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Company Announcements Office

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PALADIN'S RECOMMENDED TAKEOVER BID REMAINS ON FOOT

NGM Resources Ltd (NGM) is pleased to confirm that the Takeovers Panel has today found that the two defeating conditions which Paladin Energy Limited (Paladin) alleged had been triggered remain capable of being fulfilled, meaning that the takeover offer by Paladin for NGM remains on foot.

Paladin's takeover offer is now scheduled to close at 5.00pm (Perth time) on 22 October 2010 (unless extended).

NGM's directors continue to unanimously recommend that NGM shareholders ACCEPT Paladin's takeover offer, in the absence of a superior proposal.

NGM's directors have all accepted the takeover offer in respect to their existing individual holdings of NGM ordinary shares.

NGM now looks forward to moving to completion of Paladin's takeover offer in the friendly spirit in which the bid was agreed.

NGM shareholders are reminded that the offer remains subject to a number of defeating conditions, including a 90% minimum acceptance condition. At 7 October 2010, Paladin has disclosed that it has an interest in approximately 70% of NGM.

If Paladin's interest in NGM has not increased to 90% or more by the close of its takeover offer and that condition is not otherwise waived, or if any of the other defeating conditions to Paladin's takeover offer have not been satisfied or waived by that time, Paladin's takeover offer for NGM will lapse and all contracts resulting from acceptances of that offer will become void.

Accordingly, NGM shareholders are encouraged to accept the Paladin takeover offer without delay.

Outcome of Takeovers Panel proceedings

Late on Friday 24 September, NGM was advised that Paladin considered that two of the defeating conditions of its takeover offer for NGM had become incapable of being fulfilled. Paladin subsequently released an ASX announcement to that effect.

On Wednesday 29 September, NGM referred the matter to the Takeovers Panel to challenge the validity of Paladin's view that these two defeating conditions had been triggered.

On Friday 8 October, the Takeovers Panel declared that these two defeating conditions have not been triggered, and that as a result the takeover offer by Paladin for the Company remains on foot.

The Takeovers Panel also ordered Paladin to extend its takeover offer until at least 5.00pm (Perth time) on 22 October 2010. The full announcement by the Takeovers Panel is available from the ASX (ASX code: NGM) or from the Takeovers Panel website at takeovers.gov.au.

NGM is continuing to work towards completing the Paladin takeover offer as it has been from July. The Board believes that Paladin remains well suited and equipped to explore, discover and develop the Company's permits in Niger's uranium prolific Tim Mersoï Basin.

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