PALADIN ENERGY LTD

ACN 061 681 098

Ref: 165444

22 April 2010

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

QUARTERLY ACTIVITIES REPORT
FOR PERIOD ENDING – 31 MARCH 2010

HIGHLIGHTS

- **Record quarterly production of 1,157,375lb U_3O_8**
- **Langer Heinrich delivers full quarter at Stage 2 nameplate capacity.**
  - production 928,370lb vs 841,995lb for previous quarter
  - Stage 3 construction remains on track for year-end commissioning
- **Kayelekera production step-change achieved, resin transfer bottleneck remedied.**
  - Kayelekera produces 228,998lb vs 145,315lb for previous quarter
  - operation remains on track for nameplate production in June quarter.
  - material resource expansion expands project life by 2 years
- **Mount Isa Projects.**
  - exploration at Valhalla Deposit identifies significant down plunge extension of mineralisation
  - new blind mineralised target identified 400m north of Valhalla at the Odin prospect
- **Revenue of US$52.7M from sales at an average realised price of US$50.49 U_3O_8.**

SAFETY

Paladin continues to make significant improvements in its site safety performances with Kayelekera being Lost Time Injury (LTI) free for the quarter. Langer Heinrich Mine experienced one LTI in January resulting in 4 days of lost work.

Implementation of the National Occupational Safety Association (NOSA) system continued at both operations with the input of all personnel, equipment and incident safety information into a site-wide Miracles software database. Implementation of NOSA is continuous and involves all aspects of the programme including personnel training, specific monitoring and 3rd party auditing.

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QUARTERLY URANIUM SALES

Sales were 1,043,000lb U_3O_8 generating revenue of US$52.7M, representing an average sales price of US$50.49/lb U_3O_8. (For comparison the unweighted average Ux spot price for the quarter was US$42.35/lb U_3O_8.)

New Sales Contract

Paladin has concluded a new medium term contract for the delivery of approximately 700,000lb U_3O_8 between the period 2011 to 2013 on undiscounted market price terms subject to appropriate floor and ceiling price conditions.

PALADIN GLOBAL PRODUCTION

	Sept Qtr	Dec Qtr	Mar Qtr
LHM Production lb	654,513	841,995	**928,370**
KM Production lb	74,086	145,315	**228,998**
Totals Production lb	**728,599**	**987,310**	**1,157,375**

Paladin, for the first time, has exceeded 1,000,000lb U_3O_8 for its quarterly global production.

LANGER HEINRICH MINE (LHM), Namibia

Production

Production to Stage 2 nameplate levels was realised prior to year end 2009 in the December month. For the March quarter a record 928,370lb U_3O_8 were produced versus nameplate design of 925,000lb. All circuits are running to design capacity, although research work related to the Ion Exchange circuit continues to provide opportunities to increase production and lower unit costs through optimsation. The operation has identified additional low cost modifications that are currently being implemented (to be completed during the 1st half of CY2010).

Production was marginally impacted by Namwater's supply line in both late January and early February. LHM management is investigating an increase in site reservoir volume (lined pond), which would mitigate the problem by providing 6 days of reserve from the current 2 days reserve capacity position.

Mining

The mining and plant ore feed during the quarter was as follows:

	Oct	Nov	Dec	Jan	Feb	Mar
Ore mined (t)	353,748	596,257	553,499	699,292	586,395	814,430
Grade (ppm)	631	786	822	811	703	789
Additional low grade mined (t)	246,352	154,605	176,880	138,489	176,328	189,905
Grade (ppm)	326	305	270	300	258	276
Waste/Ore ratio	1.22	0.85	1.02	0.49	0.73	0.46

The mining activities for the quarter followed the latest mine plans with reconciliation between actual and resource modeling continuing with excellent correlation.

Process Plant

Tonnage through the process plant has continually increased over the past two quarters culminating in a record tonnage of over 187,000t in March.

Performance of the front end circuits has improved steadily over the period with the up-graded Stage 2 recycle circuit giving a scrubbing efficiency of 90%.

Leaching circuits continue at extraction rates of over 95%. Further improvements in regards to both higher extractions and lower energy costs are anticipated as a tank insulation programme advances. To date approximately 20% of this programme is complete.

Counter-Current Decantation (CCD) is operating as expected. A campaign of replacing underflow pump gland seals with mechanical sealed units is reducing fresh water consumption and improving Ion Exchange performance.

Ion Exchange performance improved during the quarter, enabling plant wash efficiency to climb above 80%. Two high priority projects currently in the implementation phase, namely CO_2 injection into the Bi-Carbonate solution and a system to remove resin from the fixed columns for cleaning are anticipated to improve wash efficiency further.

