

NEWS RELEASE
May 4, 2007

**PADDOCK LABORATORIES APPOINTS MICHAEL GRAVES AS PRESIDENT
AND CEO; BRUCE PADDOCK MOVES TO CHAIRMAN**

GRAVES TO FOCUS ON BUILDING THIRD PARTY COLLABORATIONS TO FUEL GROWTH

MINNEAPOLIS / ST. PAUL (May 4, 2007) - Paddock Laboratories, Inc. of Minneapolis, MN has appointed Michael Graves to the position of President and Chief Executive Officer. Mr. Graves succeeds Bruce Paddock who will become Chairman of the company. As President and CEO, Graves will be responsible for running the business on a day-to-day basis as well as focusing on company growth.

Prior to joining Paddock, Mr. Graves was employed at Par Pharmaceutical Companies, Inc. as President of Par's Generic Product Division. Graves was instrumental as part of an executive team that engineered a successful turn-around of Par as it grew from \$50 million to almost \$700 million in annual sales.

Paddock currently markets over 70 products. As a result of a significant investment in product development, Paddock now has over 50 products in its pipeline. Graves believes the company is uniquely positioned in the marketplace and that it has tremendous opportunities for growth.

Building on Paddock's business development opportunities with third-party partnerships will be a major focus for Graves. He is confident that the foundation is in place for Paddock to significantly increase the quantity of new product launches through the combination of internal and external product development. Graves plans to pursue products with significantly higher revenue potential to fuel Paddock's growth and to strengthen the company's relationships with its customers.

