



NEWS RELEASE

BTG AND PALADIN COMPLETE AGREEMENT FOR DIGIFAB FOR THE TREATMENT OF DIGOXIN TOXICITY

Montreal, CANADA (February 25, 2010) - Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, today announced that it has entered into a distribution agreement with Protherics Inc, a wholly owned subsidiary of BTG plc (LSE: BGC), under which Paladin receives the exclusive Canadian rights to market and sell DigiFab™ (Digoxin Immune Fab (Ovine)). DigiFab™ is under review with Health Canada and is expected to be indicated for the treatment of patients with life-threatening or potentially life-threatening digoxin toxicity or overdose. Financial terms of the deal were not disclosed.

Digoxin toxicity may result from inappropriate dosing, worsening of renal function, drug interactions, and intentional overdose. In a population-based study of Canadian patients over age 66 years who were prescribed digoxin, 0.5% were hospitalized for digoxin toxicity. When administered to a patient with digoxin toxicity, DigiFab™ binds to molecules of digoxin, reducing free digoxin levels and thereby reducing cardio-toxic effects.

"DigiFab™ provides an important opportunity to grow Paladin's specialty and orphan franchise which includes Replagal®, Elaprase® and Antizol®," said Jonathan Ross Goodman, President and Chief Executive Officer of Paladin Labs Inc. "Following approval, DigiFab™ will provide patients and physicians with a new option for the treatment digoxin poisoning."

Matthew Gantz, Executive Vice President of BTG International Inc, said: "Paladin has a proven track record in commercializing specialty pharmaceutical products in Canada, and we're delighted to partner with them on DigiFab™."

About DigiFab™ and Digoxin Toxicity

DigiFab™ is an antidote for the treatment of patients with life-threatening, or potentially life-threatening, digoxin toxicity or overdose. Digoxin (also known as digitalis) is a drug used to treat congestive heart failure and to slow heart rate in some cardiac disturbances, with 16 million digoxin prescriptions written annually in the US. It has a narrow therapeutic window, making it easy to move from therapeutic levels to toxic levels as a result of excessive dosing, slow elimination or interaction with other drugs. Digoxin toxicity can cause potentially life-threatening heart rhythm disturbances.

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.

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