



PALADIN RESOURCES LTD

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

Dear Sir/Madam

**Langer Heinrich Uranium Project (Namibia)
Production Status Update**

Further to the update on Langer Heinrich ramp up progress provided on the 13th June 2007 Paladin Resources Ltd advises the following developments.

Drummed production at 30 June 2007 was 119,586lb U₃O₈. Production was below the 200,000lb expected for this period due to a dryer problem late in June (since resolved) which resulted in significant product being retained in process stocks which could not be drummed until early July.

July production has demonstrated considerable improvement and Paladin now expects annual production for the FY 2007/08 to be in the range of 2.2Mlb U₃O₈ (down from the design annual target of 2.6Mlb). However, the production rate of 2.6Mlb U₃O₈ per annum is fully expected to be achieved from January 2008.

Management's focus is now on improving efficiencies and recoveries in the process plant.

Overall the operational performance of Langer Heinrich has improved significantly during the past 4 weeks and management is confident this improvement in performance will continue.

Mining

Mining is producing ore to target with average ROM grade delivered to the mill ranging 0.0875 – 0.091% U₃O₈. Ore material being mined is limited to one sedimentary type (which is relatively fine grained) in a small area opened up for mining in the open pit which means only about 40% of ROM material is currently being discarded to the barren stockpiles through the attrition process versus design discard of about 50%-55%. As the pit is opened up further it is expected to expose the full variety of ore types (determined by size fraction ranging from sandy, gritty, pebbly to conglomeratic hosted ores) to be mined along with the less cemented material below the water table. The correct blending of these ore types will allow the barren-to-discard targets to be achieved. In addition, further modifications to the front end of the circuit are being considered that may better match the average material being treated. These modifications could be completed by end of the December quarter.

Leaching

Although throughput at crushing/grinding is about 80% design, leach capacity in fact is operating at 100% of design throughput, although the feed grade to the leach section is impacted by the barren ratio.

Ion Exchange Precipitation and Drying

Management is reviewing an option to add an additional 3 IX columns to previously installed concrete foundations to enhance uranium recovery.

Going Forward

The operation continues to produce uranium oxide to contractual specifications, and shipments are being made to customers' converter facilities. Shipping disruptions which occurred earlier in the year have been resolved satisfactorily, and Langer Heinrich is continuing to ship to North American converters and the European converter throughout the rest of the year.

Although design recoveries have not been consistently achieved to required levels, the work of recovery and throughput optimisation continues. Paladin fully expects Langer Heinrich to reach its target annual production rate of 2.6Mlb U_3O_8 by January 2008 and forecasts 0.9Mlb U_3O_8 production to December 2007 and 1.3Mlb in the 6 months to June 2008.

The operational team at Langer Heinrich has made substantial progress in understanding the performance characteristics of the new plant including orebody characteristics. Paladin is confident that the challenges of commissioning an entirely new mine and uranium processing plant are well within our capabilities and further that Langer Heinrich represents a robust and profitable project which will contribute substantially to future global uranium production.

Yours faithfully
Paladin Resources Ltd



JOHN BORSHOFF
Managing Director