



PRESS RELEASE

Paladin Announces Closing of \$40.25 Million Bought Deal Financing

Montreal, Canada--(Marketwire - Feb 24, 2011) - Paladin Labs Inc. (TSX:PLB), a leading Canadian specialty pharmaceutical company, today announced that it has closed its previously announced bought deal offering of 1,150,000 common shares which includes 150,000 common shares issued pursuant to the exercise by the underwriters of their over-allotment option. The common shares were issued at a price of \$35.00 per common share for total gross proceeds to Paladin of approximately \$40.25 million. The syndicate of underwriters for the offering was led by GMP Securities L.P. and included Paradigm Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., Versant Partners Inc., Cormark Securities Inc. and Desjardins Securities Inc.

The net proceeds of the offering will be used to continue Paladin's strategy of acquiring products with existing sales, to in-license and launch innovative brands, and for general working capital and corporate purposes.

"The past year has been extremely productive. We entered into a number of important international investments, including a strategic investment in Pharmaplan of South Africa and SpePham Holding B.V. As we enter 2011, we continue to seek new opportunities to expand our product portfolio and geographic reach, and we look forward to deploying this capital to the benefit of Canadian patients and our shareholders." said Jonathan Ross Goodman, President and CEO of Paladin Labs.

THE COMMON SHARES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS ABSENT U.S. REGISTRATION OR AN APPLICABLE EXEMPTION FROM U.S. REGISTRATION REQUIREMENTS.

About Paladin Labs:

Paladin Labs Inc., headquartered in Montreal, Canada, is a specialty pharmaceutical company focused on acquiring or in-licensing innovative pharmaceutical products for the Canadian and world markets. With this strategy, a focused national sales team and proven marketing expertise, Paladin has evolved into one of Canada's leading specialty pharmaceutical companies. Paladin's shares trade on the Toronto Stock Exchange under the symbol PLB.

For more information about Paladin, please visit Paladin's website at www.paladinlabs.com.

Forward Looking Statements:

This press release may contain forward-looking statements and predictions. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Paladin considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions that these assumptions regarding the future events, many of which are beyond the control of Paladin and its subsidiaries, may ultimately prove to be incorrect. Factors and risks, which could cause actual results to differ materially from current expectations, are discussed in the annual report as well as in Paladin's Annual Information Form for the year ended December 31, 2009. Paladin disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information or future events and except as required by law. For additional information on risks and uncertainties relating to these forward-looking statements, investors should consult Paladin's ongoing quarterly filings, annual report and Annual Information Form and other filings found on SEDAR at www.sedar.com.

For more information, please contact

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