



PALADIN RESOURCES LTD

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7 August 2007

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

Dear Sir/Madam

**Settlement of Proceedings with Summit.
Areva seeks Intervention.**

On 3 August 2007, Paladin Resources Ltd announced that its wholly owned subsidiary, Mt Isa Uranium Pty Ltd ("MIU") had settled the court proceedings commenced against it and Resolute Limited by Summit Resources (Aust) Pty Ltd ("Summit Proceedings").

As explained in the attached announcement by Summit Resources Ltd ("Summit"), Areva NC (Australia) Pty Ltd is seeking to intervene in the Summit Proceedings.

In its announcement of 3 August 2007, Summit explained that an independent board committee of Summit made the decision to settle the Summit Proceedings. To be successful in its latest legal proceedings, Areva must amongst other things, establish that the decision to settle the Summit Proceedings was not in the best interests of Summit.

As previously announced by Paladin, it has always remained confident that the Summit Proceedings could be successfully defended. Moreover, it should be noted that Paladin now owns approximately 82% of Summit shares (refer to the Fig. 1 below) and has the benefit of an indemnity from Resolute Limited in relation to the Summit Proceedings.

Paladin considers the chance of Summit ultimately acquiring a 100% interest in the Valhalla/Skal deposits as extremely remote. In any event, as a result of the indemnity and Paladin's 82% ownership of Summit, a change in the ownership of the deposits would not be of any significant consequence. The actual outcome of the Summit Proceedings is not considered by the Paladin Board to be material to Paladin.

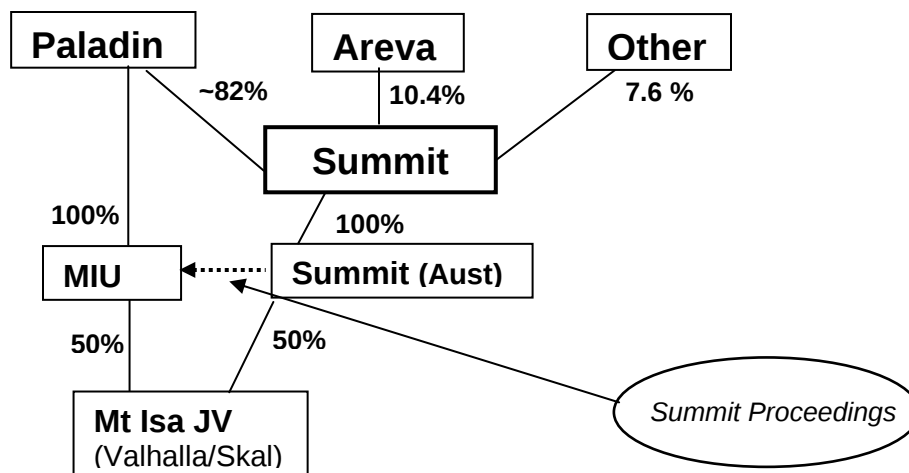


Fig. 1 – Valhalla/Skal Ownership Structure

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director

6 August 2007

Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Electronic Lodgement

Summit Settles Litigation – Areva seeks to intervene

On 3 August 2007, Summit Resources Limited ("Summit") announced that Summit Resources (Aust) Pty Ltd had agreed with Resolute Limited and Mt Isa Uranium Pty Ltd ("Defendants") to settle the Supreme Court proceedings ("Proceedings") commenced by Summit Resources (Aust) Pty Ltd.

Subsequently, Areva NC (Australia) Pty Ltd (a wholly owned subsidiary of French company, Areva NC) has advised that it intends to apply to the Supreme Court of Western Australia for orders under section 237 of the Corporations Act to be granted leave to intervene in the Proceedings.

In the meantime Areva will seek to restrain Summit and the Defendants from giving effect to the agreement to settle the Proceedings. Areva's application will first be heard on 6 August 2007 in the Supreme Court.

Areva has also sought access under section 247A of the Corporations Act to Summits records (including legal advices) in connection with the Proceedings.

Background to Areva's involvement

In early April 2007, Areva and Summit entered into a strategic alliance whereby Areva would subscribe for shares in Summit. If Areva completed the subscription, it would be entitled to marketing rights over two thirds of Summit's uranium production from its Australian projects. However, the share placement to Areva was conditional upon shareholder approval. On 16 April, the directors' of Summit recommended acceptance of Paladin's revised takeover offer. Summit subsequently announced that shareholder approval would not be sought. The directors concluded that it was pointless that a meeting of shareholders be held to consider the transaction, as Paladin had advised that it would vote against the resolution.

Soon after, Areva notified that it had acquired 10.46% of the shares in Summit. Areva did not accept that a shareholders' meeting was not called and unsuccessfully took proceedings in the Takeovers Panel to force a meeting of shareholders and force Paladin to vote in favour of the share placement. At the close of the offer, Paladin held 81.82% of Summit's shares. Areva has retained its shares.

Areva acquired its shareholding for approximately \$126 million at an average price of \$6.10 a share. At the last close of market, Summit's shares were trading at \$3.16. No Areva representative sits on the board of Summit. It is conceivable that Areva might be less than satisfied with this outcome but this is not as a consequence of anything that Summit has done.

Areva Group

The Areva Group is a large vertically integrated nuclear enterprise. According to its 2006 Reference document, together the French State and its agencies or controlled entities hold 97.4% of the voting rights of the parent corporation. It had sales in the order of €10.9 billion (AUD17.525 billion) and net income of €649 million (AUD1.043 billion). It has operations around the world and employs approximately 61,000 people.

In its application to inspect the records of Summit to review the litigation proceedings, Areva listed the parties that should be given access to the documentation. On this preliminary application, that list included four Counsel (including a Queens Counsel and a Senior Counsel) and nine solicitors.

Latest Proceedings

To be successful in its latest legal proceedings, Areva has to establish that it is acting in good faith and that the decision to settle the Proceedings was not in the interests of Summit.

Further announcements will be made as appropriate when Summit has information about the timetable for the Supreme Court to deal with Areva's applications.

For further information, contact:

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Executive Chairman

Summit Resources

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