



PALADIN ENERGY LTD

ACN 061 681 098

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15 December 2011

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

By Electronic Lodgement

Dear Sir/Madam

Uranium Moratorium Lifted – Aurora Uranium Assets, Labrador, Canada

PERTH, WESTERN AUSTRALIA - Paladin Energy Ltd (ASX Code: PDN; TSX Code: PDN) ("Paladin") is pleased to announce that the Nunatsiavut Government has voted to lift the three-year moratorium on the mining, development and production of uranium on Labrador Inuit Lands at the Nunatsiavut Assembly sitting on Wednesday, December 14, 2011. The effective date of the moratorium lifting will be at the proclamation of the Nunatsiavut Environmental Protection Act, which was passed by the Assembly in February 2011. The proclamation is scheduled for early March 2012, to allow for the Act's regulations to be completed.

Paladin holds title to significant uranium assets through its wholly owned subsidiary Aurora Energy Ltd. ("Aurora") within the highly prospective Central Mineral Belt (CMB) of Labrador, Eastern Canada, including 15.1Mlb U₃O₈ at a grade of 0.08% of Measured Mineral Resources, 68.7Mlb U₃O₈ at a grade of 0.10% Indicated Mineral Resources and 53.0Mlb U₃O₈ at a grade of 0.08% of Inferred Mineral Resources, using a cut off of 0.02% U₃O₈ for open pit resources and 0.05% U₃O₈ for underground, across six deposits: Michelin, Jacques Lake, Rainbow, Nash, Inda and Gear. A technical report titled 'Michelin Uranium Project, Labrador, Canada, NI 43-101 Technical Report on Preliminary Assessment' with an effective date of 1st August 2009 was previously filed by Fronteer Gold (previous owner of Aurora) on Sedar. The technical report has been reviewed by David Princep, Principal Geologist-Resources with Paladin. Paladin is not aware of any new information that would make this disclosure of the mineral resources either inaccurate or misleading. The Aurora tenements hold excellent potential for both expanding the resource base within the existing identified deposits and making additional discoveries.

The Nunatsiavut Government is a regional, aboriginal government formed in 2005. Five of Paladin's six deposits fall within the Labrador Inuit Lands, the area administered by the Nunatsiavut Government.

With the lifting of the moratorium and no impediments from the Federal and Provincial Government, Paladin will be planning for a mid 2012 exploration programme.

Drilling is expected to start in the third quarter of CY2012. Initially camp and support infrastructure will be re-established to allow ground geological and geophysical work to go ahead, to define drilling targets. Drilling is planned to start with infill and extension drilling of the Michelin mineralisation.

This ending of the three-year moratorium validates Paladin's vision to acquire the Aurora uranium assets in February 2011 at the highly discounted pricing of US\$1.90/lb which reflected the development risk prevailing at that time. The Company now controls a highly attractive asset with significant uranium resources in a region available for potential development in what is expected will become the second most important uranium province in Canada and considered to be of worldwide significance.

This positive development further consolidates the value of Paladin's deep and diverse project pipeline in an industry where significant uranium deposits with development potential, combined with a proven builder/operator, remain scarce.

Yours faithfully
Paladin Energy Ltd

A handwritten signature in blue ink, appearing to read 'John Borshoff', written in a cursive style.

JOHN BORSHOFF
Managing Director/CEO

The information in this Announcement relating to exploration and mineral resources is, except where stated, based on information compiled by David Princep B.Sc who is a Fellow of the AusIMM. Mr Princep has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and as a Qualified Person as defined in NI 43-101. Mr Princep is a full-time employee of Paladin Energy Ltd and consents to the inclusion of this information in the form and context in which it appears.