



**FOR IMMEDIATE RELEASE**

**PALADIN TO ACQUIRE BIOENVELOP INC.**

**Montreal, Canada, April 24, 2007** - Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, announced today that it has reached an agreement in principle to purchase all the outstanding shares of BioEnvelop Inc., a wholly owned subsidiary of BioEnvelop Technologies Inc. (TSX-V: BIE). BioEnvelop Inc. has expertise in developing and manufacturing rapidly dissolving edible films for the nutraceutical and pharmaceutical markets. Its products are currently generating revenue in both Canada and the United States.

Paladin will pay total consideration of up to approximately \$1.9 million, with up to \$950,000 million being payable in cash and up to \$950,000 being payable through the issuance of Paladin common shares. The value of each common share will be determined based on the weighted average trading price of Paladin common shares on the Toronto Stock Exchange for the ten (10) trading days immediately prior to closing. The transaction is subject to a number of closing conditions, including court approval, and is expected close by no later than April 30, 2007.

"BioEnvelop's rapidly dissolving film strip technology provides Paladin with a platform from which to develop innovative nutraceutical, OTC and prescription products. We intend to leverage this new platform technology to help us improve the delivery of a number of existing off-patented products that we have identified. We also believe that there exists significant potential to increase BioEnvelop's performance through focused promotion of its existing film-based product line," said Jonathan Ross Goodman, President and CEO.

As a result of this transaction, Paladin is providing R&D expense guidance of 7% - 8% of revenues in 2007, and increasing Paladin's available non-capital losses and investment tax credits available to offset future income by a minimum of \$16.5 million.

**About Paladin Labs**

Paladin Labs Inc., headquartered in Montreal, Canada, is a specialty pharmaceutical company focused on acquiring or in-licensing innovative pharmaceutical products for the Canadian market. 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](http://www.paladinlabs.com).

*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 subsidiary 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, 2006. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether a result of new information, future events, or 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](http://www.sedar.com)*

**For further information please contact:**

**Paladin Labs Inc.**

Samira Sakhia, Chief Financial Officer

Tel: 514-340-5067

Fax: 514-344-4675

e-mail: [info@paladin-labs.com](mailto:info@paladin-labs.com)

Web Site: [www.paladinlabs.com](http://www.paladinlabs.com)