



ASX ANNOUNCEMENT

PALADIN TAKEOVER BID BECOMES UNCONDITIONAL

Valhalla Uranium advises that it has received notice from Paladin Resources Ltd that its takeover bid for the Company has been freed from all remaining defeating conditions and that its voting power in Valhalla Uranium has increased to 94.31%. Paladin now has relevant interests in sufficient Valhalla Uranium shares to be entitled to proceed with compulsory acquisition of the remaining Valhalla Uranium shares.

Valhalla Uranium's directors encourage all shareholders who have not already accepted the Offer to do so as soon as possible. Shareholders who accept the Offer will receive Paladin shares pursuant to the Offer earlier than shareholders whose Valhalla Uranium shares are acquired by Paladin under the compulsory acquisition process.

Paladin's Offer will close at 5.00pm (Perth time) on 15 September 2006 and will not be extended.

A handwritten signature in black ink, appearing to read 'P. Sullivan', with a stylized flourish at the end.

PETER SULLIVAN
Managing Director

7 September 2006