



NEWS RELEASE

PALADIN MAKES GENEROUS DONATION TO HPIC IN SUPPORT OF HUMANITARIAN AID EFFORTS OVERSEAS

Montreal, Canada, October 4, 2004 – Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, announced today that it has donated more than \$400,000 in medication to Health Partners International of Canada (HPIC). This is vital support for HPIC's mission of improving the health of people in the developing world.

Paladin's generous donation is another example of how HPIC works in partnership to bring health and hope to suffering people. "I am proud to have Paladin's continued support in our efforts to meet the health-care needs of the poorest people," said John Kelsall, President of HPIC.

"At Paladin we believe that we have a social responsibility to make a difference in the lives of Canadian patients and to those less fortunate in third world countries. Paladin looks forward to a long relationship with HPIC in providing much needed support overseas," said Jonathan Ross Goodman, President and CEO of Paladin Labs.

HPIC is a Canadian medical aid agency that distributes donated medicine and medical supplies to the poor. Since 1990, HPIC has delivered more than \$140 million (wholesale value) in aid to more than 100 countries. Further information on HPIC is available on the internet at: www.hpicanada.ca.

About Paladin Labs

Paladin Labs Inc., headquartered in Montreal, Canada, is a specialty pharmaceutical company focused on acquiring and 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.

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 and other factors that are discussed in the Management Discussion and Analysis published in the Company's annual report.

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