in place to improve mechanical availability



Kayelekera Mine Production

status September 2010



Other Projects expanding the pipeline

- **Mount Isa, Qld (part JV with Summit)**
 - US\$10M exploration budget targeted on resource expansion
 - feasibility start-up late 2011
- **Angela, NT (50% JV with Cameco)**
 - resource verification
 - preliminary scoping study will define exploration objectives
- **Bigryli JV, NT (44% JV with Energy Metals)**
 - reinvigorated joint venture
 - scoping study to investigate development concepts
- **Manyingee, Western Australia**
 - advanced ISR project
 - native title delays
 - 2018/2020 development opportunity
- **NGM Resources Ltd**
 - 90.78% voting power (as at 25 October 2010)
 - takeover offer unconditional



● Paladin 100%
 ▲ Paladin 41.71%
 ■ Paladin 50% JV Cameco
 ■ Mount Isa Projects

Resources shown above represent 100% of the resource - not the participant's share.
 Additional Inferred Mineral Resources exist at Bigryli (9Mlb), Mount Isa (45Mlb) and Manyingee (6Mlb).



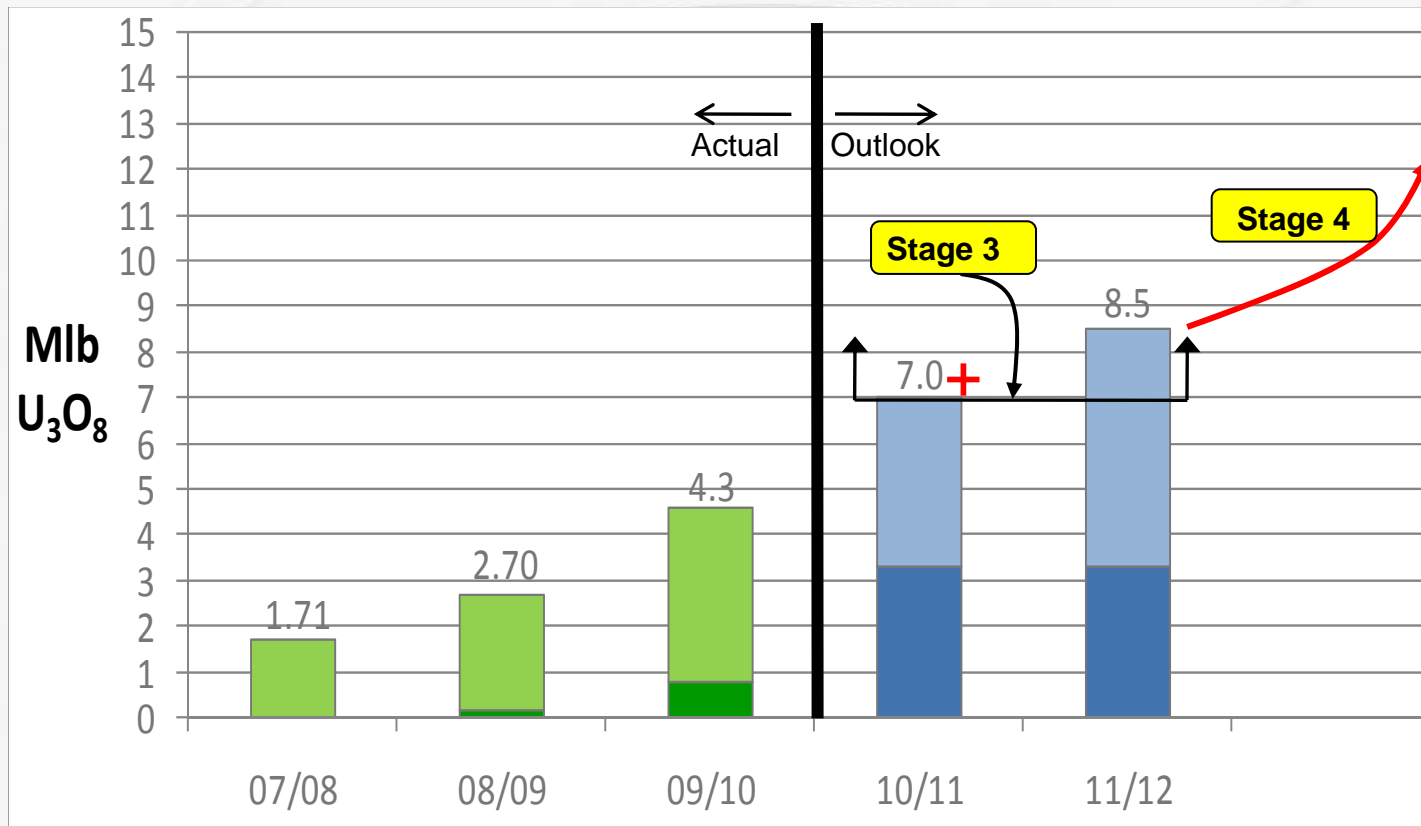
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2 Year Production Outlook



■ Langer Heinrich Actual ■ Langer Heinrich Production
■ Kayelekera Actual ■ Kayelekera Production
+ Stage 3 unquantified ramp up contribution



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Summary

Key Takeaway: Non-Aligned Pure Uranium Producer with Strong Growth Upside and Proven Track Record

OUTLOOK

- **Priority focus on meeting production objectives**
- **Maintaining strong organic production growth profile**
- **Resource upgrades to support expansions**
- **Strong development potential from project pipeline**

VALUE PROPOSITION

- **Non-aligned pure uranium producer**
- **Track record of bringing new mines into operation and growing production**
- **Diversified asset base**
- **Low gearing and strong balance sheet**
- **Consistently provided share market returns above indices and peers**
- **Experienced and stable management team**

