



Press Announcement

FOR IMMEDIATE RELEASE

GENERIC COMPETITION OF URISPAS[®] EXPECTED IN 2002

Montreal, Canada, November 20, 2001 – Paladin Labs Inc. (TSE:PLB) today announced that it expects generic competition to Urispas[®] to emerge in 2002. Urispas[®] (flavoxate hydrochloride) is used by Canadian urologists in the treatment of urinary incontinence. Urispas[®] represents only 20% of Paladin's current revenues compared to 30% in the previous year. The diminishing importance of Urispas[®] to Paladin is due to the success of our strategy of acquiring promising specialty pharmaceuticals.

“We have been anticipating generic competition and have an established strategy to defend our brand. This year is an exciting year for Paladin having launched six new innovative products including Androderm[®], Canada's only approved testosterone patch, and Muse[®], an alternative treatment for erectile dysfunction. We expect that any decrease in Urispas[®] sales will be more than offset by the contribution of new or recently launched products,” said Jonathan Goodman, President and Chief Executive Officer at Paladin Labs Inc.

Since 1997, Paladin has acquired or launched more than 40 products with 8 being in urology. The Company expects to continue actively adding to its portfolio with its \$22 million of cash and will update shareholders on a regular basis.

About Paladin Labs Inc.

Paladin Labs, 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.paladin-labs.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:

Paladin Labs Inc.

Samira Sakhia, Chief Financial Officer

Tel: 514-340-5067

E-mail: ssakhia@paladin-labs.com

Web Site: www.paladin-labs.com

The Equicom Group Inc.

Joanna Longo, Account Manager

Tel: 416-815-0700 ext.233

E-mail: jlongo@equicomgroup.com

Web Site: www.equicomgroup.com