The new packaging dryer was successfully commissioned during the quarter resulting in record drying tonnage in March of 170t of product (U_3O_8 basis) drummed at very low moistures.

Tailings

The construction of the current Tailings Storage Facility (TSF1) is complete with tailings currently being deposited into this facility expected to continue until late 2010.

The extension to this TSF has also progressed well with construction expected to be complete during the June quarter. At the planned production rates this will provide additional storage capacity until at least mid 2011. Design work for the first in pit Tailings Facility (TSF2) is progressing well with Metago Environmental Engineering in possession of a significant amount of hard data on testwork from actual plant tailings.

Conceptual and construction drawings are well advanced, with a planned start of construction to initiate immediately after mining of the western reaches of Pit D.

In-pit tails deposition is scheduled to commence in mid 2011.

Stage 3 Expansion Programme

The Stage 3 expansion project, designed to take annual production from the current 3.7Mlb U_3O_8 to 5.2Mlb U_3O_8, is progressing well. The project is now at an overall 29% state of completion and remains within the Board approved budget. Construction of the critical earthworks areas are nearing completion and civil works are in progress at site following the award of the major earthworks and civil works packages.

Major long-lead equipment supply packages have been awarded and fabrication and manufacture of these (such as the scrubber and crusher) are either on or ahead of schedule. Engineering design is well advanced in all sections.

The project labour requirements are being conducted with a high component of Namibian sourced work force and use of Namibian established companies is being maximised where appropriate.

Stage 4 Feasibility Study Resource Upgrade Drilling

A drilling programme to upgrade the bulk of the existing uranium resources to the Indicated and Measured JORC categories started in late January, and is progressing as planned. This programme is expected to be completed in early May. Of a 36,000m RC drilling programme 22,374m had been completed by the end of March. The upgraded resource will be used for reserve estimations to back the Stage 4 expansion programme of the Langer Heinrich Mine which is planned to expand the annual production to 9Mlb U_3O_8. Investigations are continuing into process options for treatment of low grade material which will yield a further 1Mlb pa.

KAYELEKERA MINE (KM), Malawi

Production

	Dec Qtr	March Qtr
Production /lb	145,315	228,996

As expected, Kayelekera was able to show a significant quarter over quarter improvement in production resulting from continued plant debottlenecking and mine-wide material handling improvements. Kayelekera production ramp-up, although slower than initially forecasted, has produced a steady improvement in performance, particularly over the past 6 weeks. Post quarter trends suggest that both nameplate production and commercial production will be reached this quarter. With March production exceeding 100,000lb/month and April's month to date performance providing forecasts in excess of 150,000lb, the Kayelekera operation remains positioned to achieve nameplate levels in the June quarter.

Several months ago, a highly regarded performance/process improvement firm was commissioned to assist the Kayelekera site personnel with the implementation of a programme designed to ensure world class practices are utilised to operate the plant. This initiative is proving highly successful ensuring both sustained continual increases in production, and providing a very efficient form of training for any new operations staff.

Mining

	Oct	Nov	Dec	Jan	Feb	Mar
Operating time hrs	282	359	433	423	320	485
Mill feed, dry t	27,272	33,541	42,608	47,021	33,942	63,676
Grade (ppm)	1,592	1,858	1,537	1,315	1,537	1,284

Process Plant

In early February the loaded resin screen was fitted with a stainless steel cloth to increase effective screening area and at the same time several modifications to the contactor side of the circuit were completed. These activities significantly improved RIP and Elution operations as described in the December quarterly report, and the resin handling/treatment circuit is no longer considered a bottleneck.

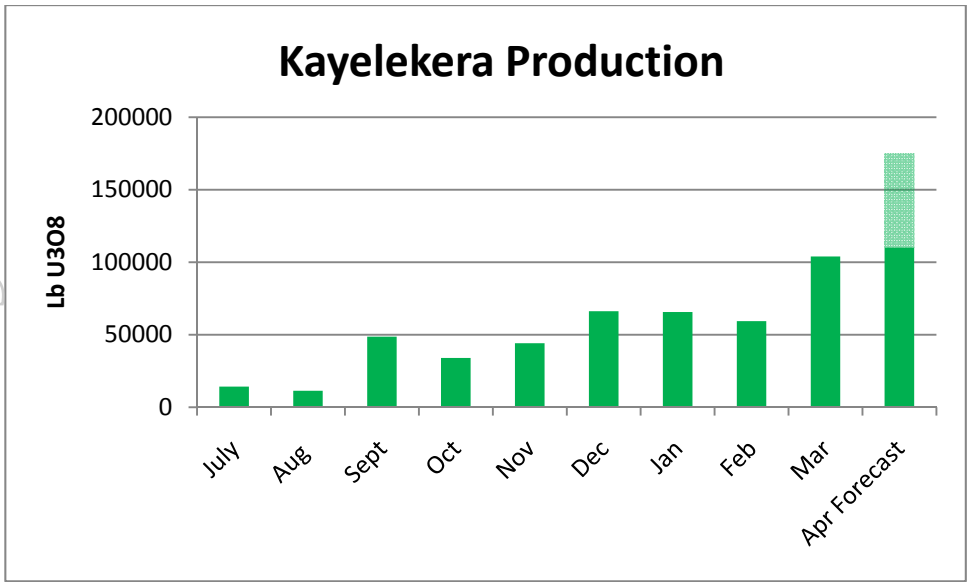
The mechanical downtime of various circuits has improved significantly from past quarters and continuous improvement, most evident in the crushing/grinding circuit, is expected to increase plant availability further. Several delays were experienced from problems with mineral sizer teeth, feed conveyor belts and mill liners. Installation and commissioning of a new jaw crusher is complete and, other than the mid-quarter rain related delays with earthworks construction, is now fully capable of backing up the mineral sizer. A new feed conveyor belt and mill liner changeout will be scheduled for May to bring availability to at least design levels.

