



PALADIN RESOURCES LTD

A.C.N. 061 681 098

GRAND CENTRAL 1ST FLOOR, 26 RAILWAY ROAD
SUBIACO WESTERN AUSTRALIA 6008
PO BOX 201, SUBIACO WESTERN AUSTRALIA 6904

TELEPHONE: (+61 8) 9381 4366 FAX: (+61 8) 9381 4978

EMAIL: paladin@paladinresources.com.au

Web: www.paladinresources.com.au

Ref: 55776

29 March 2007

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

**Langer Heinrich Uranium Project
Production Ramp Up at 70% of Design Capacity**

Paladin Resources Ltd ("Paladin") is pleased to advise that significant progress has been made in the first 3 months of the production ramp-up phase at Langer Heinrich. The ramp-up has included systematic elimination of bottlenecks, design improvements, and optimisation of operational management practices. The plant is now operating consistently to 70% of design capacity and is trending up in line with the ramp-up schedule. The status of the 4 main activity areas of mining, crushing/sizing, leaching/CCD and Ion Exchange/precipitation/product preparation are as follows:-

- Mining is operating at scheduled capacity with good reconciliation between established reserves and run-of-mine production. The ROM pad is fully constructed and loaded to capacity. Construction of the temporary tailings dam is completed and also functioning as expected.
- The crushing/screening circuits are now steadily handling 140 tonnes per hour or 70% of design throughput. Installation of cyclones to the circuit is scheduled for late April, and this will bring this portion of the plant to 100% of design throughput.
- Tank liner failures in the leaching circuit caused considerable downtime in late January and early February as sections of the liner also plugged circuit heat exchangers and caused damage to the exchanger internals. The majority of the tank liner material is now removed. Five of the six tanks are now available for operation as one tank at a time is taken out of service for re-lining. This is expected to take several months to complete, with minimal impact on process production efficiency. The leaching/CCD circuit is now capable of operating at design capacity. Heat exchanger repairs were successfully completed in early March.

- In the early ramp-up phase, the Ion Exchange columns experienced unacceptable flow restrictions. Backwash modifications were tested and this successfully increased flows back to design levels in the columns.
- The modifications will continue for all remaining columns and will be complete by late April.
- Early deficiencies in the precipitation and drying circuits have been rectified with current throughput levels equal to 60% to 70% of design rates. Full design production rates in this area are expected once upgrades to the dryer venting system are complete, in early May.

Overall plant availability continues to improve. Current production capacity trends show that the targeted design rate of 2.6Mlbs U_3O_8 per annum will be reached as forecast by June this year.

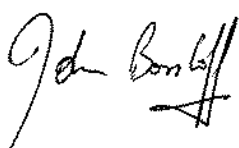
Importantly, the alkaline leach process has been successfully proven with the yellowcake meeting the required product specification.

Production to the end of June 2007 ramp-up phase is expected to be in the vicinity of 400,000lbs to 600,000lbs, with the drop in stated production being the result of the downtime experienced during the early ramp-up phase in January/February.

The Langer Heinrich mine coming into full production by mid year could not be better timed in terms of gaining benefit for Paladin from the positive prevailing market conditions. With availability of primary uranium widely recognised to be in extremely short supply and continued price increases confidently expected, Paladin's flagship project with its available pounds will create considerable strategic opportunities.

The second shipment of yellowcake product is scheduled to depart Namibia in mid April.

Yours faithfully
Paladin Resources Ltd



John Borshoff
Managing Director