



PALADIN ENERGY LTD
ACN 061 681 098

Ref: 108405

7 October 2008

Mr W Baggott
Australian Securities Exchange Limited
Exchange Plaza
Level 8, 2 The Esplanade
PERTH WA 6000

By Facsimile (08) 9221-2020

Dear Mr Baggott

Response to LR 3.1 Query

I refer to your letter of 6 October 2008 and respond as follows:-

1. The Company became aware of the grant of the Exploration Licence at or about 1.00pm WST on 3 October 2008.
2. The Company does not regard the actual grant of the Exploration Licence as material in the context of Listing Rule 3.1.
3. Not applicable.
4. On 20 February 2008, the Company announced that it and Cameco Australia Ltd had been selected by the Northern Territory Government as the successful applicants for an exploration Licence. This was also referred to in subsequent quarterly reports. The Company views the actual grant of the Exploration Licence as an administrative formality. In light of the fact that during the afternoon of 3 October 2008, the Northern Territory Government made a press release on the matter, prompted the Company to make the ASX release on 6 October 2008. It should be noted that the Exploration Licence grants rights to explore only and after further exploration and feasibility work over coming years, application may be made for a Mining Lease. In light of Paladin's mining operations in Namibia and Malawi, we do not consider that the formal grant of an Exploration Licence previously announced to the market as awarded to the Company and its joint venturer, as material for LR3.1 purposes.
5. I confirm that the Company is fully compliant with LR3.1.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director



ASX
AUSTRALIAN SECURITIES EXCHANGE

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FAXED
6 October 2008

John Borshoff
Managing Director
Paladin Energy Limited
Grand Central, 1st Floor
26 Railway Parade
SUBIACO WA 6008

By Facsimile: (08) 9381 4978

Dear John

Paladin Energy Limited

ASX Limited ("ASX") refers to the announcement by Paladin Energy Limited ("the Company") dated 6 October 2008 titled "Angela/Pamela Uranium Project, Northern Territory Australia - Exploration Licence Granted to Cameco/Paladin Joint Venture" (the "Announcement").

The Announcement shows an exploration licence was granted to the Cameco/Paladin Joint Venture on 3 October 2008 ("the Exploration Licence").

Continuous Disclosure

ASX listing rule 3.1 requires an entity to disclose immediately to the ASX any information that it is aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of its securities.

We wish to draw your attention to the definition of "aware" in Chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity".

Furthermore, paragraph 18 of Guidance Note 8 - "Continuous Disclosure" states:

"Once a director or executive becomes aware of information, he or she must immediately consider whether that information should be given to the ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

The exceptions to this requirement are set out in listing rule 3.1A provided each of the following are satisfied:

3.1A.1 A reasonable person would not expect the information to be disclosed.

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.

3.1A.3 One or more of the following applies:

- *It would be a breach of the law to disclose the information.*
- *The information concerns an incomplete proposal or negotiation.*
- *The information comprises matters of supposition or insufficiently definite to warrant disclosure.*
- *The information is generated for internal management purposes of the entity.*
- *The information is a trade secret."*

Having regard to listing rule 3.1, *Guidance Note 8 - "Continuous Disclosure"*, ASX requires the Company to respond to the following questions.

1. Was the Company aware of the grant of the Exploration Licence on 3 October 2008?
2. If the answer to question 1 is "yes", does the Company believe that the information contained in the Announcement, and specifically, the grant of Exploration Licence, was material.
3. If the answer to question 2 is "yes" please advise on what basis the information was not released to the market immediately.
4. If the answer to question 2 is "no", please advise the basis on which the Company does not consider the information in the Announcement to be material.
5. Please confirm that the Company is in compliance with listing rule 3.1.

Unless the information is required to be immediately released under listing rule 3.1, the response to this letter is required by no later than **before the commencement of trading, 6.30am W.S.T on Tuesday 7 October 2008.**

Please note the ASX reserves its right under listing rule 18.7 to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

Please also note the Company's response should be sent to me by facsimile to (08) 9221 2020. It should not be sent to Company Announcements Office.

The ASX reserves all its rights and remedies in relation to this matter.

If you have any concerns regarding the contents of this letter, please contact me on (08) 9224 0023.

Yours faithfully



Wade Baggott
Adviser, Issuers (Perth)