Leaching continues to perform reasonably well, although improvements to extraction rates are expected with time and focus. A good deal of laboratory investigation has been completed to assist site metallurgists in this area.

The back end of the plant (uranium precipitation and packaging) is operating satisfactorily, however, despite regular operation at nameplate production levels the drying circuit availability needs to be improved in order to maintain this throughput.

Post Quarter Trends

Current production trends in running at 70% capacity should deliver nameplate production by quarter end. In April mid-month figures showed further improvement with weekly run rate equivalencies of 200,000lb per month, further confirming target capacity expectations.



Exploration/Resource Upgrade

Following the completion of the initial phase of the final drill out of the Kayelekera orebody to the west of the current pit, an updated resource estimation has been undertaken and is detailed below. It is expected that the final phase of drilling will commence during July and will be followed by a resource and reserve update.

Mineral Resources for the Kayelekera deposit quoted at a 300ppm U_3O_8 cut off grade:

Category	Tonnes	Grade ppm U_3O_8	Metal t U_3O_8	Metal Mlb U_3O_8
Measured	3,512,000	1,241	4,357	9.61
Indicated	17,220,000	769	13,242	29.19
Measured & Indicated	**20,732,000**	**849**	**17,599**	**38.80**

Category	Tonnes t	Grade ppm U_3O_8	Metal t U_3O_8	Metal Mlb U_3O_8
Inferred	**5,496,000**	**625**	**3,433**	**7.57**

Resources have been depleted for mining to the end of March 2010

At the end of March 2010 an additional 308,289t at a grade of 956ppm U_3O_8 for a total of 295t (0.65Mlb) U_3O_8 were contained in ROM stockpiles. While the majority of the overall resource increase is attributed to the substantial increase in Inferred category material (up 63.0% to 3,433t U_3O_8) there has still been a small (6%) increase in Measured and Indicated category metal content. The resource increase is primarily due to the inclusion of wide spaced drilling undertaken on the western margins of the existing resource. It is expected that the resource definition drilling due to commence in July will convert a substantial portion of the Inferred category resources located in the western portion of the orebody into Measured and Indicated resources. At this time, as there has been negligible change in Measured and Indicated Mineral Resources, an updated Ore Reserve estimation is not warranted. The Mineral Resource estimate is based on downhole gamma radiometric logging using appropriately calibrated and validated gamma probes to produce equivalent U_3O_8 grades. This methodology is the same as that used for mining grade control and resource estimation at both Kayelekera and Langer Heinrich.

ISA URANIUM JOINT VENTURE, Queensland - (Paladin Energy Ltd 50%, Summit Resources (Aust) Pty Ltd 50% Operator)

Drilling in the Mount Isa region is currently concentrating on the main Valhalla orebody and at the Odin prospect to the north of Valhalla. Ongoing exploration and research work is evaluating geophysical targets for uranium mineralisation with no surface expression. Results of this work have been successfully applied at the Odin prospect.

Odin Prospect

At the Odin prospect, approximately 500m north of the Valhalla orebody, drilling has identified new uranium mineralisation which exhibited no surface radiometric or geological expression. This target was identified through interpretation of magnetic data acquired through ground and helicopter surveys. The mineralisation was identified in 5 of the 7 exploration holes drilled to date. The geometry is still not clearly defined but is currently interpreted to include 3 or more north-south striking sub-vertical and sub-parallel albitite lenses of 5 to 15m true thickness. Drill intersections include:

