



NUVO LICENSES TOPICAL PAIN PRODUCT FROM PALADIN
-expands pipeline of topical analgesic products-

Mississauga, Ontario, Canada – May 29, 2008 - Nuvo Research Inc. (TSX: NRI), a Canadian drug development company focused on the research and development of drug products delivered to and through the skin using its topical and transdermal drug delivery technologies, today announced that it has licensed the exclusive rights from Paladin Labs Inc. (TSX: PLB) to develop and commercialize a novel topical pain formulation with the potential to treat inflammatory and neuropathic pain conditions. The formulation is in the pre-clinical formulation development stage and is the subject of a pending patent application.

Nuvo will issue to Paladin 961,538 common shares having a value of \$125,000 for the right to commercialize this topical pain product. As part of the transaction, Paladin may receive an additional payment of \$250,000 upon achievement of a regulatory milestone and will have rights to market, distribute and sell the product in Canada, South America, Central America and South Africa. Nuvo will receive royalties on Paladin sales and will have exclusive rights to exploit the licensed formulation in all other territories, including the United States.

Paladin has also invested \$1,000,000 in return for 7,692,307 Nuvo common shares and 769,230 warrants (representing 10% of the number of common shares issued) by way of a private placement. Each warrant entitles Paladin to acquire one Nuvo common share during the three year period following the closing at a price of \$0.169. The value of the common shares issued to Paladin is based on Nuvo's weighted average trading price on the TSX for the five day trading period ending May 20, 2008. The proceeds of the private placement will be used by Nuvo for general corporate purposes, including expenses relating to development of the licensed product.

"We are pleased to expand both our relationship with Paladin and our topical analgesic drug pipeline," said John London, Nuvo's Vice Chairman. "Paladin's investment further strengthens our financial position as we continue to develop our early stage pipeline and move toward our resubmission of Pennsaid for US approval in early 2009."

"The topical pain market is growing at a rapid rate and Nuvo, with its San Diego based transdermal research centre, has established a global leadership position in terms of people, technology and infrastructure to successfully develop topical formulations and obtain regulatory approval for this promising pain product," said Jonathan Ross Goodman, President and CEO of Paladin. "We are pleased to license this technology to Nuvo and look forward to marketing and selling it in the future."

About Paladin Labs Inc.

Paladin Labs Inc., headquartered in Montreal, Canada, is a leading specialty pharmaceutical company focused on developing, 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*. For more information about Paladin, please visit the Paladin web site at www.paladinlabs.com.

About Nuvo Research Inc.

Nuvo is focused on the research and development of drug products delivered to and through the skin using its topical and transdermal drug delivery technologies. Nuvo's lead product is Pennsaid[®],

a topical non-steroidal anti-inflammatory (NSAID) used for the treatment of osteoarthritis. Nuvo intends to leverage its skin-penetrating technologies to create a portfolio of topical and transdermal products targeting a variety of indications.

Nuvo Research Inc. is a publicly traded, Canadian pharmaceutical company headquartered in Mississauga, Ontario, with manufacturing facilities in Varennes, Québec and Wanzleben, Germany and a research and development Center in San Diego California. For more information, please visit www.nuvoresearch.com.

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. The Companies consider the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but caution that these assumptions regarding the future events, many of which are beyond the control of the Companies and their 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 reports, as well as in the Companies' Annual Information Forms for the year ended December 31, 2007. The Companies disclaim any intention or obligation to update or revise any forward-looking statements whether a result of new information, future events, or except as required by law. For additional information on risks and uncertainties relating to these forward-looking statements, investors should consult the Companies' ongoing quarterly filings, annual reports and Annual Information Forms and other filings found on SEDAR at www.sedar.com.

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