



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 267213

17 May 2012

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

By Electronic Lodgement

Kayelekera Illegal Strike – Discussions on Return to Work

Paladin advises that discussions with the Local Staff Association (LSA) and government officials on an agreed return to work by striking Malawi employees at the Kayelekera Mine continued through Wednesday, 16 May.

The LSA requested additional time to consult employees based in Karonga town, some 53 kilometres from the mine. The LSA asked to meet management on Thursday morning, 17 May to facilitate a full return to work. Paladin has agreed to this request.

Employees have indicated a strong willingness to return to work. Some night shift staff reported for duty last night. Paladin remains confident of an early return to full production.

Yours faithfully
Paladin Energy Ltd

John Borshoff
Managing Director/CEO