Drillhole No.	From (m)	To (m)	Interval (m)	Grade* eU_3O_8
VR0289	29	49	20	541
	53	57	4	425
	62	75	13	447
VR0290	48	78	30	536
	119	122	3	286
	140	149	9	511
	154	158	4	318
	164	169	5	540
	179	186	7	370
VR0291	7	13	6	531
	34	38	4	786
VR0294	39	49	10	376
	61	65	4	521
	103	117	14	387
	126	166	40	752
	340	344	4	250
VR0295	35	49	14	569

grade determined by down hole radiometric gamma logging
Cut-off >3m@250ppmU_3O_8

Valhalla Deposit

At the Valhalla deposit 1 diamond hole was completed in the quarter as part of a 5 hole programme to test for down plunge extension of the known mineralisation. This drillhole (diamond drill hole VRD078) targeted mineralisation at and below 600m vertical depth. The drillhole intersected two substantial mineralised zones of 15m and 51m true width respectively between 580m and 630m vertical depth. Details are shown below:

Drillhole No.	From (m)	To (m)	Interval (m)	Grade* eU_3O_8
VRD0278	**688**	**712**	**24**	**355**
Including:				
	688	691	3	867
	700	707	7	466
VRD0278	**738**	**817**	**77**	**930**
Including:				
	738	747	9	711
	750	774	24	803
	786	817	31	1478

**Grade determined by down hole radiometric gamma logging*
Cut-off >3m@250ppm U_3O_8

Drilling is currently continuing at Odin and Valhalla “Deeps” to more clearly define the geometry of the newly identified uranium mineralisation and test for further mineralisation extensions.

CORPORATE

Performance Share Rights

5,026,000 performance share rights were granted to staff pursuant to the Paladin Energy Ltd Employee Share Rights Plan and Contractor Performance Share Rights Plan.

Vesting conditions include 50% being granted on time based considerations and the balance subject to performance considerations to be measured 1 September 2012.

URANIUM MARKET COMMENTS

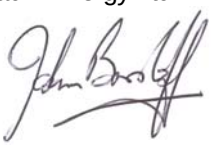
The Ux spot price moved in a range from US$44.50/lb U_3O_8 in January 2010 to a low of US$40.50/lb U_3O_8 in early March before recovering to US$42.00/lb U_3O_8 at the end of the quarter. The long term price indicator fell by US$4/lb U_3O_8 over the quarter to US$58/lb U_3O_8.

The wider implications of the forecast strong growth in civil nuclear power over the next forty years are being recognised by many governments. In France, which is already a world leader in nuclear power, President Sarkozy has created an International Nuclear Energy Institute to provide an international training centre to increase significantly the number of nuclear science and technology professionals which will be urgently needed worldwide. EDF, which plans to build at least four new nuclear plants in the UK, announced a recruiting drive for 10,000 staff to support the new programme.

In the United States, Secretary of Energy Steve Chu inaugurated a Blue Ribbon Commission on America's Nuclear Future to undertake a comprehensive review of all back-end issues including waste management and disposal in light of the anticipated renaissance in nuclear technology in the United States. In the European Union waste management strategies are well advanced with Finland planning to open its deep geological repository for direct disposal of spent fuel in 2020 to be followed by Sweden in 2023 and France in 2025.

Globally, there is growing evidence of a resurgent civil nuclear power sector which will inevitably place increased pressure on uranium production which is rising too slowly to meet anticipated demand early in the next decade. For example, in Japan, a governmental White Paper has called for the construction of a further 14 reactors while Italy, a country which had phased-out its commercial nuclear programme in the 1980's, has signed a series of agreements under which France will support the construction of as many as eight reactors with construction commencing as early as 2013.

Yours faithfully
Paladin Energy Ltd



JOHN BORSHOFF
Managing Director/CEO

Declaration

The information in this announcement that relates to Exploration, Mineral Resources and Ore Reserves is based on information compiled by Eduard Becker B.Sc, David Princep B.Sc and Andrew Hutson B.E., all of whom are members of the AusIMM. Messrs Becker, Princep and Hutson each have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and as a Qualified Person as defined in Canadian National Instrument 43-101. Messrs Becker, Princep and Hutson are full-time employees of Paladin Energy Ltd and consent to the inclusion of the information in this announcement in the form and context in which it appears.

Caution Regarding Forward Looking Statements:
The forward-looking statements made in this quarterly activities report are based on management's assumptions and judgments regarding future events and results. Such forward-looking statements, including but not limited to those with respect to the Company's plans for expansions of the Langer Heinrich and Kayelekera mines and Financial Year 2010 production guidance, involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of uranium, changes in project parameters as plans continue to be evaluated, and the possibility of cost overruns, as well as those factors disclosed in the Company's filed documents. There can be no assurance that the expansion of the Langer Heinrich and Kayelekera mines will proceed as planned or be successfully completed within expected time limits and budgets or that, when completed, the expanded facilities will operate as anticipated.