



Press Announcement

FOR IMMEDIATE RELEASE

PALADIN ANNOUNCES TERMINATION OF SYNSORB-CD DEVELOPMENT PROGRAM

Montreal, PQ, December 10, 2001 – Paladin Labs Inc. (TSE: PLB) announced today that its partner, SYNSORB Biotech Inc. (TSE: SYB, NASDAQ: SYBB), has decided to terminate further development of SYNSORB-Cd? .

Paladin acquired the exclusive Canadian rights to SYNSORB-Cd? in 1999.

Jonathan Goodman, President and CEO of Paladin, stated, “This is an example of the inherent risk of drug development and the reason why Paladin has worked diligently on developing a rich pipeline of late-stage products. While we are clearly disappointed, we take comfort in knowing that our pipeline has the potential to sustain our rapid growth. We will be taking a one time charge in the fourth quarter of 2001 of eighty-five thousand dollars to reflect our carrying cost of this license.”

About Paladin Labs Inc.

Paladin Labs Inc., headquartered in Montréal, Québec, is a rapidly growing 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 most profitable publicly traded pharmaceutical companies. For more information about Paladin, please visit the Paladin Web Site at www.paladin-labs.com.

Paladin Labs Inc. is a public company whose shares trade on the Toronto Stock Exchange under the symbol *PLB*.

This news release may contain forward-looking statements or predictions. These statements represent our judgement as of this date and are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed in such forward-looking statements. Potential risks and uncertainties include, without limitation, those associated with product development, clinical trials, future revenues and profitability, and obtaining marketing approval.

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