



PALADIN RESOURCES LTD

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Ref:F5604

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Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Sale of Non Core Northern Territory Uranium Properties

Paladin is pleased to advise that it has sold two non-core uranium exploration properties to Deep Yellow Ltd (DYL). The properties involved are the Napperby and N E Arunta Projects, located in the Northern Territory.

In an agreement finalised with DYL today Paladin will receive consideration comprising a \$100,000 cash payment, 15,000,000 fully paid shares in DYL, 25,000,000 1 cent options exercisable on or before 31 December 2007 and a 2% gross royalty. Paladin will also be reimbursed for any ongoing transitional costs.

With Paladin focussing its efforts on development of its advanced uranium projects in Namibia and Malawi, the Directors believe it more advantageous to the Company to allow, through DYL, the ongoing evaluation and progression of these properties and benefit from any upside through its equity holding in DYL and the royalty component.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director