NGM RESOURCES LIMITED

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Company Announcements Office
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Dear Sir

## Additional Investment by Paladin Energy in NGM Resources

## NGM Completes Initial Field Program on Tim Mersoï Concessions

NGM Resources Limited (ASX:NGM) is pleased to announce that Uranium producer Paladin Energy Limited (Paladin) has exercised its right to acquire a further $300,000 worth of NGM shares. Paladin will increase its stake in NGM to 16.7%.

The terms of the issue are:

- Under ASX rule 7.1, which allows NGM to place up to 15% of its existing capital without shareholder approval, NGM will place 4.28m shares to Paladin at 7 cents per share to raise a net $299,600;
- Funds are to be used for expenditure on the Company's projects and for general working capital purposes;

NGM entered into an agreement (Standstill Agreement) with Paladin on 19 March 2009 whereby NGM agreed to the following standstill and operating terms in the Niger concessions

- Of the initial Paladin amount invested, $500,000, 80% would be used for work on the Company's Niger concessions;
- Paladin had a first right of refusal to acquire a further $300,000 worth of shares in NGM subject to Paladin not exceeding the take over threshold (20%);
- NGM will complete a work program that includes field work and a minimum of 1,500m of drilling;
- The Company will not seek or enter any agreements with any other entity on its Niger Concessions, not acquire or dispose of any significant asset or issue further securities, other than those mentioned above for a period of up to 6 months from the date of signing the Agreement or, in any event, until one month after the minimum drilling program is complete, whichever is the longer; and
- The Standstill Agreement will end on 31 December 2009, regardless of work undertaken.

NGM has just completed its first field program on the three concessions it holds in the Tim Mersoï basin in Niger. Activities included soil sampling, mapping, drill site location logistics and hand held XRF sampling. Information on the results of this program will be released to market immediately after information has been received and interpreted.

The Company's Appendix 3B "New Issue Announcement" follows this release.

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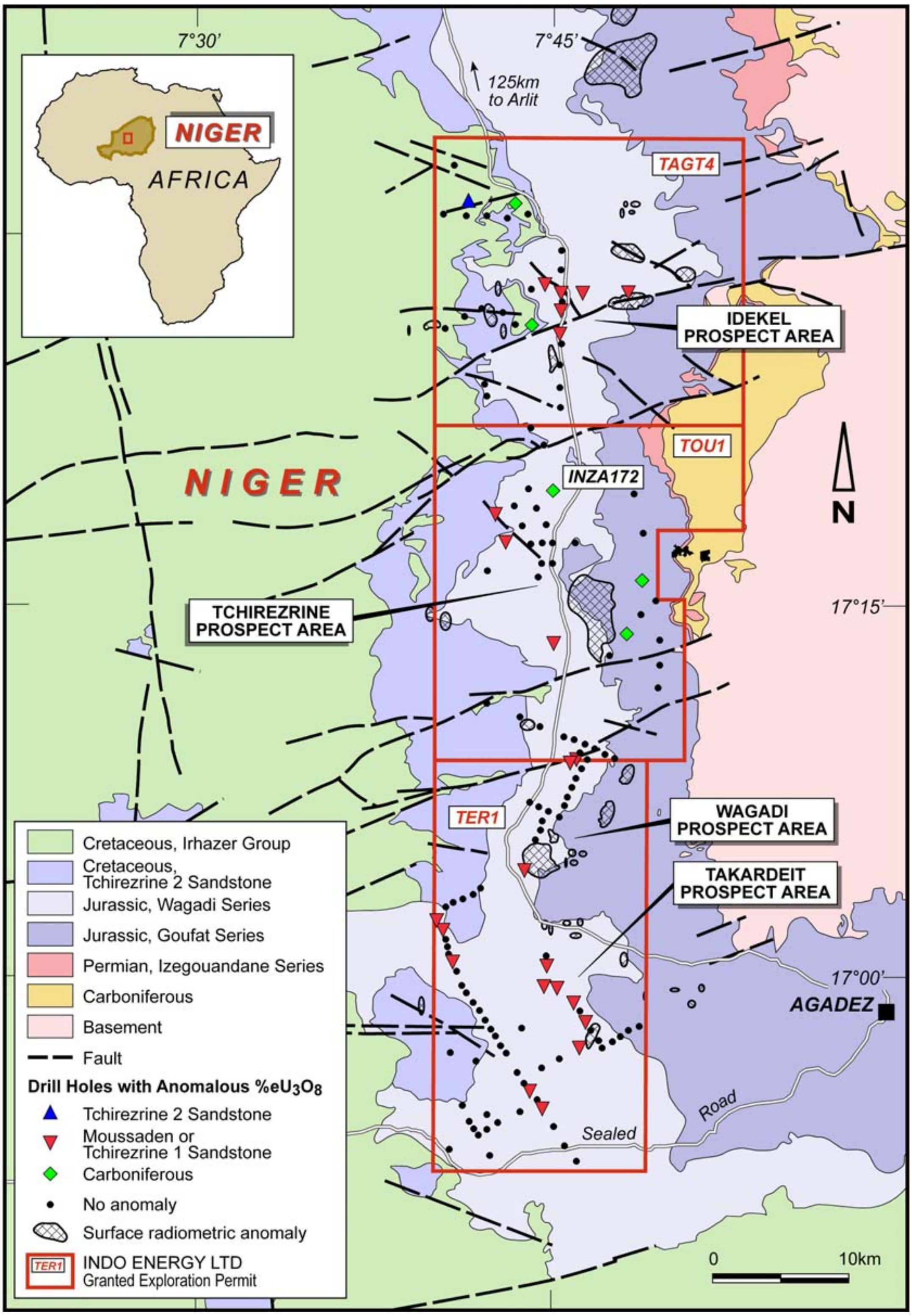
**About NGM**

NGM Resources Limited (ASX:NGM) is a diversified exploration company focusing on uranium and base metals. Head quartered in Perth, the company has agreements covering uranium exploration projects in Niger, West Africa, and itabirite and mineral sands in Madagascar.

