



PALADIN ENERGY LTD

ACN 061 681 098

28 October 2010

The Manager
Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir or Madam

Paladin announces compulsory acquisition of NGM shares

On 25 October 2010, Paladin Energy Ltd (ASX:PDN) (**Paladin**) declared unconditional its off-market takeover offer for all the shares in NGM Resources Limited (ASX:NGM) (**NGM**) (**Offer**). As at close of business on Wednesday, 27 October 2010, Paladin had a relevant interest in 91.58% of NGM shares.

Paladin will now proceed to compulsorily acquire all NGM shares that it has not yet acquired under the Offer.

Issue of Paladin shares under the Offer

NGM shareholders are free to accept the Offer until its closing date (5.00pm (Perth time) on 5 November 2010), and, in doing so, will benefit from receiving their consideration earlier than if those shares are compulsorily acquired. Paladin intends to issue the new Paladin shares to NGM holders who have accepted the Offer (and who are not Ineligible Foreign Shareholders or an Unmarketable Parcel Holders as defined in Paladin's bidder's statement dated 2 September 2010) on Friday, 12 November 2010 (being five business days after the close of the Offer).

Issue of Paladin shares following compulsory acquisition

NGM shareholders whose shares are compulsorily acquired will receive their consideration at the end of the compulsory acquisition period, which is likely to be in four to six weeks.

Enclosed is a copy of the compulsory acquisition notice lodged today with the Australian Securities and Investments Commission, as well as an accompanying letter that will be sent to each NGM shareholder, together with the compulsory acquisition notice.

Yours faithfully

John Borshoff
Managing Director/CEO



PALADIN ENERGY LTD

ACN 061 681 098

28 October 2010

Dear NGM Shareholder

Compulsory acquisition of your NGM Limited shares

As you are aware, Paladin Energy Ltd (**Paladin**) has offered to acquire all of the shares in NGM Resources Limited (**NGM**) under an off-market takeover offer (**Offer**), which includes your NGM shares. Paladin is offering 1 Paladin share for each 23.9 NGM shares you hold. Details of the Offer are available in Paladin's bidder's statement dated 2 September 2010 (**Bidder's Statement**), a copy of which was sent to you.

You are free to accept the Offer at any time before 5.00pm (Perth time) on 5 November 2010 (**Offer Closing Date**), at which time the Offer will close.

On 21 October 2010, Paladin announced that it had acquired a relevant interest in more than 90% of NGM shares. As at the date of this letter, Paladin holds 91.58% of NGM shares. On 25 October 2010, Paladin declared the Offer unconditional. As a result, Paladin is entitled to proceed with the compulsory acquisition of the remaining NGM shares, which includes your NGM shares. Paladin's records indicate that you have either not accepted the Offer in respect of your shares, or that your acceptance was not valid.

If you do not validly accept the Offer prior to the Offer Closing Date, Paladin will exercise its right to compulsorily acquire your NGM shares (along with all other outstanding NGM shares).

Enclosed is an ASIC Form 6021, which constitutes formal notice to you of compulsory acquisition under the *Corporations Act 2001* (Cth). Please read this form carefully.

Under the compulsory acquisition procedure, you will receive 1 Paladin share for every 23.9 NGM shares you hold, subject to the treatment of Ineligible Foreign Shareholders and Unmarketable Parcel Holders, as well as the effects of rounding (please see the Bidder's Statement for details).

If you validly accept Paladin's Offer by the Offer Closing Date, you will receive your consideration earlier than if your NGM shares are compulsorily acquired. Paladin intends to issue the new Paladin shares to NGM holders who have accepted the Offer (and who are not Ineligible Foreign Shareholders or an Unmarketable Parcel Holders) on Friday, 12 November 2010 (being five business days after the close of the Offer).

If you do not validly accept Paladin's Offer by the Offer Closing Date, you will receive your consideration at the end of the compulsory acquisition process. This is likely to take place approximately four to six weeks after the date of this letter (or, in some circumstances, later).

Yours faithfully

John Borshoff
Managing Director/CEO



Notice of compulsory acquisition following takeover bid

If there is insufficient space in any section of the form, you may attach an annexure and submit as part of this lodgement

Lodgement details

Who should ASIC contact if there is a query about this form?

Name

Matthew Kwan

ASIC registered agent number (if applicable)

8833

Company/entity name

Blake Dawson

ACN/ABN/ARBN/ARSN

Telephone number

61 8 9366 8000

Postal address

PO Box 7438 Cloisters Square

PERTH WA 6850

Email address (optional)

matthew.kwan@blakedawson.com

Notice

Name and address of holder.

To:

Name

Form to be personalised for each holder.

ACN (if applicable)

At the office of, C/- (if applicable)

Office, unit, level

Street number and Street name

Suburb/City

State/Territory

Postcode

Country (if not Australia)

Name of target company or body

Securities of:

Name ('the Company')

NGM Resources Limited

ACN/ARBN/ARSN

107 131 653

Continued... Notice

Tick one box

1. Under an
- Off Market Bid
 Market Bid

Name of bidder.

offers were made by

Paladin Energy Ltd

Insert description of class of securities to which the bid related

in respect of the acquisition of

ordinary shares

In the Company.

Tick one box

The offers

- closed
 are scheduled to close

on

Date

/ /
[D] [D] [M] [M] [Y] [Y]

Insert date offers closed or are scheduled to close

2. You are, or are entitled to be, registered as the holder of securities in respect of which an offer was made, but have not accepted the takeover offer.
3. The bidder hereby gives you notice under subsection 661B(1) of the Corporations Act 2001 ("the Act") that the bidder has become entitled pursuant to subsection *661A(1)/661A(3) of the Act to compulsorily acquire your securities and desires to acquire those securities.
4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.
5. Under section 661E of the Act, you have the right, within one month after being given this notice or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before
- this notice was given.
 the end of the offer period.
7. Unless on application made by you under section 661E within one month after being given this notice (as referred to in paragraph 5 of the notice) or within 14 days after being given a statement under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, the Court otherwise orders, the bidder must comply with paragraph 6 of this notice.

Tick one box

Signature

Name of person signing

John Borshoff

Capacity

Managing Director/CEO

Signature



Date signed

2 8 / 1 0 / 1 0

[D D] [M M] [Y Y]

Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission,
PO Box 9827 in your capital city.

Or lodge the form in person at an ASIC Service Centre
(see www.asic.gov.au/servicecentres)

For help or more information

Telephone 1300 300 630
Email infoline@asic.gov.au
Web www.asic.gov.au