



NEWS RELEASE

PALADIN GRANTED PRIORITY REVIEW STATUS FOR ABSTRAL[®] BY HEALTH CANADA

Montreal, CANADA (February 4, 2010) - Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, announced today that it has filed a new drug submission for Abstral[®] sublingual fentanyl. The submission has been accepted for priority review by Health Canada which provides for a 180 day review cycle. Abstral[®] is a novel, rapidly-disintegrating, sublingual (under the tongue) formulation of fentanyl, a well-established opioid used for the management of episodes of breakthrough pain experienced by cancer patients who are already receiving opioid analgesics for chronic pain.

“Abstral[®] is an innovative product that will fulfill an unmet need for cancer patients in Canada and will complement our growing promoted pain portfolio which includes Tridural[®], Metadol[®] and Pennsaid[®],” said Jonathan Ross Goodman, President and CEO of Paladin Labs.

Paladin obtained the Canadian license for Abstral[®] from ProStrakan Group plc (LSE: PSK) in December, 2008.

About Paladin Labs

Paladin Labs Inc., headquartered in Montreal, Canada, is a specialty pharmaceutical company focused on acquiring or in-licensing innovative pharmaceutical products. With this strategy, a focused national sales team and proven marketing expertise, Paladin has evolved into one of Canada's leading specialty pharmaceutical companies. For more information, please visit the Company's web site at www.paladinlabs.com

About ProStrakan:

ProStrakan Group plc is a rapidly growing specialty pharmaceutical company engaged in the development and commercialization of prescription medicines for the treatment of unmet therapeutic needs in major markets. ProStrakan's head office is located in Galashiels in Scotland. The company's development capabilities are centered in Galashiels and Bedminster, New Jersey, USA. Sales and marketing of ProStrakan's portfolio of products are handled by commercial subsidiaries in the UK, US, France, Germany, Spain, Italy and other EU countries.

www.prostrakan.com

This news release contains 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. 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, 2008. 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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