In Niger, West Africa, NGM Resources holds three granted uranium concessions in the highly prospective Tim Mersoï basin in Niger, the world's fourth largest producer of uranium.

In addition, the company holds more than 3,000 $km^2$ of tenement applications within the North Telfer region of Western Australia.



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AGADEZ
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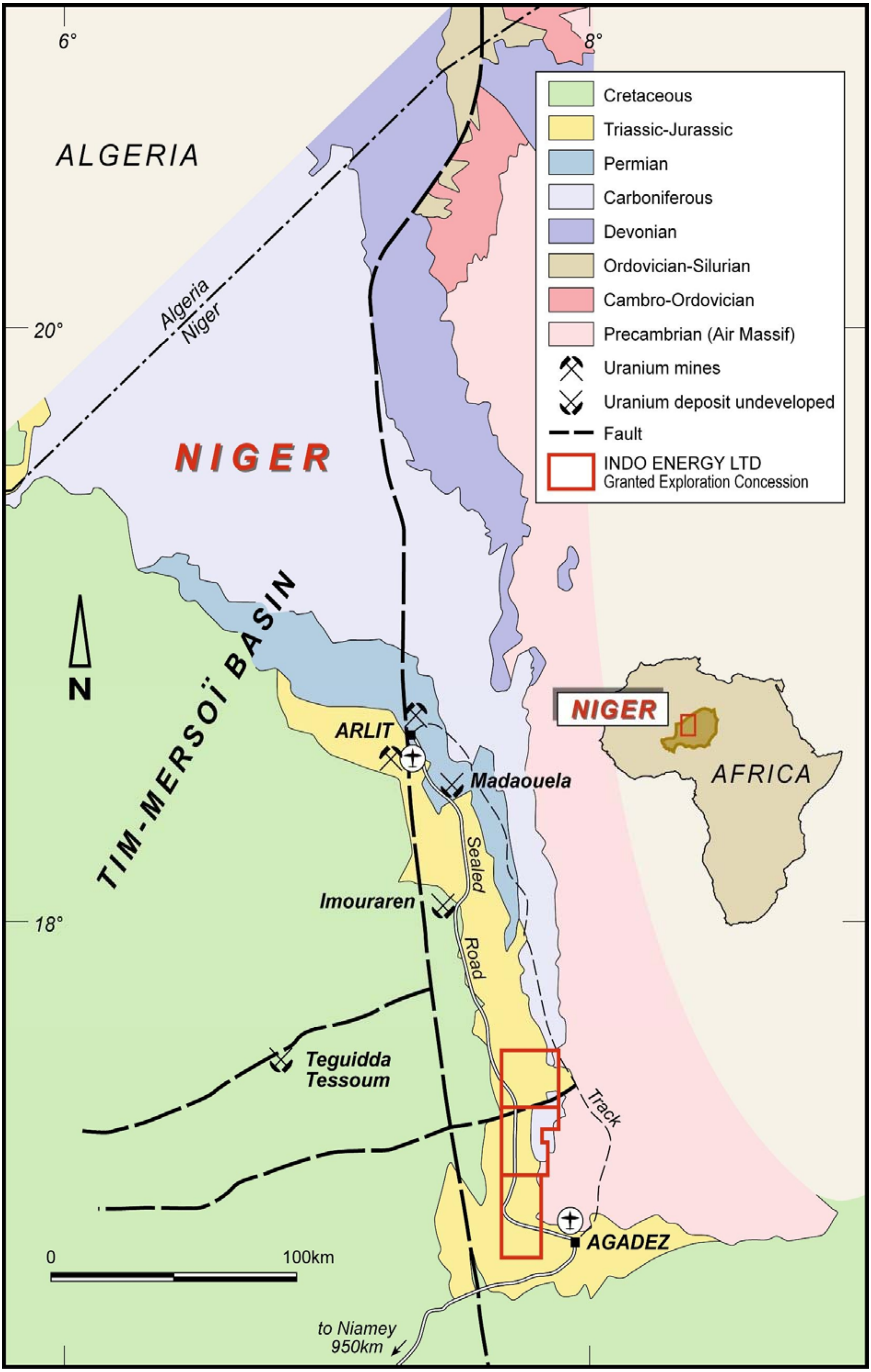
Cretaceous, Irhazer Group
Cretaceous,
Tchirezrine 2 Sandstone
Jurassic, Wagadi Series
Jurassic, Goufat Series
Permian, Izegouandane Series
Carboniferous
Basement
Fault
Drill Holes with Anomalous %eU3O8
Tchirezrine 2 Sandstone
Moussaden or
Tchirezrine 1 Sandstone
Carboniferous
No anomaly
Surface radiometric anomaly
TER1
INDO ENERGY LTD
Granted Exploration Permit



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AFRICA
Cretaceous
Triassic-Jurassic
Permian
Carboniferous
Devonian
Ordovician-Silurian
Cambro-Ordovician
Precambrian (Air Massif)
Uranium mines
Uranium deposit undeveloped
Fault
INDO ENERGY LTD
Granted Exploration Concession