



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

Kayelekera Uranium Project, Malawi Major Development Contracts Signed

Paladin Resources Ltd (Paladin) is pleased to advise that its subsidiary Paladin (Africa) Ltd has signed three major contracts for the development of its Kayelekera Uranium Project.

The EPCM contract has been awarded, appointing Engineering and Projects Company (E&PC) as the Project Engineers. E&PC are a highly reputable South African mining and minerals engineering firm based in Johannesburg and are part of the Aveng Group, a multi disciplinary, mining, manufacturing, engineering and construction group centred in South Africa. Besides E&PC, the Aveng Group also includes Grinaker LTA, Moolmans Brothers and McConnell Dowell, providing extensive mining experience throughout the African continent, the Middle East and Australia.

The mining and earthworks contracts have also been awarded. The successful company for both is Mota Engil Engineering (Mota), a large Portuguese based, international earthmoving and construction consortium. Mota provide the added benefit of having operated in Africa for 55 years including the last 15 years in Malawi. Mota has already been engaged on the project in establishing the 11km branch road to the project site and preparing all lay down areas for the anticipated equipment arrival. Mota has also commenced preparation of the site for erection of the 800 person construction camp now being transported from Langer Heinrich. It is anticipated that Mota will be ready to commence the civil earthworks for the project by the end of August. Major mining equipment orders are also in place and planned delivery is on schedule for late 2007 in readiness for mining pre-strip operations to commence.

Following the award of these contracts plus the finalisation of a Project Labour Agreement with the Malawian Workforce Community Forums, the tempo of the project development is increasing rapidly. Worker recruitment programmes have been initiated and there are already 200 employees active on site (the vast majority of which are local Malawians). This number is expected to peak at around 1,000 during the construction period.

Both the construction plans and engineering designs have reached an advanced stage and purchase orders for some of the longer lead items are already in place. Enquiry documentation is currently being prepared for the remainder of the sub-contracts and process equipment.

These latest developments in the execution of the Project mean that plant commissioning remains on schedule to commence in Q4 2008.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director