



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 244650

28 November 2011

The Company Announcements Officer
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Kayelekera Mine - Malawi Comments by the Governor of Reserve Bank of Malawi

On Friday, 25 November, the Governor of the Reserve Bank of Malawi, Dr Perks Ligoya, made some statements which have caused the Global Investment Community some concern in relation to Paladin and its considerable investment in Malawi. His remarks regarding renegotiation the Development Stability Agreement (DSA) were reported by Bloomberg.

The DSA established the fiscal and regulatory framework for the Company's investment in Malawi and guarantees a period of stability in recognition of the Kayelekera Mine's unique position as the first significant foreign investment in the country's resource sector. It also provided the Republic of Malawi with a 15 per cent equity stake in Paladin (Africa) Limited, the owner company of the Kayelekera Mine.

The Governor has personally apologised for these comments, and, since the release of the Bloomberg article, has subsequently clarified his comments to the Bloomberg news agency and the Malawi media.

Paladin has raised this matter with the Government of Malawi and will hold further discussions with appropriate Ministries to reinforce the importance of adherence to the legally binding terms of the DSA in ensuring the continuing operations of the Kayelekera Mine.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO