



**NEWS RELEASE**

**PALADIN ANNOUNCES NORMAL COURSE ISSUER BID**

**Montreal, Canada, February 17, 2005** – Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, today announced that it has received regulatory approval from the Toronto Stock Exchange (the “TSX”) to carry out a normal course issuer bid effective February 22, 2005. Paladin has been authorized to purchase up to 630,000 of its common shares, or approximately 10% of its public float of 6,300,990 common shares, in the twelve-month period following the bid’s effective date. As at February 17, 2005, Paladin has 14,858,469 common shares issued and outstanding.

Purchases under the bid, to be made through the facilities of the TSX only in accordance with the TSX’s requirements, may commence on February 22, 2005 and will terminate on February 21, 2006, or on such earlier date as Paladin may complete its purchases pursuant to the notice of intention to make a normal course issuer bid filed with the TSX. For any particular trade, the Corporation will not purchase common shares at a price higher than the price of the immediately preceding trade on the open market by independent parties. The common shares that the Corporation intends to acquire pursuant to the bid will be cancelled. The Corporation has not purchased any common shares in the past 12 months.

The Board of Directors of Paladin has concluded that the market price of Paladin’s common shares, from time to time, may not reflect the inherent value of the Corporation and purchases of common shares pursuant to the bid represent an attractive use of the Corporation’s funds.

**About Paladin Labs**

Paladin Labs Inc., headquartered in Montreal, Canada, is a specialty 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 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](http://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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