



Press Announcement

FOR IMMEDIATE RELEASE

Paladin Labs Inc. announces TPP approval for Aphera®

Montreal, PQ – December 19, 2000 – Paladin Labs Inc. (“Paladin”) (TSE: PLB) today announced that the Therapeutic Products Programme (“TPP”) granted Aphera® a Notice of Compliance permitting the sale of Aphera® in Canada.

In August 1998, Paladin acquired the exclusive Canadian license to Aphera® (5% amlexanox paste) from Access Pharmaceuticals, Inc. (AKC: American Stock Exchange). Aphera® is indicated for the treatment of aphthous ulcers of the mouth in people with normal immune systems.

Jonathan Goodman, President & CEO of Paladin stated, “This product is an important addition to our company. Aphera® is approved for sale in the United States and is being marketed by Block Drugs under the trademark Aphthasol®. We are confident that Paladin will be able to establish this brand as first line therapy for the treatment of aphthous ulcers.”

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*.

About Access Pharmaceuticals, Inc.

Access Pharmaceuticals is an emerging pharmaceutical company focussed on developing both novel low development risk product candidates and technologies with longer-term major product opportunities. In conjunction with Block Drug Company, Access has developed Aphthasol®, the only FDA-approved product for the treatment of canker sores, and is developing amlexanox for mucositis and other topical diseases. Access is currently developing a unique polymer platinate for use in the treatment of cancer and is developing in conjunction with its partner Strakan, Ltd a topical zinc delivery system called Residerm™ that provides rapid delivery and reservoir of a drug in the skin.

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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