



Press Announcement

FOR IMMEDIATE RELEASE

PALADIN FILES NEW DRUG SUBMISSION WITH HEALTH CANADA FOR APPROVAL OF STATEX[®] SR

Montreal, Canada, September 5, 2002 – Paladin Labs Inc. (TSX: PLB), a Canadian specialty pharmaceutical company focused on marketing and selling urology, endocrinology and women's health products, today announced that it has filed a New Drug Submission for the approval of Statex[®] SR (sustained-release morphine sulfate tablets) with the Therapeutic Products Directorate ("TPD") of Health Canada. The submission seeks Health Canada's approval for the use of Statex[®] SR in Canada for the relief of severe pain requiring the prolonged use of an opioid analgesic preparation.

The results from Paladin's multi-center double-blind clinical equivalence study, performed by the National Cancer Institute of Canada (Clinical Trials Group), demonstrated that Statex[®] SR is equivalent to Purdue Pharma L.P.'s MS-Contin[®], a leading controlled release morphine sulfate tablet brand, in terms of average scores in pain, nausea, drowsiness and insomnia. "Approval of Statex[®] SR will complement Paladin's existing line of opioid preparations," said Jonathan Ross Goodman, President & CEO of Paladin Labs.

Statex[®] SR was developed by Amarin Corporation plc and Paladin acquired the license for Statex[®] SR from Drug Royalty Corporation Inc. Statex[®] SR is a twice-daily morphine product used in the palliation of various categories of pain.

About Paladin Labs Inc:

Paladin Labs Inc., headquartered in Montreal, Quebec, 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. Paladin's shares trade on the Toronto Stock Exchange under the symbol *PLB*. For more information about Paladin, please visit the Paladin Web Site at www.paladinlabs.com.

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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