



PALADIN ENERGY LTD

ACN 061 681 098

25 October 2010

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Kayelekera Uranium Mine, Malawi Project Finance – Completion Test

Paladin Energy Ltd is pleased to announce that in accordance with the Kayelekera Mine (KM) project finance loan, the Completion Test will commence 1 November 2010.

The Lenders have been notified and the Independent Technical Consultants arrived at site today.

The Completion Test requires the Project to operate at a minimum of 90% design production for a continuous period of 90 days. It will include a number of specific performance parameters, including tests for mining, recovery, production, grade and milling.

Paladin has commenced the Completion Test based on the production levels achieved over the past month and confidence the Project can maintain nameplate production.

Once the Completion Test is achieved the interest margin on the Commercial Bank Facility portion of the outstanding KM project finance debt will reduce by 0.50% per annum and the loan becomes non-recourse to Paladin Energy Ltd.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO