



PALADIN ENERGY LTD

ACN 061 681 098

15 May 2008

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

By Electronic Lodgement

Dear Sir/Madam

March 2008 Quarterly Financial Report and MD&A

Attached please find Quarterly Report for the three months ended 31 March 2008 including Report to Shareholders, Management Discussion and Analysis, Interim Financial Statements and CEO/CFO Certification as required in accordance with Canadian reporting requirements.

Yours faithfully
Paladin Energy Ltd

GILLIAN SWABY
Company Secretary



PALADIN ENERGY LTD

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NEWS RELEASE

For Immediate Distribution

31 MARCH 2008 THIRD QUARTER REPORT

Perth, Western Australia – 15 May 2008: Paladin Energy Ltd (“Paladin” or “the Company”) (TSX:PDN / ASX:PDN) announces the release of its 31 March 2008 Third Quarter Report.

Projects:

- Production of 490,800 pounds of U₃O₈ at the Langer Heinrich Uranium Project in Namibia for the March '08 quarter – plus an additional 60,000 pounds of U₃O₈ loaded in a temporary uranium thickener. Calendar 2008 production guidance maintained
- Work commenced on US\$50 million Langer Heinrich Stage II production expansion to 3.7 million pounds per annum – scheduled for mechanical completion at end of calendar 2008. Planning underway on Stage III expansion to 6.0 million pounds per annum
- Sales of Langer Heinrich uranium concentrate for the quarter of 208,000 pounds U₃O₈ averaging US\$66/lb – in line with revised plan to overcome shipping delays. Sales for the nine months of 809,000 pounds U₃O₈ averaging US\$71/lb
- Construction work on schedule and budget at the Kayelekera Uranium Project in Malawi – activities included civil works, cement and foundation preparation, equipment and facility installation, upgrade of public road, and recruitment of operations staff
- Paladin and Cameco JV awarded the Angela Uranium Deposit in Northern Territory
- Focus on exploration and evaluation of Australian projects, in particular the Mount Isa Uranium Joint Venture and Isa North Uranium Project in Queensland, and the Bigryli Uranium Joint Venture in Northern Territory

Corporate:

- Loss after tax for the quarter ending 31 March 2008 of US\$8.4 million – consisting of US\$7.7 million profit for Langer Heinrich as a consequence of improved performance; US\$2.5 million investment in exploration and evaluation expenditure; US\$7.0 million finance costs; and US\$6.6 million in net corporate costs
- Strong balance sheet at 31 March 2008 with net assets of US\$1.4 billion including US\$417 million in cash (US\$375 million invested in US treasury bonds)
- Issue of US\$325 million in Convertible Bonds on 11 March 2008 with a coupon rate of 5%, maturity 11 March 2013 and conversion price of US\$6.59 for Company share
- Loss after tax for the nine months ending 31 March 2008 of US\$34.2 million – consisting of US\$5.8 million profit for Langer Heinrich as a consequence of extended operational ramp up activities in 2007; US\$9.1 million investment in exploration and evaluation expenditure; US\$20.4 million finance costs; and US\$10.5 million in net corporate costs, including foreign exchange losses and share based payments
- Net cash outflow from operating activities for the quarter ending 31 March 2008 of US\$22.6 million attributable to the timing of sales invoice receipts
- Credit committee approved offers received for finance totalling US\$167 million for the Kayelekera Uranium Project, subject to legal documentation and fulfillment of other conditions precedent usual for this type of funding

These results may be found shortly with the Company's other documents filed on Sedar (<http://www.sedar.com>) or through the Company's website (<http://www.paladinenergy.com.au>). The documents filed comprise the Third Quarter Report, including the Management Discussion and Analysis, Report to Shareholders, Financial Report and CEO/CFO certifications.

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PALADIN ENERGY LTD

A.C.N. 061 681 098

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THIRD QUARTER REPORT

31 MARCH 2008

PALADIN ENERGY LTD

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PALADIN ENERGY LTD

Report to Shareholders

Third Quarter Report – March 2008
(All figures are in US dollars unless otherwise indicated)

MARKET COMMENTS

The Ux U_3O_8 spot price was US\$71/lb at the end of March, down from US\$90/lb in December reflecting thin spot demand and the general market uncertainties surrounding most commodities during the quarter. The long term price indicator quoted by Ux has remained at US\$95/lb since May 2007. Paladin Energy uses both the spot price and the long term price in its term contracts.

2007 was a good year for nuclear power worldwide. Four new reactors were connected to grids adding 2922 MWe capacity to world electricity generation. Ten construction starts were made bringing the numbers of reactors under construction to 34. In addition, 29 new plants were added to the “planned” category and 64 more added to the “proposed” category than twelve months ago, reflecting the resurgence of interest in nuclear power.

In the USA, nuclear power reactors recorded a record 91.8% average capacity factor and produced a record 807 billion kilowatt-hours of electricity at a record low cost of 1.68 cents/kWh for fuel, operations and maintenance (according to preliminary figures from the *Nuclear Energy Institute*). The US Energy Information Administration's 2008 Outlook reference case now forecasts 20 GWe of new nuclear power capacity on line in the USA by 2030, which is 63% higher than previous estimates. In addition there will be 2700 MWe in nuclear power uprates.

LANGER HEINRICH URANIUM PROJECT, Namibia (Paladin 100%)

Since its first nameplate production month in December 2007, Langer Heinrich Uranium has been progressively and methodically optimising mine and process plant operation. This is being carried out in conjunction with Stage II construction work to expand the facility's overall capacity to 3.7Mlb of uranium concentrate per annum.

Production

Production for the March quarter was 490,800lb U_3O_8 plus an additional 60,600lb U_3O_8 loaded in a temporary uranium precipitate thickener which will be converted to drummed product as an increment to design production when the new thickener is commissioned. March monthly production of 222,000lb was at design level and production since the end of the quarter indicates that the June quarter production will be between 700,000lb U_3O_8 and 750,000lb U_3O_8 , which will place Langer Heinrich production for the 6 month period to June 30 2008 in the range of 1.2Mlb U_3O_8 to 1.3Mlb U_3O_8 and on track to deliver 2.6Mlb U_3O_8 for the calendar year 2008.

Sales

Sales for the quarter were US\$13.8M comprising 208,000lb U_3O_8 (average realized price US\$66/lb) which was in line with the revised sales and shipping plan foreshadowed in the last quarter to overcome shipping delays. Cash receipts from customers for the quarter were lower at US\$3.3M as a consequence of timing of invoice receipts.

Plant Improvements

Improvements during the quarter include various upgrades to the crushing/screening circuit, which have enhanced the efficiency of the circuit to reject barren material. The crushed feed for the quarter amounted to 316,000t, at an average grade of 1,000ppm U_3O_8 . Although transfer points

continue to cause occasional conveyor downtime, the various upgrades have also resulted in higher daily tonnages into the plant. With these higher tonnages and the improved rejection of barren material, more uranium is now being forwarded to the leaching circuit. In combination with these efforts, production risk has been further mitigated by the delivery and installation of replacement spiral heat exchangers and installation of redesigned leach tank agitators. Leaching efficiency is strongly temperature dependent and natural heat loss across the leach train significantly affects the uranium leaching efficiency. In addition to the improved heating efficiency of the new heat exchangers, an additional heating system is being installed within the leach circuit to deliver a higher and more consistent temperature throughout the six tank leach train. This is currently being installed and will be commissioned in April. This improvement is expected to raise leach extraction from the March results of 90% to near design of 95%.

Work completed late in 2007, particularly to counter current decanter (CCD) overflow piping and additional Ion Exchange (IX) columns has successfully provided design capacity in these circuits, as witnessed during this latest quarter.

In the uranium precipitation area, a large 21m diameter thickener, previously used as a backup clarifier, was converted in February for use as an interim uranium product thickener, prior to the UO_4 production and drying circuits. This was done to improve losses that were being experienced using the original, smaller SDU thickener. The formation of the material bed within this large thickener has resulted in an increased inventory of uranium from the previous quarter. It is estimated that 60,600lb are stored in this unit and will be held there until a new Stage II SDU thickener is commissioned late in the June quarter, after which the material will be recovered and drummed.

Drying capacity was also increased markedly in late March with the installation of larger centrifuge equipment, which is expected to raise drying capacity to between 220,000lb and 264,000lb U_3O_8 per month. This increased capacity will allow the majority of the uranium locked up in-circuit to also be dried during the June quarter. An average drying rate of 8,500lb U_3O_8 per day (equivalent to over 264,000lb per month) was achieved during a seven day period toward the end of March, effectively eliminating concerns regarding any bottlenecks within the drying circuit.

On the mining side, reconciliations show a substantial positive return on tonnages mined, with only slightly lower grades than those expected. Mining is providing sufficient material at greater than 650ppm U_3O_8 to fulfill all crushing requirements. Rains in late March 2008 have flooded a portion of the initial pit, however this has not had any impact on the operation's ability to provide feed to the plant due to a well advanced pre-strip program on an adjoining pit.

Production Unaffected by Namibian Power Cuts

As advised, the Project has not been affected by national power cuts, however, as a longer term mitigation strategy, an order was placed in March for a 10MWe Diesel Generator Packaged Power Station of similar design to the facility purchased recently for the Kayelekera operations. This will provide the site with full emergency back-up power for the current operation as well as the Stage II expansion. It can also be used as a base-load power station as part of the proposed Stage III expansion should that be required.

Resource Drilling

Resource definition drilling to infill Details 1 and 2 and upgrade the Inferred resources in these Details to Indicated and Measured status was undertaken during the quarter, with 8,043m in 253 holes completed by the end of March. It is expected that the remaining 75 drill holes in this program will be finalised in the first two weeks of April. Information derived from this drill programme will be used for both developing the mine plan for the next few years and as input into an updated resource estimation expected to be completed in June. Grade control drilling is also underway to prepare for final pit design and scheduling of the next 12 months' production.

Stage II Expansion - Construction Status

The Stage II expansion to 3.7Mlb U₃O₈ per annum at a cost of US\$50M has received Board approval. This involves expansions to the current alkaline leach/CCD/IX/drying circuits, with construction scheduled to be completed at the end of 2008. Most long lead items have been ordered and detailed design is in progress.

The main up-grades to the plant for Stage II are:

- Two large (3,600m³ each) leach tanks
- Additional drying capacity (a new Porcupine style dryer has been ordered)
- Additional CCD thickeners (high density, larger units) and IX columns
- Additional crushing and pre-leach thickening facilities

Throughout the design and equipment selection for this Stage II expansion, the objectives of the proposed Stage III expansion have been taken into account.

Proposed Stage III Expansion

A further expansion (Stage III) is being planned which is intended to increase production to 6.0Mlb U₃O₈ per annum.

The scheduling of the proposed Stage III is dependent on accessing additional water supply, and Langer Heinrich, in conjunction with Rossing Uranium Limited, is now in advanced discussions with the national water utility, Namibia Water Corporation Ltd (NamWater) for the provision of desalinated water to our respective mines by as early as mid 2010. NamWater has invited tenders for the design/build of the desalination plant and construction has been initiated for the ocean intake of the plant. Paladin is now confident that additional water supply will become available.

The construction schedule for this proposed expansion will be triggered once NamWater has committed to a water supply delivery date. If this timing is confirmed for mid 2010, then construction of Stage III will commence mid 2009, so that expanded production can be achieved as soon as the additional water supply becomes available. Conceptual design has already commenced.

The Company expects to make a more detailed statement on the proposed Stage III expansion once legal documentation is completed with NamWater. This is expected within the next few months. Current resource drilling is expected to fully complement the increased production requirements following the Stage III expansion.

PALADIN ENERGY LTD

Report to Shareholders

Third Quarter Report – March 2008

(All figures are in US dollars unless otherwise indicated)

KAYELEKERA URANIUM PROJECT, Malawi (Paladin 85%)

The 3.3Mlb per annum Kayelekera Uranium Project remains on schedule to commence commissioning and production ramp up from the beginning of the March quarter of 2009 with the Project currently 31% complete. The project also remains within budget. The Project achieved 500,000 lost time injury free man hours on 22 February 2008.

A number of key project milestones and achievements have been successfully completed during the past quarter as set out below.

Project Development

Current project workforce on and offsite now totals over 800 with 85% of workers being Malawian. Activities are now wide-ranging involving civil works, cement and foundation preparation (power plant, mill and pre-leach thickener) and equipment and facility installation (powerhouse, diesel fuel farm). Tailings dam construction is about to commence.

Upgrade of the main public road to allow the grinding mill to be transported to site from Karonga is 95% complete. Refurbishment works of the major mill auxiliary components are at an advanced stage. Group Five, a major South African - based construction company, has mobilized on site and has commenced tank erection and general plate welding activities.

Tender evaluations for the plant reagents and electrical & instrumentation packages are nearing completion which represents substantive completion of all major contract tenders for the Project. Planning for Project commissioning is also in progress. The Malawian Government has appointed a major Chinese road building contractor to fast track completing road upgrade work to the (M26) main public access road to the site. Detailed surveying and mobilization of the road contractor is underway.

Operations

Key operational staff are being progressively recruited for the project and Paladin is pleased to report it has secured a person highly experienced in managing uranium mining operations as General Manager for the Kayelekera Uranium Project.

Mining pre-strip activities have now commenced and the open pit is on schedule to deliver ore material in readiness for commissioning at the start of 2009.

Resource Drilling

Resource definition drilling to accurately define the limits of the ore body and upgrade the Inferred Resources to Indicated and Measured status - comprising 6,458m in 95 holes - was completed during the previous quarter. An upgraded resource and reserve estimation will be carried out in April following the receipt of XRF data from laboratories in South Africa. Grade control drilling on the Kayelekera ore body is nearing completion and this will be used to prepare for pre-strip and mining operations scheduled to start in April 2008. A small amount of extensional drilling, comprising seven holes, was commenced to test previously identified western extensions of the Kayelekera orebody at depth.

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(All figures are in US dollars unless otherwise indicated)

Project Financing

Paladin has accepted credit committee approved offers of financing totalling US\$167M, consisting of a seven year Project Finance Facility of US\$145M, a Standby Cost Overrun Facility of US\$12M and a Performance Bond Facility of US\$10M. The facilities are being provided by Société Générale Corporate and Investment Banking (as intercreditor agent and commercial lender), Nedbank Capital a division of Nedbank Limited (ECIC lender) and The Standard Bank of South Africa Ltd (as ECIC facility agent and lender). Drawdown on the financing is subject to completion of legal documentation and fulfilment of other conditions precedent usual for this type of funding. Approval for an export credit guarantee from The Export Credit Insurance Corporation (ECIC), South Africa's statutory export credit and foreign investment insurance provider has been received.

Community Development

Paladin is pleased to announce that it has commenced funding for the establishment of a modern water supply system for the Karonga Township. Paladin is working in close association with the Northern Region Water Board and an acceptable design plan should be established and agreed during the forthcoming quarter.

SUMMIT RESOURCES LIMITED, Queensland - Australia (Paladin 81.82%)

Isa Uranium Joint Venture Paladin Energy Ltd 50%, Summit Resources (Aust) Pty Ltd 50% (Operator)

The Mt Isa Joint Venture includes the Valhalla and Skal Uranium Deposits. Drilling is underway at the Valhalla Uranium Deposit and has been completed at the Skal Deposit, with the aim of extending the existing resource envelopes along strike and improving the current resource classification. The Environmental Baseline Study is underway and hydrological monitoring equipment was installed before the wet season.

SKAL Uranium Deposit: The Skal Uranium Deposit is located 32km north of Mount Isa City on EPM 14048. Summit expects to report a new resource estimate for the three mineralized shoots (Skal South, Skal North and Skal Far North) within the next month, following compilation of all recent and historic data.

Valhalla Uranium Deposit: The Valhalla Uranium Deposit is located immediately adjacent to the Barkly Highway, 40km north-west of Mount Isa City on EPM 9221. Summit completed 5,839m of RC and 1,729m of diamond drilling during the quarter, as part of a drilling program of approximately 50,000m of RC and diamond drilling scheduled for a nine month period. Once this drilling is completed, an updated resource estimate conforming to the JORC guidelines is expected to be finalised by December quarter 2008.

An airborne radiometric and magnetic survey was completed on all of the southern portions of EPL's 9221 and 14048. Ground follow up work at Spear Creek, 6km south of the Skal and Bikini prospects, identified a substantial radiometric anomaly associated with albitisation similar to that found at Valhalla.

PALADIN ENERGY LTD

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(All figures are in US dollars unless otherwise indicated)

BIGRLYI URANIUM JOINT VENTURE, Northern Territory - Australia (Paladin 42.06%)

This project is a joint venture between Paladin's wholly owned subsidiary, Valhalla Uranium Ltd (42.06%), Energy Metals (53.74%), and Southern Cross Exploration NL (4.2%), with Energy Metals as manager.

During the quarter Energy Metals announced an updated resource for Bigrlyi on behalf of the Joint Venture. This is tabulated below at a cut off grade of 500ppm.

Indicated Resources

Tonnes	U ₃ O ₈ ppm	V ₂ O ₅ ppm	U ₃ O ₈ (t)	V ₂ O ₅ (t)
2,330,600	1,739	2,429	4,053	5,660

Inferred Resources

Tonnes	U ₃ O ₈ ppm	V ₂ O ₅ ppm	U ₃ O ₈ (t)	V ₂ O ₅ (t)
5,230,900	1,250	2,705	6,537	14,149

The resource estimates were jointly compiled by Energy Metals and Hellman & Schofield (H&S), with Energy Metals completing the data collection, validation, QAQC and sample quality assessment and geological interpretations. Full details of the resource estimation can be found on the Energy Metals Limited website www.energymetals.net.

ANGELA JOINT VENTURE, Northern Territory - Australia (Paladin 50%)

The Northern Territory Government has advised that the 50:50 Joint Venture between Paladin Energy Minerals NL and Cameco Australia Pty Ltd (operator) has been awarded the Angela Project and selected to explore the Angela Uranium Deposit, located near Alice Springs in the Northern Territory. The joint venture's bid was selected from a highly competitive field. The licence applications will now progress through the administrative procedures set out in the Northern Territory's Mining Act.

The Angela Project Joint Venture parties have committed to a comprehensive confirmatory and exploration work programme plus a Pre-feasibility Study, which if successful will then progress to a full Bankable Feasibility Study and an Environmental Impact Assessment.

Extensive evaluation work was undertaken on the Angela and Pamela Uranium Deposits by Uranerz Australia Pty Ltd between 1972 and 1983. Historic uranium mineralization defined at the time comprised approximately 12,000t to 13,000t of U₃O₈ in the general range of 0.10% to 0.13% U₃O₈ and remains open at depth. Paladin owns all the original drill hole data for the deposit, including geology, geochemistry, downhole gamma surveys and feasibility studies. This information, together with Paladin's extensive in-house knowledge of the deposits, will enable the Joint Venture to move rapidly into the pre-feasibility assessment.

Paladin is delighted to have this opportunity to fully evaluate the Angela Uranium Deposit together with Cameco, the world's largest uranium producer.

Angela comprises a very exciting project for Paladin and offers the Company the opportunity to develop a mine in the Northern Territory, which has a very positive policy on uranium development. It will fully complement Paladin's Mt Isa project, which is currently scheduled for development post 2012.

PALADIN ENERGY LTD

Report to Shareholders

Third Quarter Report – March 2008
(All figures are in US dollars unless otherwise indicated)

CORPORATE

Convertible Bond Issue of US\$325M

On 11 March 2008, Paladin completed the issue of US\$325M 5% convertible bonds due 11 March 2013.

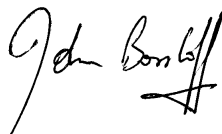
Citigroup Global Markets Limited and UBS AG, Australia Branch acted as Joint Lead Bookrunners and Joint Lead Managers, with UBS also acting as Sole Global Co-ordinator. Azure Capital acted as corporate adviser to Paladin.

Proceeds from the convertible bond issue will be used to fund further growth, including the commitment of funds to Langer Heinrich's proposed Stage III expansion (to further increase production beyond the current Stage II expansion) and, in conjunction with Cameco, to evaluating the recently awarded Angela Project to fund mining development, expansions and new acquisition opportunities as they arise, and to ensure Paladin's marketing arm is appropriately funded to meet customers' needs.

Dual Listing on Namibian Stock Exchange

On 14 February Paladin dual listed on the Namibian Stock Exchange, affirming its commitment to Namibia given its asset base in that country.

Yours faithfully
Paladin Energy Ltd



JOHN BORSHOFF
Managing Director

PALADIN ENERGY LTD

Management Discussion and Analysis *For the Nine Months Ended 31 March 2008* *(All figures are in US dollars unless otherwise indicated)*

The following Management Discussion and Analysis ("MD&A") for Paladin Energy Ltd ("Company") should be read in conjunction with the Report to Shareholders and the Condensed Consolidated Financial Statements for the nine months ended 31 March 2008. The effective date of this report is 15 May 2008.

The financial information presented in this MD&A has been prepared in accordance with applicable International Financial Reporting Standards (IFRS), other mandatory professional reporting requirements and the Corporations Act 2001. Applicable Accounting Standards include Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting*.

In addition to these Australian requirements further information has been included in the Condensed Consolidated Financial Statements for the nine months ended 31 March 2008 in order to comply with applicable Canadian securities law, as the Company is listed on the Toronto Stock Exchange.

Additional information relating to the Company, including the Company's most recent Annual Report for the year ended 30 June 2007 and other public announcements are available at www.paladinenergy.com.au.

FORWARD LOOKING STATEMENTS

Some of the statements contained in this MD&A, including those relating to strategies and other statements, are predictive in nature, and depend upon or refer to future events or conditions, or include words such as "expects", "intends", "plans", "anticipates", "believes", "estimates" or similar expressions that are forward looking statements. Forward looking statements include, without limitation, the information concerning possible or assumed further results of operations as set forth herein. These statements are not historical facts but instead represent only expectations, estimates and projections regarding future events and are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations generally.

The forward looking statements contained in this MD&A are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. The future results of the Company may differ materially from those expressed in the forward looking statements contained in this MD&A due to, among other factors, the risks and uncertainties inherent in the business of the Company. The Company does not undertake any obligation to update or release any revisions to these forward looking statements to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events.

OVERVIEW

The Company operates in the minerals resources industry with a principal business focus on development and operation of uranium projects in Africa and Australia, as well as evaluation and acquisition opportunities throughout the world. The Company is incorporated under the laws of Western Australia with a primary share market listing on the Australian Stock Exchange and additional listings on the Toronto Stock Exchange in Canada; Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)

The main activities undertaken during the nine months ended 31 March 2008 were:

- Langer Heinrich Uranium Project maintains its guidance of 2.6Mlb U₃O₈ for calendar year 2008.
 - Production for the nine months to 31 March 2008 of 1,141,362lb U₃O₈ plus an additional 60,600lb U₃O₈ loaded in a temporary uranium precipitate thickener.
 - Uranium delivered to all three conversion facilities. Sales revenue of US\$57.5M – sales volume of 809,000lb U₃O₈ at an average realised price of US\$71/lb.
 - Stage II expansion commenced for 3.7Mlb pa production.
 - Planning for Stage III expansion plan to produce 6Mlb pa.
- Kayelekera Uranium Project – on schedule and on budget for construction completion at the end of calendar year 2008, allowing commissioning and production ramp-up to begin in the first quarter of calendar year 2009.
 - Settlement of legal proceedings commenced by six Malawian Civil Society Organisations against Paladin Africa Ltd and the Government of Malawi on a positive and amicable basis.
 - Credit approval for US\$167M project finance received.
 - General Manager-Operations highly experienced in uranium mining appointed.
- Valhalla/Skal Uranium Deposits – resource drilling and evaluation re-commences at Skal; baseline environmental studies and preliminary metallurgical testing begins for Valhalla and Skal deposits.
- More encouraging results from drilling program at Bigryli Uranium Joint Venture.
- Paladin and Cameco JV awarded the Angela Uranium Deposit in the Northern Territory.
- Corporate
 - Deep Yellow Limited – increase in shareholding to 159,058,461 (14.34% interest) after participation in an entitlement issue and subscription for shortfall shares.
 - Settlement of proceedings commenced by Summit Resources (Aust) Pty Ltd (ultimately 81.9% owned by the Company) against the wholly owned subsidiary, Mt Isa Uranium Pty Ltd and unrelated Resolute Ltd in relation to alleged breaches of confidentiality provisions in the Mt Isa Uranium Project joint venture agreement. Areva NC (Australia) Pty Ltd has advised that it intends to apply to the Supreme Court of Western Australia for orders under Section 237 of the Corporations Act 2001 to be granted leave to intervene in the court proceedings which is not significant to the Company, as a consequence of the indemnity given by Resolute Ltd and the fact that the Company holds an ultimate 81.9% interest in Summit Resources (Aust) Pty Ltd.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)

- Change of name to Paladin Energy Ltd.
- Paladin placed in a very strong position to ensure growth with US\$325M raised via convertible bond issue.

INCOME STATEMENTS

	Three Months Ended 31 March		Nine Months Ended 31 March	
	2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
Revenue from continuing operations	15.3	3.1	63.0	4.5
Gross profit	7.5	3.1	14.3	4.5
Exploration and evaluation expenses	(2.5)	(2.0)	(9.1)	(5.4)
Other expenses and income	(12.1)	(8.0)	(28.1)	(14.0)
Finance costs	(7.0)	(5.1)	(20.4)	(6.0)
Income tax benefit	5.4	0.6	8.1	0.7
Minority interests	0.3	-	1.0	-
Loss after tax from continuing operations attributable to the ordinary equity holders of the Company	(8.4)	(11.4)	(34.2)	(20.2)
	US\$	US\$	US\$	US\$
Loss per Share - basic & diluted	(0.01)	(0.02)	(0.06)	(0.04)

Three Months Ended 31 March 2008

Revenue from Continuing Operations has increased to US\$15.3 million for the three months ended 31 March 2008 as a result of uranium sales of US\$13.8 million, although interest revenue was lower due to reduced average cash holdings in 2008 when compared to the equivalent period in 2007. Total sales volume was 208,000lb which was all met with Langer Heinrich Uranium Project production. Sales volumes for the quarter ended 31 March 2008 were lower than the quarter ended 31 December 2007 due to the re-scheduling of deliveries caused by shipping delays. Cash receipts from customers for the quarter were lower than sales at US\$3.3m as a consequence of timing of invoice receipts.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Nine Months Ended 31 March 2008

(All figures are in US dollars unless otherwise indicated)

Gross Profit in 2008 of US\$7.5 million is higher than in 2007 as a consequence of the commencement operations at Langer Heinrich Uranium Project in 2008.

Exploration and Evaluation Expenditure increased in 2008 to US\$2.5 million primarily as a result of expenditure on the Valhalla/Skal, Isa North, Langer Heinrich and Kayelekera Uranium Projects.

Other Expenses and Income has increased in 2007 to US\$12.1 million as a result of higher corporate/marketing costs, share based payments and foreign exchange loss; despite lower employee benefits expenses. The higher costs relate to both the growth of the Company and the expanded corporate capability in the last year to enable future growth. The foreign exchange loss was mainly attributable to net monetary holdings in Namibian dollars relating to the Langer Heinrich Uranium Project. Employee benefits expense for the 2007 period included a discretionary payment to a key management person relating to the 2004 to 2006 formative period of the Company.

Finance Costs of US\$7.0 million in 2008 relates to interest payable on the US\$250 million convertible bonds issued 15 December 2006, the US\$325 million convertible bonds issued 11 March 2008, and the Langer Heinrich project finance facilities. During the quarter ended 31 March 2007 finance costs for the Langer Heinrich Uranium Project were capitalised as part of the costs of construction and as a consequence finance costs only related to the US\$250 million convertible bonds.

Income Tax Benefit of US\$5.4 million relates to the recognition of additional Namibian deferred tax assets and the reversal of deferred tax liabilities relating to both convertible bonds over the term of the respective bonds.

Minority Interests credit of US\$0.3 million has been recorded in 2008 attributable to the 18.1% of Summit Resources Ltd not owned by the Company.

The *Loss after tax* for the three months ended 31 March 2008 of US\$8.4 million is a decrease compared to the loss after tax in the three months ended 31 March 2007 of US\$11.4 million as a consequence of the increase in gross profit due to the Langer Heinrich Uranium Project operations.

Nine Months Ended 31 March 2008

Revenue from Continuing Operations has increased substantially to US\$63.0 million for the nine months ended 31 March 2008 as a result of sales of uranium of US\$57.5 million and higher interest revenue derived from increased average cash holdings in 2008 when compared to the equivalent period in 2007. Total sales volume of 809,000lb of which 624,000lb was met with Langer Heinrich Uranium Project production and 185,000lb was met by use of third party uranium purchased during the quarter ended 30 June 2007. Cash receipts from customers for the nine months ended 31 March 2008 were lower than sales at US\$47.0m as a consequence of timing of invoice receipts.

Gross Profit in 2008 of US\$14.3 million is higher than in 2007 as a consequence of commencement of operations at Langer Heinrich Uranium Project. In 2007 Langer Heinrich production costs were capitalised to 31 March 2007. The sale of 185,000lb of third party uranium did not impact gross profit as sales contract provisions were recognised at 30 June 2007 and 30 September 2007 for the loss on sale. Cost of sales includes a credit of US\$2.0 million for the period relating to recognition of a value for stockpile inventory as a consequence of improved plant performance from 30 June 2007.

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Management Discussion and Analysis

*For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)*

Exploration and Evaluation Expenditure increased in 2008 to US\$9.1 million primarily as a result of expenditure on the Valhalla/Skal, Isa North, Bigirlyi, Langer Heinrich and Kayelekera Uranium Projects.

Other Expenses and Income has increased in 2008 to US\$28.1 million as a result of higher corporate/marketing costs, share based payments, a one off sales contracts expense of US\$2.9 million recognised for third party uranium at 30 September 2007, and foreign exchange loss; despite lower employee benefits expenses. The higher costs relate to both the growth of the Company and the expanded corporate capability in the last year to enable future growth. The foreign exchange loss was mainly attributable to cash holdings in Namibian dollars relating to the Langer Heinrich Uranium Project. Employee benefits expense for the 2007 period included a discretionary payment to a key management person relating to the 2004 to 2006 formative period of the Company.

Finance Costs of US\$20.4 million in 2008 relates to interest payable on the US\$250 million convertible bonds issued 15 December 2006, the US\$325 million convertible bonds issued 11 March 2008, and the Langer Heinrich project finance facilities. During the nine months ended 31 March 2007 finance costs for the Langer Heinrich Uranium Project were capitalised as part of the costs of construction and as a consequence finance costs only related to the US\$250 million convertible bonds.

Income Tax Benefit of US\$8.1 million relates to the recognition of additional Namibian deferred tax assets, the reversal of deferred tax liabilities relating to the convertible bonds over the term of the respective bonds, and the reversal of deferred tax liabilities on sale of non-uranium properties of Summit Resources Ltd.

Minority Interests credit of US\$1.0 million has been recorded in 2008 attributable to the 18.1% of Summit Resources Ltd not owned by the Company.

The *Loss after tax* for the nine months ended 31 March 2008 of US\$34.2 million is an increase from the loss after tax for the nine months ended 31 March 2007 of US\$20.2 million; despite the increase in gross profit as a consequence of the increased investment in exploration and evaluation expenditure, higher finance costs and other expenses.

Loss Per Share

The *Loss per Share* noted on the Income Statements reflected the underlying result for the specific reported periods and the additional shares issued in 2008 compared to 2007.

Segment Disclosure

In the Namibian geographical segment the Company reflected a profit after tax of US\$5.8 million as a consequence of the increased sales volume for the nine months and an income tax benefit for the period. The Malawian geographical segment loss after tax of US\$1.3 million relating to costs of legal actions commenced by a group of Malawian Civil Society Organisations which were settled during the nine months, exploration and evaluation expenditure, and corporate costs. In the Australian geographical segment the Company reflected the remaining Income Statement activities.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)

BALANCE SHEETS	31 March 2008 US\$m	30 June 2007 US\$m
Total Current Assets	480.2	233.4
Total Non Current Assets	1,979.4	1,825.0
Total Assets	2,459.6	2,058.4
Total Current Liabilities	44.9	30.2
Total Non Current Liabilities	1,044.0	719.9
Total Liabilities	1,088.9	750.1
Net Assets	1,370.7	1,308.3

Current Assets have increased to US\$480.2 million at 31 March 2008 attributable to an increase in cash and trade and other receivables.

Cash has increased to US\$417 million at 31 March 2008 as a result of the issue of US\$325 million in convertible bonds on 11 March 2008; despite the cash spend on construction of the Kayelekera Uranium Project, exploration and evaluation project expenditure, additional Deep Yellow Ltd share investment, finance costs, and corporate costs for the nine months ended 31 March 2008.

Of the US\$417 million held in cash as at 31 March 2008, US\$374.7 million has been invested in short-term US\$ treasury bonds and the balance of cash is held with banks.

Trade and other receivables have increased to US\$25.7 million during the nine months ended 31 March 2008 mainly as a result of trade receivables relating to US\$13.8 million in uranium sales and the US\$2.8 million receivable from the sale of non-uranium properties of Summit Resources Ltd.

Inventories have remained relatively static at US\$37.5 million at 31 March 2008. The US\$24.7 million of third party uranium purchased during the quarter ended 30 June 2007 and still on hand at 30 June 2007 was sold during the six months ended 31 December 2007. Inventories produced by the Langer Heinrich Uranium Project have increased by US\$24.2 million primarily as a result of both higher production levels despite the lower cost of production per lb due to the improved plant operating efficiencies, and the recognition of a US\$8.6 million value for stockpiles in the nine months, (resulting from both a US\$2.0 million credit to cost of sales and a US\$6.6 million reduction in property, plant and equipment assets).

Non Current Assets have increased to US\$1,979.4 million at 31 March 2008 mainly attributable to mine construction at the Kayelekera Uranium Project, positive foreign exchange movement on the A\$ exploration assets, and a receivable for the sale of non-uranium properties of Summit Resources Ltd. At 31 March 2008 the Company holds 159,058,461 shares in Deep Yellow Ltd (14.34% interest) with a market value of US\$39.2 million.

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Management Discussion and Analysis

*For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)*

The acquisition of Summit Resources Ltd on 27 April 2007 resulted in the recognition of an A\$1,689.1 million exploration and evaluation expenditure asset as part of the allocation of the consideration paid. During the quarter end 31 March 2008 the allocation of the acquisition value to projects has been completed and resulted in the following allocation: Valhalla/Skal Projects (50% share) A\$1,274.0 million, Isa North Project A\$406.1 million, Georgina Basin Project A\$0.6 million, Other Projects Non-Uranium A\$8.4 million. The allocation of this acquisition value in US\$ has increased from US\$1,433.4 million at 30 June 2007 to US\$1,540.8 million at 31 March 2008 due to the foreign exchange translation of the A\$ asset. The foreign exchange translation movement is taken to the Foreign Currency Translation Reserve.

Current Liabilities have increased to US\$44.9 million at 31 March 2008 as a result of construction activities for the Kayelekera Uranium Project, Langer Heinrich project finance facilities repayments, increased exploration and evaluation expenditure on the Valhalla/Skal, Isa North, Kayelekera and Langer Heinrich Uranium Projects; despite no sales contracts provision recognised at 31 March 2008.

Non Current Liabilities increased to US\$1,044.0 million at 31 March 2008 mainly attributable to the issue of US\$325 million convertible bonds on 11 March 2008, drawdown on Langer Heinrich Project finance facility, the recognition of a deferred tax liability on that issue, and an increase in existing deferred tax liabilities from a positive foreign exchange movement on A\$ liabilities.

On 11 March 2008, the Company issued US\$325 million in convertible bonds with an underlying coupon rate of 5.0%, maturity 11 March 2013 and a conversion price of US\$6.59 for Company shares. Under accounting standards these convertible bonds are treated as a liability (underlying bond) and an equity instrument (conversion rights into Company shares). US\$307.1 million has been allocated to a non-current liability (underlying effective interest rate of 7.13%) and US\$17.9 million to a non-distributable convertible bonds reserve. A deferred tax liability for the bonds of US\$5.4 million has been recognised through reserves.

At 31 March 2008 the Langer Heinrich project finance facilities have been drawn down to US\$70.9 million (current US\$14.9 million and non current US\$56.0 million) to fund construction, commissioning and ramp up activities, leaving available facilities of US\$0.1 million at 31 March 2008.

The deferred tax liability relating to the recognition of acquired exploration and evaluation expenditure from the allocation of consideration paid for Summit Resources Ltd has increased to US\$457.5 million due to the foreign exchange movement of the A\$ liability.

Segment Disclosure

In the Balance Sheet at 31 March 2008 the Company reflected an increase in the Australian geographical segment assets and liabilities as a result of the foreign exchange movement on the A\$ exploration assets, increased cash as a result of the issue of US\$325 million in convertible bonds, foreign exchange movement on A\$ deferred tax liabilities and the additional convertible bond liability. For the Namibian geographical segment an increase occurred in assets and liabilities attributable to the operation, and exploration and evaluation activities for the Langer Heinrich Uranium Project. For the Malawi geographical segment an increase occurred in assets and liabilities as a result of mine construction, and exploration and evaluation activities for the Kayelekera Uranium Project.

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Management Discussion and Analysis

For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)

STATEMENTS OF CHANGES IN EQUITY

	Nine Months Ended 31 March	
	2008 US\$m	2007 US\$m
Total Equity at the Beginning of the Financial Period	1,308.3	91.1
Loss for the Nine Months Ended 31 March	(34.2)	(20.2)
Foreign Currency Translation Reserve	94.8	11.5
Movement in Other Reserves	(8.7)	45.3
Movement in Equity	11.5	164.6
Minority Interests, net of Foreign Currency	(1.0)	-
Total Equity at the End of the Financial Period	1,370.7	292.3

Loss for the Nine Months Ended 31 March 2008 is discussed under the Income Statements section and is an increase from the loss in the comparative period.

Foreign Currency Translation Reserve relates to the translation of subsidiaries with Australian dollar functional currencies into the Group presentation currency of US dollars on an ongoing basis and for the comparative period.

Movement in Other Reserves in 2008 of US\$8.7 million decrease relates to the revaluation decrement attributable to the decrease in Deep Yellow Ltd share price from the prior period (net of tax and foreign exchange movements); despite the recognised value of unlisted employee options and the creation of the non-distributable reserve of US\$17.9 million from the issue of US\$325 million of convertible bonds on 11 March 2008. Unlisted employee options exercised during the nine months amounted to 10,570,000 with an exercise price of A\$1.00. 9,766,620 employee options were granted and 3,022 were cancelled during the nine months with exercise prices ranging from A\$4.50 to A\$5.37 per share.

Movement in Equity in 2008 of US\$11.5 million increase relates to the exercise of unlisted employee options. The number of fully paid ordinary shares on issue at 31 March 2008 is 613,007,369 an increase of 10,570,000 during the period.

Share options of 18,472,268 remain outstanding at 31 March 2008 to the employees, and consultants directly engaged in corporate, mine construction, operations, exploration and evaluation work for the Company.

Minority Interests recognised during the quarter relates to the 18.1% interest in Summit Resources Ltd not owned. The Development Agreement for the Kayelekera Uranium Project signed on 23 February 2007 entitles the Government of Malawi with 15% of Paladin (Africa) Ltd, owner of the project, in exchange for a reduction of 2.5% in corporate tax, the full amount of rent resource tax and royalty offsets. No minority interests have been reflected for this as at 31 March 2008 as Paladin (Africa) Ltd is in a net liability position as a consequence of the Company's policy to

PALADIN ENERGY LTD

Management Discussion and Analysis

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(All figures are in US dollars unless otherwise indicated)

expense exploration and evaluation expenditure prior to the decision made to proceed to development.

CASH FLOW STATEMENTS

	Three Months Ended 31 March		Nine Months Ended 31 March	
	2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
Net Cash Outflow from Operating Activities	(22.6)	(2.7)	(12.9)	(6.5)
Net Cash Outflow from Investing Activities	(25.3)	(22.4)	(80.6)	(77.0)
Net Cash Inflow from Financing Activities	315.8	12.3	327.8	295.7
Net (Decrease)/Increase in Cash Held	267.9	(12.8)	234.3	212.2
Cash at the Beginning of the Financial Period	149.0	270.1	182.8	43.6
Effects of Exchange Rate Changes	0.1	(0.4)	(0.1)	1.1
Cash at the End of the Financial Period	417.0	256.9	417.0	256.9

Three Months Ended 31 March 2008

Net Cash Outflow from Operating Activities was US\$22.6 million in 2008 primarily due to higher payments to suppliers and employees of US\$26.0 million relating to the mine operations at the Langer Heinrich Uranium Project, the growth of the Company, expanded corporate capability, and interest payments on project finance facilities. This was partially offset by uranium sales receipts of US\$3.3 million which were low as a consequence of shipping delays.

Net Cash Outflow from Investing Activities was US\$25.3 million in 2008 as a result of mine construction at the Kayelekera Uranium Project and exploration and evaluation project expenditure; despite receipts of US\$1.8 million from the sale of non-uranium properties of Summit Resources Ltd.

Net Cash Inflow from Financing Activities of US\$315.8 million in 2008 is attributable to US\$1.3 million drawn under the project finance facilities for the Langer Heinrich Uranium Project and proceeds from the issue of US\$325 million in convertible bonds; despite US\$10.5 million in establishment costs for the convertible bonds and Kayelekera Uranium Project finance facilities.

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Management Discussion and Analysis

For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)

Net Increase in Cash in 2008 was US\$267.9 million, a turnaround from the net decrease in cash in 2007 of US\$12.8 million. The turnaround is the result of the issue of the US\$325 million convertible bonds, despite increased cash outflows from operating and investing activities.

Effects of Exchange Rate Changes are a gain of US\$0.1 million for 2008 but were a US\$0.4 million loss for 2007.

The *Cash* at 31 March 2008 of US\$417.0 million represents a significant increase in cash to the comparative period of 2007.

Nine Months Ended 31 March 2008

Net Cash Outflow from Operating Activities was US\$12.9 million in 2008 primarily due to uranium sales receipts of US\$47.0 million in the nine months being more than offset by payments to suppliers and employees of US\$55.9 million relating to the mine operations at the Langer Heinrich Uranium Project, the growth of the Company, expanded corporate capability; and interest payments on project finance facilities and a US\$5.6 million bi-annual interest payment on the US\$250 million convertible bonds maturing 15 December 2011.

Net Cash Outflow from Investing Activities was US\$80.6 million in 2008 as a result of mine construction at the Kayelekera Uranium Project, exploration and evaluation project expenditure and the acquisition of additional investments in Deep Yellow Ltd; despite receipts of US\$1.8 million from the sale of non –uranium properties of Summit Resources Ltd.

Net Cash Inflow from Financing Activities of US\$327.8 million in 2008 is attributable to US\$4.3 million drawn under the project finance facilities for the Langer Heinrich Uranium Project, proceeds from the exercise of 10,570,000 unlisted employee options and the issue of US\$325 million in convertible bonds; despite US\$10.9 million in establishment costs for the convertible bonds and Kayelekera Uranium Project finance facilities. The inflow was higher than in 2007 due to the increased proceeds received from convertible bonds in 2008 (US\$325 million) compared to the convertible bonds issued in 2007 (US\$250 million).

Net Increase in Cash in 2008 was US\$234.3 million, an increase over the previous corresponding period in 2007 of US\$212.2 million as a result of the higher proceeds from issue of convertible bonds; despite increased cash outflows from operating and investing activities.

Effects of Exchange Rate Changes are a loss of US\$0.1 million for 2008 but were a US\$1.1 million gain for 2007.

The *Cash* at 31 March 2008 of US\$417.0 million represents a significant increase in cash to the comparative period of 2007.

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal source of liquidity as at 31 March 2008 is cash of US\$417.0 million (30 June 2007 – US\$182.8 million). Of this amount US\$374.7 million has been invested in short-term US\$ treasury bonds and the balance of cash held with banks.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)

The Company's principal sources of cash for the nine months ended 31 March 2008 were proceeds from the issue of US\$325 million in convertible bonds, uranium sales receipts, project finance facilities drawdowns, interest received from cash investments, proceeds from exercise of unlisted employee options, and sale of non-uranium properties of Summit Resources Ltd.

The Company has in place Langer Heinrich project finance facilities of US\$71 million of which a total of US\$70.9 million had been drawn by 31 March 2008, leaving available facilities of US\$0.1 million.

For the Kayelekera Uranium Project the Company has received credit committee approved offers of financing totalling US\$167 million, consisting of a seven year Project Finance Facility of US\$145 million, a Standby Cost Overrun Facility of US\$12 million and a Performance Bond Facility of US\$10 million. The facilities are being provided by Société Générale Corporate and Investment Banking (as intercreditor agent and commercial lender), Nedbank Capital a division of Nedbank Limited (ECIC lender) and The Standard Bank of South Africa Ltd (as ECIC facility agent and lender). Drawdown on the financing is subject to completion of legal documentation and fulfilment of other conditions precedent usual for this type of funding, including approval for an export credit guarantee from The Export Credit Insurance Corporation (ECIC), South Africa's statutory export credit and foreign investment insurance provider.

The following is a summary of the Company's outstanding commitments as at 31 March 2008:

Payments due by period	Total US\$m	Less than 1 yr US\$m	1 to 5 yrs US\$m	Unknown US\$m
Plant and equipment	0.3	0.3	-	-
Tenements	2.0	2.0	-	-
Kayelekera Mine construction	93.5	93.5	-	-
Langer Heinrich capital	3.1	3.1	-	-
Operating leases	0.7	0.4	0.3	-
Manyingee acquisition costs	0.7	-	-	0.7
Total commitments	100.3	99.3	0.3	0.7

In relation to the Manyingee Uranium Project, the acquisition terms provide for a payment of A\$0.75 million (US\$0.7 million) by the Company to the vendors when all project development approvals are obtained.

In addition to the outstanding commitments above, the Company acquired a call option on 19 June 1998 in relation to the purchase of the Oobagooma Uranium Project and, in turn, granted a put option to the original holder of the Project. Both the call and put options have an exercise price of A\$0.75 million (US\$0.7 million) and are subject to the Western Australian Department of Minerals & Energy granting tenements comprising 2 exploration licence applications. The A\$0.75 million (US\$0.7 million) is payable by the Company within 10 business days of the later of the grant of the tenements or the exercise of either the call or put option. The options will expire 3 months after the date the tenements are granted.

The Company has no other off balance sheet arrangements.

PALADIN ENERGY LTD

Management Discussion and Analysis

For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)

OUTSTANDING SHARE INFORMATION

As at 15 May 2008 the Company had 613,201,969 fully paid ordinary shares issued and outstanding. The following table sets out the fully paid ordinary outstanding shares and those issuable under the Company Executive Share Option Plan and in relation to the Convertible Bonds:

<u>As at 15 May 2008</u>	<u>Number</u>
Outstanding shares	613,201,969
Issuable under Executive Share Option Plan	18,087,438
Issuable in relation to the Convertible Bonds	81,848,051
Total	713,137,458

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the following: carrying value or impairment of inventories, financial investments, property, plant and equipment, intangibles, mineral properties and deferred tax assets; carrying value of rehabilitation, mine closure, sales contracts provisions and deferred tax liabilities; calculation of share based payments expense and assessment of reserves.

FINANCIAL INSTRUMENTS

At 31 March 2008 the Company has exposure to interest rate risk which is limited to the floating market rate for cash and project finance debt facilities. As the convertible bonds are a fixed interest financial instrument, the Company has no exposure to interest rate risk for the convertible bonds.

The Company does not have significant foreign currency translation risk for non-monetary assets and liabilities of the Namibian and Malawian operations as these are deemed to have a functional currency of United States dollars, and the Company has adopted a presentation currency of United States dollars. The Company does have significant foreign currency translation risk for non-monetary assets and liabilities of the Australian exploration and evaluation operations as these are deemed to have a functional currency of Australian dollars, and the Company has adopted a presentation currency of United States dollars. The Company has no significant monetary foreign currency assets and liabilities apart from Namibian dollar cash, receivables, payables and provisions and Australian dollar cash, payables and deferred tax liabilities.

The Company currently does not engage in any hedging or derivative transactions to manage interest rate or foreign currency risks.

PALADIN ENERGY LTD

Management Discussion and Analysis *For the Nine Months Ended 31 March 2008* *(All figures are in US dollars unless otherwise indicated)*

TRANSACTIONS WITH RELATED PARTIES

During the period ended 31 March 2008 no payments were made to Director related entities. Directors of the Company receive standard personal based compensation.

DISCLOSURE CONTROLS

The Company has applied its Disclosure Control Policy to the preparation of the Condensed Consolidated Financial Statements for the nine months ended 31 March 2008, associated Management Discussion and Analysis and Report to Shareholders. An evaluation of the Company's disclosure controls and procedures used has been undertaken and concluded that the disclosure controls and procedures were effective.

INTERNAL CONTROLS

The Company has designed appropriate internal controls over financial reporting (ICFR) and ensured that these were in place for the nine months ended 31 March 2008. An evaluation of the design of ICFR has concluded that it is adequate to prevent a material misstatement of the Company's Condensed Consolidated Financial Statements as at 31 March 2008.

During the year the Company continued to have an internal audit function externally contracted to Deloitte Touche Tohmatsu. Internal audit reports and follow up reviews were completed during the quarter and the Company continues to address their recommendations.

The resultant changes to the internal controls over financial reporting have improved and will continue to improve the Company's framework of internal control in relation to financial reporting.

SUBSEQUENT EVENTS

Sale of Interest in the Georgina Basin Project

On 11 April 2008, the Company's 81.9% owned subsidiary Summit Resources Ltd announced that it had entered into an agreement to sell to Newland Resources Ltd all of Summit's interest in the Georgina Basin Project. The Georgina Basin Project, which is the subject of a joint venture arrangement with Newland Resources Ltd covered 12 granted exploration permits and a further 5 applications currently offered for grant by the Department of Mines and Energy.

Summit has agreed to sell the tenements for a consideration of A\$500,000, the issue of 1,200,000 fully paid shares in Newland Resources Ltd and a 2% net smelter royalty retained by Summit Resources Ltd. The arrangements under the Georgina Basin JV between Newland Resources Ltd and Summit Resources Ltd will be brought to an end.

Allotment of Shares

On 14 April 2008, the Company announced the allotment of 194,600 fully paid ordinary shares after the exercise of employee options.

PALADIN ENERGY LTD

Management Discussion and Analysis

*For the Nine Months Ended 31 March 2008
(All figures are in US dollars unless otherwise indicated)*

Issue of Shares and Options in MM Mining Plc

On 30 April 2008, the Company's 81.9% owned subsidiary Summit Resources Ltd announced that as part of the ongoing relationship between MM Mining and Summit, MM Mining had granted to Summit an option to acquire:

- 20 million fully paid ordinary shares in MM Mining;
- 20 million options to acquire shares in MM Mining with an exercise price of GBP 0.15 at any time before 31 December 2012; and
- 20 million 'incentive' shares which vest upon decision to mine base metals on any of the tenements the subject of the farm-in and joint venture agreement. Special vesting arrangements apply to these incentive shares on a 'change of control' of MM Mining.

The deferred consideration payable for the exercise of the option is A\$4 million.

This option remains open up to 7 June 2008.

The board of Summit has decided to exercise this option. As a consequence of this, Summit will have a very significant shareholding in MM Mining (approximately 35% of the expanded ordinary share capital), which will give Summit not only exposure to the exciting non-uranium exploration program being undertaken by MM Mining in the Mt Isa region but also the opportunity to engage with MM Mining in other strategic initiatives.

The accompanying Condensed Consolidated Financial Statements for the nine months ended 31 March 2008 and 31 March 2007 have been prepared in accordance with International Financial Reporting Standards. The effective date of these Condensed Consolidated Financial Statements is 15 May 2008.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INCOME STATEMENTS
EXPRESSED IN US DOLLARS

	Notes	Three Months Ended 31 March		Nine Months Ended 31 March	
		2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
Revenue from continuing operations					
Revenue	4(a)	15.3	3.1	63.0	4.5
Cost of sales	4(c)	(7.8)	-	(48.7)	-
Gross profit		<u>7.5</u>	<u>3.1</u>	<u>14.3</u>	<u>4.5</u>
Other income	4(b)	-	0.7	-	0.3
Exploration and evaluation expenses	9	(2.5)	(2.0)	(9.1)	(5.4)
Other expenses	4(e)	(12.1)	(8.7)	(28.1)	(14.3)
Finance costs	4(d)	(7.0)	(5.1)	(20.4)	(6.0)
Loss before income tax benefit		<u>(14.1)</u>	<u>(12.0)</u>	<u>(43.3)</u>	<u>(20.9)</u>
Income tax benefit		<u>5.4</u>	<u>0.6</u>	<u>8.1</u>	<u>0.7</u>
Net loss after tax from continuing operations		<u>(8.7)</u>	<u>(11.4)</u>	<u>(35.2)</u>	<u>(20.2)</u>
Attributable to:					
Minority interests	14	(0.3)	-	(1.0)	-
Members of the parent		<u>(8.4)</u>	<u>(11.4)</u>	<u>(34.2)</u>	<u>(20.2)</u>
Loss per share					
Loss after tax from continuing operations attributable to ordinary equity holders of the Company - basic and diluted		US\$ (0.01)	US\$ (0.02)	US\$ (0.06)	US\$ (0.04)

The above Condensed Consolidated Income Statements should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEETS
EXPRESSED IN US DOLLARS

	Notes	31 March 2008 US\$m	30 June 2007 US\$m
ASSETS			
Current assets			
Cash and cash equivalents	5	417.0	182.8
Trade and other receivables	6	25.7	12.6
Inventories	7	37.5	38.0
TOTAL CURRENT ASSETS		480.2	233.4
Non current assets			
Trade and other receivables	6	3.3	-
Other financial assets		39.7	60.3
Other non current assets		1.5	0.2
Property, plant and equipment	8	182.2	135.1
Exploration and evaluation expenditure	9	1,722.7	1,601.4
Deferred tax asset		13.7	10.4
Intangible assets	10	16.3	17.6
TOTAL NON CURRENT ASSETS		1,979.4	1,825.0
TOTAL ASSETS		2,459.6	2,058.4
LIABILITIES			
Current liabilities			
Trade and other payables		26.8	13.8
Unearned revenue		0.2	0.2
Interest bearing loans and borrowings	11	14.9	5.6
Provisions	12	3.0	10.6
TOTAL CURRENT LIABILITIES		44.9	30.2
Non current liabilities			
Unearned revenue		0.5	0.6
Interest bearing loans and borrowings	11	568.3	268.0
Deferred tax liabilities		472.1	448.2
Provisions	12	3.1	3.1
TOTAL NON CURRENT LIABILITIES		1,044.0	719.9
TOTAL LIABILITIES		1,088.9	750.1
NET ASSETS		1,370.7	1,308.3
Equity			
Contributed equity	13(a)	1,086.8	1,075.3
Reserves		184.5	113.2
Accumulated losses		(99.2)	(65.0)
Parent interests		1,172.1	1,123.5
Minority interests	14	198.6	184.8
TOTAL EQUITY		1,370.7	1,308.3

The above Condensed Consolidated Balance Sheets should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
EXPRESSED IN US DOLLARS

	Contributed Equity US\$m	Reserves US\$m	Accumulated Losses US\$m	Minority Interests US\$m	Total US\$m
At 1 July 2006	112.3	5.1	(26.3)	-	91.1
Changes in fair value of available-for-sale financial assets	-	24.6	-	-	24.6
Loss for the period	-	-	(20.2)	-	(20.2)
Recognised value of unlisted employee options over vesting period	-	4.3	-	-	4.3
Exercise of unlisted employee options (Note 13(b))	1.7	(1.7)	-	-	-
Convertible bonds – equity component	-	37.8	-	-	37.8
Contributions of equity, net of transactions costs (Note 13(b))	162.9	-	-	-	162.9
Income tax on items taken directly to equity	-	(19.7)	-	-	(19.7)
Foreign currency translation	3.7	8.7	(0.9)	-	11.5
At 31 March 2007	280.6	59.1	(47.4)	-	292.3
At 1 July 2007	1,075.3	113.2	(65.0)	184.8	1,308.3
Changes in fair value of available-for-sale financial assets	-	(39.5)	-	-	(39.5)
Loss for the period	-	-	(34.2)	(1.0)	(35.2)
Recognised value of unlisted employee options over vesting period	-	6.9	-	-	6.9
Exercise of unlisted employee options (Note 13(b))	2.1	(2.1)	-	-	-
Convertible bonds – equity component	-	17.9	-	-	17.9
Contributions of equity, net of transactions costs (Note 13(b))	9.4	-	-	-	9.4
Income tax on items taken directly to equity	-	8.1	-	-	8.1
Foreign currency translation	-	80.0	-	14.8	94.8
At 31 March 2008	1,086.8	184.5	(99.2)	198.6	1,370.7

The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
EXPRESSED IN US DOLLARS

	Three Months Ended 31 March		Nine Months Ended 31 March	
	2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	3.3	-	47.0	-
Payments to suppliers and employees	(26.0)	(6.1)	(55.9)	(10.8)
Interest received	1.4	3.4	5.8	4.3
Interest paid	(1.3)	-	(10.0)	-
Other income	-	-	0.2	-
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(22.6)	(2.7)	(12.9)	(6.5)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	1.8	0.2	1.8	0.2
Proceeds from sale of available-for-sale financial assets	-	0.6	-	0.6
Exploration and evaluation expenditure	(1.8)	(2.2)	(8.9)	(6.4)
Payments for property, plant and equipment	(25.3)	(16.5)	(55.8)	(64.3)
Payments for available-for-sale financial assets	-	(4.5)	(17.7)	(9.0)
Payments for controlled entities net of cash acquired	-	-	-	1.9
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(25.3)	(22.4)	(80.6)	(77.0)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from exercise of share options	-	0.1	9.4	7.0
Loans and borrowings establishment costs	(10.5)	-	(10.9)	(7.5)
Proceeds from borrowings	326.3	12.2	329.3	296.2
NET CASH INFLOW FROM FINANCING ACTIVITIES	315.8	12.3	327.8	295.7
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	267.9	(12.8)	234.3	212.2
Cash and cash equivalents at the beginning of the financial period	149.0	270.1	182.8	43.6
Effects of exchange rate changes on cash and cash equivalents	0.1	(0.4)	(0.1)	1.1
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	417.0	256.9	417.0	256.9

The above Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2008
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NOTE 1. CORPORATE INFORMATION

The condensed financial report of Paladin Energy Ltd (the Company) for the nine months ended 31 March 2008 was authorised for issue in accordance with a resolution of the directors on 9 May 2008 subject to final drafting.

Paladin Energy Ltd is a company limited by shares incorporated and domiciled in Australia whose shares, are publicly traded on the Australian Stock Exchange with additional listings on the Toronto Stock Exchange in Canada; Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa.

The nature of the operations and principal activities of the Group are described in the Management Discussion and Analysis on pages 10 to 23.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This condensed financial report for the nine months ended 31 March 2008 has been prepared in accordance with applicable International Financial Reporting Standards (IFRS), the Corporations Act 2001 and other mandatory professional reporting requirements. Applicable Accounting Standards include Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting*.

In addition to these Australian requirements further information has been included in the Condensed Consolidated Financial Statements for the nine months ended 31 March 2008 in order to comply with applicable Canadian securities law, as the Company is listed on the Toronto Stock Exchange.

This condensed financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2007 and any public announcements made by Paladin Energy Ltd during the interim reporting period in accordance with the continuous disclosure requirements of ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

The financial report is presented in United States dollars and all values are rounded to the nearest hundred thousand dollars (US\$100,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Class Order 98/100. The Company is an entity to which the class orders applies.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 3. SEGMENT INFORMATION

The Group's primary segment reporting format is geographical segments as the Group's risks and rates of return are affected predominately by differences in the particular economic environments in which it operates. The Group does not separately disclose any financial information for business segments (secondary reporting) as it only operates in the resources industry.

Geographical segments - primary reporting

The Company operates in Australia, Namibia and Malawi. The principal activity in these locations is the exploration, evaluation, development, construction and operation of uranium projects. The Group's geographical segments are determined based on the location of the Group's assets.

The following tables present revenue, expenditure and certain asset, liability and cash flow information regarding geographical segments for the nine months ended 31 March 2008 and 31 March 2007.

Nine Months Ended 31 March 2008	Australia US\$m	Namibia US\$m	Malawi US\$m	Consolidated US\$m
Sales to external customers	-	57.5	-	57.5
Other revenue	5.2	0.3	-	5.5
Total segment revenue	5.2	57.8	-	63.0
Profit/(Loss) from continuing operations before income tax benefit	(42.9)	0.9	(1.3)	(43.3)
Income tax benefit	3.2	4.9	-	8.1
Profit/(Loss) from continuing operations after income tax benefit/segment result	(39.7)	5.8	(1.3)	(35.2)
Total assets/segment assets	2,200.7	191.8	67.1	2,459.6
Segment liabilities	1,071.2	11.6	6.1	1,088.9
Acquisitions of non current assets	20.4	6.2	52.3	78.9
Cash flow information				
Net cash (outflow)/inflow from operating activities	(16.1)	4.0	(0.8)	(12.9)
Net cash outflow from investing activities	(26.2)	(6.6)	(47.8)	(80.6)
Net cash inflow/(outflow) from financing activities	329.1	-	(1.3)	327.8
Non cash expenses:				
Depreciation and amortisation	0.7	7.8	0.1	8.6
Inventory impairment reversal	-	(2.0)	-	(2.0)
Sales contract impairment provision	-	2.9	-	2.9
Share based payments	5.9	0.7	0.3	6.9
Finance costs	7.9	0.5	-	8.4

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3. SEGMENT INFORMATION (continued)

Geographical segments – primary reporting (continued)

Nine Months Ended 31 March 2007	Australia US\$m	Namibia US\$m	Malawi US\$m	Consolidated US\$m
Other revenue	4.4	0.1	-	4.5
Total segment revenue	4.4	0.1	-	4.5
Profit/(Loss) from continuing operations before income tax expense	(17.0)	0.1	(4.0)	(20.9)
Income tax benefit	0.7	-	-	0.7
Profit/(Loss) from continuing operations after income tax benefit/ segment result	(16.3)	0.1	(4.0)	(20.2)
Segment assets/total assets	452.4	141.3	7.1	600.8
Segment liabilities	297.0	11.1	0.4	308.5
Acquisitions of non current assets	12.6	65.4	1.9	79.9
Cash flow information				
Net cash outflow from operating activities	(6.3)	(0.2)	-	(6.5)
Net cash outflow from investing activities	(4.7)	(66.2)	(6.1)	(77.0)
Net cash inflow from financing activities	295.7	-	-	295.7
Non cash expenses:				
Depreciation and amortisation	0.1	-	-	0.1
Share based payments	4.3	-	-	4.3
Finance costs	2.7	-	-	2.7

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4. REVENUE AND EXPENSES

	Three Months Ended 31 March		Nine Months Ended 31 March	
	2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
(a) Revenue				
Sale of uranium	13.8	-	57.5 ⁽¹⁾	-
Interest income from non related parties	1.4	3.1	5.1	4.4
Database licence revenue	0.1	-	0.2	0.1
Other revenue	-	-	0.2	-
Total revenue	15.3	3.1	63.0	4.5
⁽¹⁾ Includes US\$14.0 million (2007: US\$Nil) relating to uranium sales of 185,000lb which were met by use of third party uranium purchased during the quarter ended 30 June 07.				
(b) Other income				
Net gain on disposal of available for sale investments	-	0.1	-	0.1
Foreign exchange gain (net)	-	0.6	-	0.2
Total other income	-	0.7	-	0.3
(c) Cost of sales ⁽¹⁾				
Cost of production	(5.1)	-	(38.2) ⁽²⁾	-
Royalties	-	-	(2.1)	-
Depreciation – property, plant and equipment	(2.1)	-	(7.0)	-
Amortisation – intangibles	(0.2)	-	(0.8)	-
Product distribution costs	(0.4)	-	(0.6)	-
Total cost of sales	(7.8)	-	(48.7)	-
⁽¹⁾ Includes a credit of US\$2.0 million (2007: US\$Nil) relating to recognition of a value for stockpiles as a consequence of improved operating performance from 30 June 2007. In total US\$8.6 million was attributed to stockpile values during the nine months – recognised as both a US\$2.0 million credit to cost of sales and a US\$6.6 million reduction in property, plant and equipment.				
⁽²⁾ Includes US\$14.0 million (2007: US\$Nil) expense relating to use of 185,000lb of third party uranium purchased during the quarter ended 30 June 07 which was sold in the nine months ended 31 March 2008.				
(d) Finance costs				
Interest expense	(4.0)	(2.8)	(12.0)	(3.3)
Non-cash convertible bond interest	(2.1)	(1.9)	(5.9)	(2.2)
Mine closure provision discount interest expense	(0.1)	-	(0.5)	-
Facility costs	(0.8)	(0.4)	(2.0)	(0.5)
Total finance costs	(7.0)	(5.1)	(20.4)	(6.0)

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
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NOTE 4. REVENUE AND EXPENSES (continued)

	Three Months Ended 31 March		Nine Months Ended 31 March	
	2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
(e) Other expenses				
Corporate and marketing costs	(2.9)	(1.3)	(8.6)	(3.5)
Employee benefits expense ⁽¹⁾	(2.6)	(5.6)	(4.4)	(6.3)
Share-based payments expense	(2.9)	(1.7)	(6.9)	(4.3)
Minimum lease payments – operating lease	(0.1)	-	(0.3)	(0.1)
Sales contracts expense	-	-	(2.9) ⁽²⁾	-
Foreign exchange loss (net)	(3.2)	-	(4.2)	-
Depreciation – property, plant and equipment	(0.4)	(0.1)	(0.8)	(0.1)
Total other expenses	(12.1)	(8.7)	(28.1)	(14.3)

⁽¹⁾ Employee benefits expense for the 2007 period included a discretionary payment of US\$5.2m to a key management person relating to the 2004 to 2006 formative period of the Company.

⁽²⁾ The sales contracts expense is attributable to the requirement to meet future Langer Heinrich sales commitments by use of the remaining 35,000lb of third party uranium purchased during the quarter ended 30 June 2007.

NOTE 5. CASH AND CASH EQUIVALENTS

	31 March 2008 US\$m	30 June 2007 US\$m
Cash at bank and in hand	3.4	4.3
Short-term bank deposits	38.9	19.4
US\$ treasury bonds	374.7	159.1
Total cash and cash equivalents	417.0	182.8

NOTE 6. TRADE AND OTHER RECEIVABLES

Current

Trade receivables	13.8	3.3
Less provision for doubtful debts	-	-
Net trade receivables	13.8	3.3
Interest receivable	-	0.8
Prepayments	1.2	0.3
GST and VAT	5.2	6.6
Other receivables	5.5	1.6
Total current receivables	25.7	12.6

Non Current

Other receivables	3.3	-
Less provision for doubtful debts	-	-
Net other receivables	3.3	-

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7. INVENTORIES

	31 March 2008 US\$m	30 June 2007 US\$m
Stores and spares (at cost)	3.5	1.8
Stockpiles (at cost) ⁽¹⁾	10.9	-
Work-in-progress (at cost)	4.0	-
Work-in-progress (at net realisable value)	-	2.1
Finished goods (at cost) - third party uranium purchased	-	24.7
Finished goods (at cost)	19.1	-
Finished goods (at net realisable value)	-	9.4
Total inventories at the lower of cost and net realisable value	<u>37.5</u>	<u>38.0</u>

⁽¹⁾ Value now recognised for stockpile as a consequence of lower cost of production of the Langer Heinrich Uranium Project from 30 June 2007. In total US\$8.6 million was attributed to stockpile values during the nine months from the improved operating performance.

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment – at cost ⁽¹⁾	122.0	124.1
Less provision for depreciation	<u>(8.6)</u>	<u>(2.4)</u>
Total plant and equipment	<u>113.4</u>	<u>121.7</u>
Mine development – at cost	4.6	2.1
Less provision for depreciation	<u>(1.2)</u>	<u>(0.1)</u>
Total mine development	<u>3.4</u>	<u>2.0</u>
Technical database – at cost	0.8	0.7
Less provision for amortisation	<u>(0.8)</u>	<u>(0.6)</u>
Total technical database	<u>-</u>	<u>0.1</u>
Land and buildings – at cost	5.2	3.4
Less provision for depreciation	<u>(0.2)</u>	<u>(0.2)</u>
Total land and buildings	<u>5.0</u>	<u>3.2</u>
Construction work in progress – at cost	<u>60.4</u>	<u>8.1</u>
Total non current property, plant and equipment	<u>182.2</u>	<u>135.1</u>

⁽¹⁾ Reduction of US\$6.6 million (2007: US\$Nil) occurred during the nine months ended 31 March 2008 relating to the recognition of value for stockpiles as a consequence of lower cost of production of the Langer Heinrich Uranium Project from 30 June 2007.

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NOTE 9. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the expenditures on interests in mineral properties by area of interest for the nine months ended 31 March 2008:

Areas of interest	Valhalla/Skal Projects ⁽¹⁾ US\$m	Isa North Project ⁽¹⁾ US\$m	Georgina Basin Project ⁽¹⁾ US\$m	Other Projects Non Uranium ⁽¹⁾ US\$m	Bigirlyi Project US\$m	Kayelekera Project US\$m	Langer Heinrich Project US\$m	Other Uranium Projects US\$m	Total US\$m
Balance 30 June 2007	1,228.385	344.590	0.536	7.124	15.065	4.560	-	1.129	1,601.389
Acquisition property payments	-	-	-	-	-	-	-	-	-
Project exploration and evaluation expenditure									
Tenement costs	-	0.029	0.259	0.075	-	0.001	-	0.015	0.379
Labour	0.661	0.230	0.091	0.056	0.023	0.265	-	0.139	1.465
Consultants and contractors	0.297	0.028	0.059	-	0.003	0.031	-	0.035	0.453
Materials and utilities	0.100	0.007	0.001	0.002	0.004	0.049	-	0.005	0.168
Transportation and communications	0.092	0.052	-	0.010	0.006	0.128	-	0.030	0.318
Outside services	3.709	0.662	0.001	0.039	-	0.414	0.398	-	5.223
Legal and accounting	-	0.002	0.002	0.003	-	0.005	-	0.004	0.016
Camp expenses	0.026	0.010	-	-	-	-	-	0.004	0.040
Overheads	0.056	0.002	-	0.006	0.018	0.019	-	0.026	0.127
Joint venture contributions	-	-	(0.283)	-	2.344	-	-	-	2.061
Other expenses	0.011	0.004	0.001	0.001	0.003	0.038	-	0.017	0.075
Total Expenditure	4.952	1.026	0.131	0.192	2.401	0.950	0.398	0.275	10.325
Exploration expenditure expensed	(4.952)	(1.026)	(0.131)	(0.192)	(2.401)	(0.163)	-	(0.275)	(9.140)
Exploration expenditure capitalised	-	-	-	-	-	0.787	0.398	-	1.185
Cost of tenements sold	-	-	-	(7.350)	-	-	-	-	(7.350)
Foreign exchange differences	98.680	27.673	0.043	0.226	1.210	-	-	0.091	127.923
Transferred to Property, Plant & Equip	-	-	-	-	-	-	(0.398)	-	(0.398)
Balance 31 March 2008	1,327.065	372.263	0.579	-	16.275	5.347	-	1.220	1,722.749

⁽¹⁾ Allocation of the Summit Group acquisition value was completed during the quarter ended 31 March 2008. Summit has a 50% interest in the Valhalla/Skal Projects, the other 50% interest was previously held by the Paladin Group, as a consequence the above table now reflects 100% of the Valhalla/Skal Projects.

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NOTE 10. INTANGIBLE ASSETS

	31 March 2008 US\$m	30 June 2007 US\$m
Cost – right to supply of power and water	17.3	17.8
Accumulated amortisation	(1.0)	(0.2)
Net carrying amount of non current intangible assets	16.3	17.6

NOTE 11. INTEREST BEARING LOANS AND BORROWINGS

	Maturity		
Current			
Secured bank loan		14.9	5.6
Non Current			
Unsecured convertible bonds	2011	222.0	216.3
Unsecured convertible bonds ⁽¹⁾	2013	307.3	-
Secured bank loan	2012	56.0	61.0
Deferred borrowing costs		(17.0)	(9.3)
Total non current interest bearing loans and borrowings		568.3	268.0

⁽¹⁾ On 11 March 2008, the Company issued US\$325 million in convertible bonds with an underlying coupon rate of 5.0%, maturity 11 March 2013 and a conversion price of US\$6.59 for Company shares.

In disclosing the convertible bonds in the condensed consolidated financial statements, the Company has accounted for them in accordance with accounting standards. Under these standards the convertible bonds are treated as both a liability (underlying bond) and an equity instrument (conversion rights into Company shares).

Based on this treatment of the convertible bonds, US\$307.1 million has been allocated to interest bearing loans and borrowings in non-current liabilities (underlying effective interest rate of 7.13%) and US\$17.9 million to non-distributable convertible bond reserve in equity. A deferred tax liability for the bonds of US\$5.4 million has been recognised through reserves which relates to the equity component of the bond and this deferred tax liability reverses to the Income Statement over the term of the bond.

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NOTE 12. PROVISIONS

Current

Rehabilitation	1.7	2.0
Sales contracts	-	7.8 ⁽¹⁾
Employee benefits	1.3	0.8
Total current provisions	3.0	10.6

Non Current

Employee benefits	0.1	0.1
Mine closure	3.0	3.0
Total non current provisions	3.1	3.1

- ⁽¹⁾ A provision for sales contracts is recognised when the expected benefits to be derived by the Group from a sales contract are lower than the unavoidable cost of meeting the obligations under the sales contract. The provision is stated at the present value of the future net cash outflows expected to be incurred in respect of the contract. At 30 September 2007 a US\$2.9 million sales contract provision was recognised attributable to the requirement to meet future Langer Heinrich sales commitments by use of third party uranium purchases. The US\$7.8 million sales contract provision at 30 June 2007 and the US\$2.9 million sales contract provision at 30 September 2007 have both been reversed during the nine months ended 31 March 2008 as the sales have been delivered.

NOTE 13. CONTRIBUTED EQUITY

(a) Issued and paid up capital

	31 March		31 March	
	2008	2007	2008	2007
Ordinary shares	Number of Shares		US\$m	US\$m
Issued and fully paid	613,007,369	501,545,733	1,086.8	280.6

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NOTE 13. CONTRIBUTED EQUITY (Continued)

(b) Movements in ordinary shares on issue

Date		Number of Shares	Issue Price A\$	Exchange Rate US\$: A\$	Total US\$m
	Balance 30 June 2006	454,235,713			112.3
July 2006	Option conversions	350,000	1.00	1.27647	0.3
July 2006	Option conversions	300,000	1.25	1.27647	0.3
August 2006	Option conversions	400,000	1.00	1.27647	0.3
September 2006	Option conversions	600,000	1.00	1.27647	0.5
September 2006	Option conversions	6,000	1.50	1.27647	-
September 2006	Shares issued - Valhalla	37,151,830	5.09	1.27647	148.1
October 2006	Shares issued - Valhalla	822,426	5.09	1.27647	3.3
October 2006	Option conversions	3,400,000	1.00	1.27647	2.7
November 2006	Option conversions	2,090,000	1.00	1.27647	1.6
November 2006	Option conversions	1,000,000	1.25	1.27647	1.0
November 2006	Option conversions	4,000	1.50	1.27647	-
December 2006	Functional currency transition adjustment				3.7
December 2006	Option conversions	590,000	1.00	1.27175	0.5
January 2007	Option conversions	30,000	2.80	1.26855	0.1
March 2007	Summit acquisition	565,764	9.52	1.26957	4.2
	Transfer from reserves				1.7
Balance 31 March 2007		501,545,733			280.6

Date		Number of Shares	Issue Price A\$	Exchange Rate US\$: A\$	Total US\$m
	Balance 30 June 2007	602,437,369			1,075.3
September 2007	Option conversions	250,000	1.00	1.22122	0.2
November 2007	Option conversions	50,000	1.00	1.08369	-
November 2007	Option conversions	3,270,000	1.00	1.08369	3.0
December 2007	Option conversions	7,000,000	1.00	1.12974	6.2
	Transfer from reserves				2.1
Balance 31 March 2008		613,007,369			1,086.8

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NOTE 13. CONTRIBUTED EQUITY (Continued)

(c) Options

Issued unlisted employee options outstanding to the employees and consultants directly engaged in corporate, mine construction, operations and exploration and evaluation work for the Company are as follows:

	31 March 2008 Number
Number of unlisted employee options	<u>18,472,268</u>

Consisting of the following:

Date options granted	Exercisable	Expiry date	Exercise price of options	Number under option
15 July 2005	30 June 2006	15 July 2008	A\$1.50	190,000
13 January 2006	13 January 2007	13 January 2009	A\$2.80	170,000
13 January 2006	13 January 2008	13 January 2009	A\$2.80	850,000
19 January 2006	13 January 2008	13 January 2009	A\$2.80	600,000
16 February 2006	13 January 2007	13 January 2009	A\$2.80	700,000
16 February 2006	13 January 2008	13 January 2009	A\$2.80	500,000
27 April 2006	31 October 2007	28 April 2009	A\$5.50	782,500
27 April 2006	31 October 2008	28 April 2009	A\$5.50	782,500
5 July 2006	5 January 2008	5 July 2009	A\$5.50	500,000
5 July 2006	5 January 2009	5 July 2009	A\$5.50	500,000
20 July 2006	5 January 2008	5 July 2009	A\$5.50	200,000
20 July 2006	5 January 2009	5 July 2009	A\$5.50	200,000
1 February 2007	1 February 2010	1 February 2012	A\$8.77	2,733,670
29 January 2008	29 January 2011	29 January 2013	A\$4.50	8,538,598
15 February 2008	15 February 2009	15 February 2011	A\$5.37	700,000
15 February 2008	15 February 2011	15 February 2013	A\$5.37	525,000
Total				<u>18,472,268</u>

NOTE 14. MINORITY INTERESTS

	31 March 2008 US\$m	30 June 2007 US\$m
Minority interests comprise:		
Share capital	11.0	11.0
Opening accumulated losses	(6.9)	(6.5)
Reserves	195.5	180.7
Current period loss	<u>(1.0)</u>	<u>(0.4)</u>
Total minority interests	<u>198.6</u>	<u>184.8</u>

The minority interests recognised relate to the 18.1% interest in Summit Resources Ltd not acquired from the takeover bid that closed on 1 June 2007. No minority interests have been reflected for the 15% of Paladin (Africa) Ltd to which the Government of Malawi is entitled as this company is in a net liability position as a consequence of the policy to expense exploration and evaluation expenditure prior to the decision made to proceed to development.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2008
EXPRESSED IN US DOLLARS

NOTE 15. CONTINGENT LIABILITIES

No change has occurred in the contingent liabilities for the Company from those reported in the Annual Report for the year ended 30 June 2007 with the exception of the following:

Legal Actions

Kayelekera Uranium Project, Malawi – Civil Societies Action

All six Malawian Civil Society Organisations that commenced legal proceedings against Paladin Africa Ltd and the Government of Malawi have settled their action on a positive and amicable basis. The legal proceedings were formally withdrawn during the quarter ended 31 December 2007.

Mt Isa Uranium Joint Venture

On the 3 August 2007 settlement occurred of proceedings commenced by Summit Resources (Aust) Pty Ltd (ultimately 81.9% owned by the Company) against the wholly owned subsidiary, Mt Isa Uranium Pty Ltd and unrelated Resolute Ltd in relation to alleged breaches of confidentiality provisions in the Mt Isa Uranium Project joint venture agreement. Areva NC (Australia) Pty Ltd has advised that it intends to apply to the Supreme Court of Western Australia for orders under Section 237 of the Corporations Act 2001 to be granted leave to intervene in the court proceedings. The Company has always remained confident that the court proceedings could be successfully defended. Further, the Company has the benefit of an indemnity from Resolute Ltd and an ultimate 81.9% interest in Summit Resources (Aust) Pty Ltd. As a consequence, a change in the ownership of the joint venture deposits would not be of significance to the Company.

NOTE 16. EVENTS AFTER THE BALANCE SHEET DATE

Sale of Interest in the Georgina Basin Project

On 11 April 2008, the Company's 81.9% owned subsidiary Summit Resources Ltd announced that it had entered into an agreement to sell to Newland Resources Ltd all of Summit's interest in the Georgina Basin Project. The Georgina Basin Project, which is the subject of a joint venture arrangement with Newland Resources Ltd covered 12 granted exploration permits and a further 5 applications currently offered for grant by the Department of Mines and Energy.

Summit has agreed to sell the tenements for a consideration of A\$500,000, the issue of 1,200,000 fully paid shares in Newland Resources Ltd and a 2% net smelter royalty retained by Summit Resources Ltd. The arrangements under the Georgina Basin JV between Newland Resources Ltd and Summit Resources Ltd will be brought to an end.

Allotment of Shares

On 14 April 2008, the Company announced the allotment of 194,600 fully paid ordinary shares after the exercise of employee options.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 16. EVENTS AFTER THE BALANCE SHEET DATE (Continued)

Issue of Shares and Options in MM Mining Plc

On 30 April 2008, the Company's 81.9% owned subsidiary Summit Resources Ltd announced that as part of the ongoing relationship between MM Mining and Summit, MM Mining had granted to Summit an option to acquire:

- 20 million fully paid ordinary shares in MM Mining;
- 20 million options to acquire shares in MM Mining with an exercise price of GBP 0.15 at any time before 31 December 2012; and
- 20 million 'incentive' shares which vest upon decision to mine base metals on any of the tenements the subject of the farm-in and joint venture agreement. Special vesting arrangements apply to these incentive shares on a 'change of control' of MM Mining.

The deferred consideration payable for the exercise of the option is A\$4 million.

This option remains open up to 7 June 2008.

The board of Summit has decided to exercise this option. As a consequence of this, Summit will have a very significant shareholding in MM Mining (approximately 35% of the expanded ordinary share capital), which will give Summit not only exposure to the exciting non-uranium exploration program being undertaken by MM Mining in the Mt Isa region but also the opportunity to engage with MM Mining in other strategic initiatives.

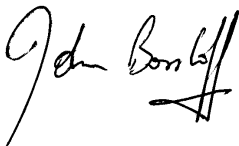
APPENDIX A

Form 52-109F2 – Certification of Interim Filings

I, John Borshoff, Managing Director of Paladin Energy Ltd, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Paladin Energy Ltd (the issuer) for the interim period ending 31 March 2008;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared;
 - (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Dated: 15 May 2008



John Borshoff
Managing Director

APPENDIX A

Form 52-109F2 – Certification of Interim Filings

I, Ron Chamberlain, Chief Financial Officer of Paladin Energy Ltd, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Paladin Energy Ltd (the issuer) for the interim period ending 31 March 2008;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared;
 - (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Dated: 15 May 2008



Ron Chamberlain
Chief Financial Officer