



PRESS RELEASE

## **Paladin Labs Extends Offer for Afexa Life Sciences**

**Offer now expires on September 28, 2011**

**MONTREAL, CANADA – September 15, 2011** – Paladin Labs Inc. (“Paladin” or the “Company” - TSX:PLB), a leading Canadian diversified specialty pharmaceutical company, today announced that it has extended the expiry of its offer (the “Offer”) for any and all of the outstanding common shares of Afexa Life Sciences Inc. (“Afexa” - TSX:FXA) until 8:00 p.m. (Toronto time) on September 28, 2011.

All other terms of the Offer remain unchanged as Paladin continues to consider its alternatives. The extension allows the Offer to remain open until after the Alberta Securities Commission (“ASC”) hearing into Paladin’s application to cease trade Afexa’s two shareholder rights plans (dated January 25, 2010 and August 12, 2011). The ASC hearing is scheduled for September 23, 2011.

The Paladin Offer was scheduled to expire at 8:00 p.m. (Toronto time) on September 15, 2011.

Full details of the Offer are available in the offer to purchase and takeover bid circular that has been sent to Afexa shareholders and filed on SEDAR. The Offer and related documents are available at [www.sedar.com](http://www.sedar.com) and through the Company’s website, [www.paladinlabs.com](http://www.paladinlabs.com) or at [www.afexaoffer.com](http://www.afexaoffer.com).

### **About Paladin Labs Inc.**

Paladin Labs Inc., headquartered in Montreal, Canada, is a specialty pharmaceutical company focused on acquiring or in-licensing innovative pharmaceutical products for the Canadian market. 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. More information is available at [www.paladinlabs.com](http://www.paladinlabs.com).

*This press release may contain forward-looking statements and predictions. These forward-looking statements, including any statements as to Afexa’s acquisition by Paladin, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. The Company 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 the Company 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 the Company’s Annual Information Form for the year ended December 31, 2010. The Company 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 the Company's ongoing quarterly filings, annual report and Annual Information Form and other filings found on SEDAR at [www.sedar.com](http://www.sedar.com). The information in this announcement concerning Afexa and its assets and projects is based on publicly available information and has not been independently verified by Paladin.*

**For further information, contact:**

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