



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 267449

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Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000
Dear Sir/Madam

By Electronic Lodgement

Kayelekera Resumes Full Production

Paladin is pleased to advise that, as foreshadowed, its Kayelekera Mine resumed 100% operational status as Malawian employees ended industrial action allowing the Thursday night shift to start fully manned. The Company and Local Staff Association (LSA) signed a binding agreement to end the strike yesterday afternoon, facilitating a full return to work by all employees.

Under the terms of the agreement, employees have dropped demands for the 66% salary increase to compensate for the 50% devaluation of the Kwacha. Paladin in turn has agreed to review the local salaries within 6 months determined by the CPI at that time and as affected by the devaluation of the Kwacha.

Yours faithfully
Paladin Energy Ltd

John Borshoff
Managing Director/CEO