



Press Announcement

FOR IMMEDIATE RELEASE

PALADIN & NOVARTIS SIGN LICENSE AGREEMENT FOR CANADIAN RIGHTS TO ROGITINE[?]

Montreal, Canada, November 5, 2001 – Paladin Labs Inc. (TSE:PLB) today announced the acquisition of the Canadian rights to Rogitine[®] (phentolamine mesylate injection) from Novartis Pharmaceuticals Canada Inc. Terms of the license agreement were not disclosed and the effective date of the acquisition will be January 2, 2002.

Rogitine[®] is an alpha-adrenoreceptor blocker and is indicated to prevent and control hypertensive episodes in patients with pheochromocytoma. There have been numerous publications on the use of Rogitine[®], in combination with other products, for the treatment of erectile dysfunction. Rogitine[®] sales are well established in Canada, reaching approximately \$500,000 during the past twelve-month period.

“We are extremely pleased to complete our second transaction this year with Novartis. For Paladin, the acquisition of a proven product will result in contribution to our bottom line in 2002 and will further strengthen our portfolio of products used by Canadian urologists,” said Jonathan Goodman, President and Chief Executive Officer at Paladin Labs Inc.

“We are happy to be working with Paladin in this way,” stated Jean Gu erin, Vice-President Mature Products and Business Development and Licensing of Novartis Pharmaceuticals Canada Inc. “Paladin is a leading specialty pharmaceutical company in Canada and these transactions ensure that a medically necessary product such as Rogitine[®] is kept available to Canadian physicians and patients.”

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.

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