



NEWS RELEASE

PALADIN LABS ANNOUNCES AMENDMENT TO R&D AGREEMENT WITH ISOTECHNIKA PHARMA INC.

MONTREAL, CANADA (February 18, 2010) - Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, today announced that it has agreed to amendments to its existing agreements with Isotechnika Pharma Inc. (TSX: ISA) that will give Paladin the full share of future net profits of the Isodiagnostika line of diagnostic products in exchange for an undisclosed lump sum payable over the next twelve months.

"Our experience with the Isodiagnostika business over the last several months suggests that, in addition to providing an established base and capabilities from which to sell diagnostic products in Canada, the business, particularly the Helikit® ¹³C-Urea Breath Test for helicobacter pylori, has untapped growth potential in Ontario and Quebec", stated Jonathan Ross Goodman, President & CEO of Paladin Labs Inc. "The Helikit® line of products holds further potential for export sales", Mr. Goodman also noted.

About Helicobacter pylori

Helicobacter pylori bacteria (*H. pylori*) can infect the outer lining of the stomach, and has been conclusively linked to the development of the majority of duodenal and gastric ulcers, and is also associated with gastric cancer. Approximately 20% to 40% of Canadians are infected with *H. pylori*. Once detected, the infection can be easily and effectively treated with a combination of existing pharmacologic agents. The Helikit® line of ¹³C-urea breath tests offers a convenient, non-invasive method of detecting the presence of *H. pylori* using non-radioactive urea. The test is highly accurate (sensitivity and specificity of 95%+) and is available at private and public medical laboratories across Canada.

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 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 the Company's web site at www.paladinlabs.com.

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. 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, 2008. 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Paladin Labs Inc.
Samira Sakhia, Chief Financial Officer
Tel: 514-669-5367
Fax: 514-344-4675
Email: info@paladinlabs.com
Website: www.paladinlabs.com