



Afexa Life Sciences Inc.

NEWS RELEASE

AFEXA COMMENTS ON PALADIN'S ANNOUNCED INTENTION TO ENHANCE ITS TAKEOVER OFFER FOR AFEXA

EDMONTON, ALBERTA – Thursday, September 22, 2011 - Afexa Life Sciences Inc. ("Afexa" or the "Company") (TSX:FXA) - the maker of COLD-FX[®] - responded to a news release issued today by Paladin Labs Inc. ("Paladin") (TSX:PLB) announcing Paladin's intention to enhance its unsolicited takeover offer ("Offer") for all and any of the outstanding shares of Afexa Life Sciences Inc. in the event that Afexa's two shareholder rights plans (dated January 25, 2010 and August 12, 2011) are waived by Afexa or cease-traded by the ASC within a reasonable time of a hearing to be held by the Alberta Securities Commission to consider an application made by Paladin to cease trade the rights plans. The hearing is scheduled for September 23, 2011.

"We are pleased that Paladin has finally acknowledged that the value of Afexa significantly exceeds the \$0.55 per share offer they originally made," commented William White, Chairman of Afexa. "Although we welcome a higher bid from Paladin, we will oppose their application tomorrow before the Alberta Securities Commission to cease-trade our shareholder rights plans because we believe that these plans continue to have value by allowing Afexa to seek and consider competing bids and by preventing Paladin from attaining a blocking position through market purchases or by taking up any and all shares tendered to its bid which could deter or frustrate other bids. Should Paladin choose to increase their offer, we would invite them to further amend their offer at the same time to include a minimum tender condition so that they will only acquire control of Afexa if a majority of our shareholders (other than Paladin) support their bid", concluded Mr. White.

About Afexa Life Sciences Inc. (TSX:FXA)

Afexa Life Sciences Inc., founded in 1992, strives to deliver the most trusted health brand on the planet through pioneering evidence-based natural medicines that empower people to achieve their health potential. The Company's patented ChemBioPrint[®] discovery and standardization technology enables the development of effective and safe medicines from complex natural sources, while ensuring reliable health benefits and batch-to-batch consistency. COLD-FX[®], a ChemBioPrint product, is the Company's flagship product and Canada's leading over-the-counter (OTC) cold and flu remedy. It is officially indicated in Canada to help reduce the frequency, severity and duration of cold and flu symptoms by boosting the immune system. COLD-FX has a product license (NPN) and is supported by scientific evidence, including randomized, double-blind, placebo-controlled clinical trials. The Company recently launched COLDSORE-FX in Canada and has a range of polymolecular drugs at various clinical and pre-clinical development stages. This product pipeline includes COLD-FX pediatric, AFX-2 for Chronic Lymphocytic Leukemia, Dilexaponan for cholesterol management, HT-1001 for Oxidative Stress and a product for blood glucose management.

Advisory Regarding Forward-Looking Statements

This news release contains forward-looking information (as defined in the Securities Act (Alberta)) that is based on expectations, estimates and projections as of the date of this news release. These forward-looking statements can often, but not always, be identified by the use of forward-looking terminology such as “plans”, “predicts”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Examples of such forward-looking statements in this news release include, but are not limited to the potential outcome of the ASC hearing related to the Shareholder Rights Plans, and whether or not Paladin will come forward with a superior bid or a permitted bid.

Actual results and developments (including earnings and cash flow) are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release.

Forward-looking statements contained in this news release are based on a number of assumptions that may prove to be incorrect, including, but not limited to expectations related to future sales of commercialized products, the timing, duration and results of clinical trials, the timing and results of regulatory reviews, the safety and efficacy of Afexa’s product candidates and the indications for which Afexa’s product candidates might be developed; competitive conditions in the life sciences and technology industry; general economic conditions; changes in laws, rules and regulations applicable to Afexa.

In addition to being subject to a number of assumptions, forward-looking statements in this news release involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to be materially different from those expressed or implied by such forward-looking statements, including the risks identified in the filings by Afexa with the Canadian provincial securities regulatory authorities, including Afexa’s annual information form for the fiscal year ended March 31, 2011.

The Company believes that the expectations reflected in the forward-looking statements contained in this news release are reasonable as at the date hereof, but no assurance can be given that these expectations will prove to be correct. In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, you should not place undue reliance on any forward-looking statements contained in this news release.

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Shareholders are encouraged to contact Georgeson Shareholder Communications Group Inc., the information agent retained by Afexa, North American toll free at 1-866-676-3005 or via e-mail at askus@georgeson.com for any questions related to the takeover situation.