



PALADIN ENERGY LTD

ACN 061 681 098

11 May 2011

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

By Electronic Lodgement

Dear Sir/Madam

PROPOSED CHANGES TO NAMIBIAN MINERAL POLICY WILL NOT AFFECT PALADIN INTERESTS

On 29 April 2011, Paladin Energy Ltd (**Paladin** or **the Company**) advised that, following discussions with the Government of Namibia (**GoN**), the Company believed that ownership and operations of its wholly-owned Namibian subsidiary company, Langer Heinrich Uranium (Pty) Ltd (**LHUPL**) would not be affected by foreshadowed changes to the administration of Namibia's minerals and mining sector.

This followed market comment in regard to a statement by the country's Minister for Mines and Energy, Mr Isak Katali, in relation to an expanded role for the State-owned mining company, Epangelo Mining (Pty) Ltd, in the ownership and development of specific strategic minerals, including uranium.

The Company welcomes the media statement released by the Minister yesterday clarifying the proposed changes to The Minerals Act. In his statement he advised:-

"The existing exploration and mining licenses will not be affected".

Importantly Mr Katali also stated that the proposed changes should in no way be construed to indicate that the Government of Namibia intended to nationalise the mining industry.

Paladin has welcomed this clarification, which removes any uncertainty over its operations in Namibia. Paladin's Managing Director/CEO, Mr John Borshoff, said: "Paladin is a significant investor and employer in Namibia and the Company was pivotal in pioneering the renaissance of the Namibian uranium industry. Paladin continues to invest heavily in Namibia, with Stage 3 expansion of Langer Heinrich nearing completion and preliminary planning well advanced for Stage 4, which would double production of LHUPL by 2015. The removal of any doubt over sovereign risk in relation to Paladin's interests in Namibia is very welcome and paves the way for continued significant investment in the country by the Company, to the mutual benefit of both Namibia and Paladin."

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO