



NEWS RELEASE

PALADIN MAKES FIRST STEP INTO EMERGING MARKETS THROUGH STRATEGIC INVESTMENT IN PHARMAPLAN

Montreal, CANADA (March 16, 2010) - Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, today announced that it has completed a strategic investment in Pharmaplan (Pty) Ltd. of South Africa. The deal marks Paladin's most significant corporate development initiative to date and signals our commitment to expand internationally.

Founded in 1996, Pharmaplan is South Africa's leading independent specialty pharmaceutical company dedicated to the execution of a search-acquire-commercialize business model in the South African and broader sub-Saharan African region. Under the terms of the agreement, Paladin has acquired an initial 34.99% ownership interest and has committed to increase its ownership position over time based on a formula linked to Pharmaplan's actual financial performance, all payable in cash.

Dr. Gert Hoogland, founder and CEO of Pharmaplan, has committed to continue to lead, control and manage the Pharmaplan business as CEO without any foreseen changes in his experienced management team. In order to leverage strategic synergies and intra-company collaboration, Dr. Hoogland also welcomes the strategic input of Paladin's President and CEO, Jonathan Ross Goodman, and its VP of Business and Corporate Development, Mark Nawacki, who join Pharmaplan's Board of Directors effective immediately. Additional financial terms of the deal are not disclosed.

According to IMS Health, the value of the South African pharmaceutical market is estimated to be CAD \$3 billion which represents a 13.6% increase over the prior year as measured in local currency. Pharmaplan ranks as the 27th largest company in this market and its sales have consistently and significantly outgrown the South African market's own impressive growth, topping CAD \$ 32.9 million in 2009. "The company counts among its partners, numerous leading international pharmaceutical companies including Biogen Idec, Cephalon, Eisai, Recordati, Sun Pharma, Gedeon Richter and Douglas Pharmaceuticals," said Mark Nawacki, VP of Business and Corporate Development at Paladin. "Its commercial capabilities and infrastructure span multiple therapeutic areas that match with Paladin's own focus areas, including pain, urology, women's health, allergy and specialty oncology. This is a commercial match that is truly rare to find, and will allow our organizations to maximize our respective strengths in business development, sales and marketing in order to generate greater combined value for our existing and future partners and to increase our overall deal flow and product acquisition success rate."

"The investment in Pharmaplan fulfills a long-standing corporate objective to develop a footprint in the rapidly-growing and strategically important emerging markets," said Jonathan Ross Goodman, President and Chief Executive Officer of Paladin Labs Inc. "Pharmaplan is a first class business that is virtually identical to Paladin but in a complementary geographic region. Its commercial capabilities are proven, its business results are impressive and we are pleased to finally have the opportunity to leverage our mutual strengths for combined advantage."

Dr. Gert Hoogland, founder and CEO of Pharmaplan said: “We are excited to partner with Paladin in order to better capitalize on the incredible growth and opportunities available in the South African and sub-Saharan African region. Our historical success proves that these markets reward creative, driven and entrepreneurial organizations. Pharmaplan has the capability to compete and win against any of our domestic competitors. But given the ability to now leverage Paladin’s commercial insights, business development network and greater resources, our business will be even stronger and our ability to service existing and future partners will be greatly enhanced.”

Conference Call Notice

Paladin will host a conference call to discuss this announcement on Wednesday March 17, 2010 at 08:00 a.m. EST. The dial-in number for the conference call is 1-800 768 2107 or 1 416 981 9000. The call will be audio-cast live and archived for 15 days at www.paladinlabs.com.

About Pharmaplan

Based in Johannesburg, Pharmaplan (Pty) Limited is a privately-owned company that began operations back in 1996 to provide the South African market with a specialty company focused on commercializing bio-pharmaceuticals from companies that did not have the capability or strategy to enter the South African market themselves. From this initial strategic vision, the company has grown over the past 14 years into South Africa’s leading independent specialty pharmaceutical organization and the 27th largest South African pharmaceutical company. It has full regulatory, distribution, and marketing capabilities and a national sales force that serves GP physicians, specialty practitioners and pharmacy customers alike. For more information about Pharmaplan, please visit the company’s web site at www.pharmaplan.co.za.

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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