



Press Announcement

PALADIN AND NOVO NORDISK SIGN DISTRIBUTION AGREEMENT FOR GLUCAGEN®

Montreal, Canada, September 23, 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 obtained the Canadian distribution rights to GlucaGen® (recombinant glucagon) from Novo Nordisk Canada Inc., a subsidiary of Novo Nordisk A/S (NYSE: NVO). Terms of the agreement were not disclosed.

GlucaGen® is chemically identical to human glucagon, a naturally occurring peptide that selectively converts liver glycogen to glucose, relaxes smooth muscle, and increases the strength of cardiac contractions. Glucagon is indicated for emergency treatment of hypoglycemia in insulin-dependent diabetics and for relaxation of the gastrointestinal tract during routine radiology procedures. "GlucaGen® is an important product in the management of Type I diabetes and represents a significant addition to our existing endocrinology franchise," said Jonathan Ross Goodman, Paladin's President and CEO.

According to the Canadian Diabetes Association, between 35% - 65% of Type I diabetics experience severe hypoglycemia each year, a condition that can result in prolonged loss of consciousness or death. GlucaGen® rapidly restores blood glucose levels in the unconscious patient to allow them to regain consciousness and have other sources of glucose administered. IMS Canada reports that, as of June 2002, the annual market for glucagon totaled \$2.4 million, and grew at a compounded annual growth rate of 13% between 1997 and 2000. Paladin will work with Novo Nordisk Canada Inc., to file a New Drug Submission for GlucaGen® with the Biologics and Gene Therapies Directorate of Health Canada within the coming year.

"Paladin is a leading specialty pharmaceutical company in Canada and we are pleased to have developed this partnership. Through this partnership, individuals living with diabetes will have the opportunity to access a product that is an essential part of insulin therapy," stated Claus Eilersen, President of Novo Nordisk Canada Inc.

For more information about GlucaGen®, a detailed product profile is now available in the products section of Paladin's Web site at http://www.paladinlabs.com/our_products/key_products.html - GlucaGen

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

About Novo Nordisk Canada Inc:

Novo Nordisk Canada Inc., located in Mississauga, Ontario, is the Canadian affiliate of Novo Nordisk A/S. Novo Nordisk (NYSE: NVO) is a focused healthcare company and world leader in diabetes care. In addition, Novo Nordisk has a leading position within areas such as coagulation disorders, growth disorders and hormone replacement therapy. Novo Nordisk manufactures and markets pharmaceutical products and services that make a significant difference to patients, the medical profession and society. With headquarters in Denmark, Novo Nordisk

employs approximately 17,500 people in 68 countries and markets its products in 179 countries. For further company information visit www.novonordisk.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.

For further information please contact:

Samira Sakhia
Chief Financial Officer
Paladin Labs Inc.
Tel: (514) 340-5067
email: info@paladin-labs.com
Website: www.paladinlabs.com

Mary S. Dellar
Investor Relations
The Equicom Group Inc.
Tel: (514) 939-3900 x236
mdellar@equicomgroup.com