



Press Announcement

FOR IMMEDIATE RELEASE

PALADIN LABS INC. APPOINTS NEW DIRECTOR

Montreal, Canada, February 7, 2001 – Paladin Labs Inc. (“Paladin”) (TSE:PLB) is pleased to announce the appointment of Mr. Michael M. Tarnow to the Company’s Board of Directors.

Mr. Tarnow is a prominent figure in the pharmaceutical industry with over 26 years of experience. His extensive history with Merck & Co., Inc. from 1973 to 1995 culminated in appointments to positions of high responsibility, including Executive Vice President of Merck Managed Care-Medco, and President and Chief Executive Officer of Merck Frosst Canada Inc. From 1995 to 2000, Mr. Tarnow served as President, CEO and Director of Creative Biomolecules, Inc., a developmental-stage biotech company. Mr. Tarnow is currently President and Principal of Huntington Venture, LLC, a venture capital firm investing in and advising biotechnology and healthcare companies. Mr. Tarnow is a director on a number of corporate boards in the health care industry.

President and CEO of Paladin Jonathan Goodman welcomed Mr. Tarnow to the Board, adding: “Mr. Tarnow brings extensive knowledge and experience to Paladin’s Board of Directors. We are confident that Michael’s experience with marketing and sales organizations which focus on Canada will be of tremendous benefit to Paladin.

About Paladin Labs Inc.

Paladin Labs, headquartered in Montreal, Quebec is a Canadian developer, marketer and distributor of innovative pharmaceuticals currently offering products in urology, dermatology, rheumatology and other specialty markets. For more information about Paladin, please visit the Paladin Web Site at www.paladin-labs.com or send e-mail to info@paladin-labs.com.

Paladin Labs Inc. is a public company whose shares trade on the Toronto Stock Exchange under the symbol *PLB*.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. 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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