



Afexa Life Sciences Inc.

**NEWS RELEASE**

**AFEXA FILES NOTICE OF CHANGE TO DIRECTORS' CIRCULARS**

**EDMONTON, ALBERTA – Tuesday, October 4, 2011 - Afexa Life Sciences Inc. (“Afexa” or the “Company”)** (TSX:FXA) - the maker of COLD-FX<sup>®</sup> - announced today that it has filed a notice of change (the “Notice of Change”) to its prior directors’ circulars on SEDAR (available at [www.sedar.com](http://www.sedar.com) and on the Company’s website [www.afexa.com](http://www.afexa.com)) in connection with:

- responding to the amended offer by 1625907 Alberta Ltd. and Valeant Pharmaceuticals International, Inc. (collectively, “Valeant”) for \$0.85 in cash per common share of the Company (the “Common Shares”), upon the terms and subject to the conditions set forth in Valeant’s take-over bid circular dated September 6, 2011, as amended and supplemented by a notice of variation dated October 3, 2011 (the “Increased Valeant Offer”); and
- responding to the unsolicited offer by Paladin Labs Inc. (“Paladin”) for \$0.81 in cash per Common Share of 0.0217 in common shares of Paladin for each Common Share upon the terms and subject to the conditions set forth in Paladin’s take-over bid circular dated August 10, 2011, as amended by a notice of extension dated September 14, 2011 and as further amended and supplemented by the notice of variation and extension dated September 26, 2011 (the “Amended Paladin Offer”). On October 3, 2011, Paladin announced it would not be taking up any Common Shares tendered to the Amended Paladin Offer.

The Board of Directors unanimously recommends that shareholders ACCEPT the Increased Valeant Offer and TENDER their Common Shares to the Increased Valeant Offer and to REJECT the Amended Paladin Offer and NOT TENDER their Common Shares to the Amended Paladin Offer for the following principal reasons:

- the Increased Valeant Offer of \$0.85 per Common Share represents a 19.7% premium to the Valeant Offer of \$0.71 per Common Share and, before Paladin’s announcement that it will not be taking up any Common Shares under the Amended Paladin Offer, a 4.9% premium to the \$0.81 cash consideration offered under the Amended Paladin Offer and a 5.6% premium to the Paladin share consideration offered under the Amended Paladin Offer based on the September 30, 2011 closing price of the Paladin shares.
- Scotia Capital Inc. has delivered a written opinion stating that the consideration offered for the Common Shares under the Increased Valeant Offer is fair, from a financial point of view, to Shareholders.

A full description of the reasons for the recommendation of the Board of Directors can be found in the Notice of Change, available at [www.sedar.com](http://www.sedar.com). The Notice of Change is being mailed to Afexa's shareholders and optionholders.

#### **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<sup>®</sup> 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<sup>®</sup>, 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.*

*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](mailto:askus@georgeson.com) for any questions related to the takeover situation.