



Neurocrine Biosciences, Inc. Completes Sale of Its Neurosteroid Program And Canadian Affiliate, Neuroscience Pharma (NPI) Inc. to Paladin Labs

December 21, 1999

SAN DIEGO, Dec. 21 /PRNewswire/ -- Neurocrine Biosciences, Inc. (Nasdaq: NBIX) announced today that it has signed a definitive agreement with Paladin Labs Inc. (Vancouver: PLB) for the sale of exclusive worldwide rights to Neurocrine's neurosteroid program as well as the sale of its Canadian affiliate, Neuroscience Pharma, (NPI) Inc. Under the terms of the Agreement, Neurocrine will receive approximately \$2.0 million and will receive royalties on worldwide product sales.

"This agreement will provide Paladin with all pre-clinical and clinical data as well as technology and know-how for the development of neurosteroids for human therapeutic indications. Neurocrine's decision to terminate its neurosteroid program will allow the company to focus on its five clinical development programs in other fields. We believe this is an excellent way of capturing value for this asset and allows Neurocrine to strengthen its balance sheet and participate in the future success of this program through royalties on commercialized compounds from Paladin's neurosteroid program," said Gary A. Lyons, President and Chief Executive Officer of Neurocrine Biosciences Inc.

Jonathan Goodman, President & Chief Executive Officer of Paladin stated, "We are excited to gain exclusive access to Neurocrine's neurosteroid program for a world market. Our intention is to use Neurocrine's extensive pre-clinical and clinical data as the foundation from which to further our own neurosteroid program. In 1999, we have successfully secured the rights to over 15 new compounds and are proud to add Neurocrine as one of our strategic partners."

The closing of this transaction is subject to the approval of the Canadian regulatory authorities.

About Neurocrine Biosciences, Inc.

Neurocrine Biosciences is a leading neuroscience company focused on the discovery and development of novel therapeutics for neuropsychiatric, neuroinflammatory and neurodegenerative diseases and disorders. The Company's neuroscience, endocrine and immunology disciplines provide a unique biological understanding of the molecular interaction between central nervous, immune and endocrine systems for the development of therapeutic interventions for anxiety, depression, Alzheimer's disease, insomnia, stroke, malignant brain tumors, multiple sclerosis, obesity and diabetes.

Neurocrine Biosciences, Inc. news releases are available free of charge through PR Newswire's Company News On-Call fax service. For a menu of Neurocrine's previous releases, or to receive a specific release via fax call: (800) 758-5804, ext. 604138, or use the Internet via <http://www.prnewswire.com>.

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 Canadian Venture Exchange under the symbol PLB.

In addition to historical facts, this press release contains forward looking statements that involve a number of risks and uncertainties. Among the factors that could cause actual results to differ materially from those indicated in the forward looking statements are risks and uncertainties associated with Neurocrine's research and development programs and business and finances including, but not limited to, risks and uncertainties associated with, or arising out of, drug discovery, pre-clinical and clinical development of products including risk that research may not generate development candidates, development candidates will not successfully proceed through early clinical trials or that in later stage clinical trials will not show that they are effective in treating humans; determinations by regulatory and governmental authorities; changes in relationships with strategic partners and dependence upon strategic partners for performance of clinical and commercialization activities under collaborative agreements including potential for any collaboration agreement to be terminated without any product success; uncertainties relating to patent protection and intellectual property rights of third parties; impact of competitive products and technological changes; availability of capital and cost of capital; and other material risks. A more complete description of these risks can be found in the Company's Form 10K for the year ended December 31, 1998 and the current form 10Q each of which should be read before making any investment in Neurocrine common stock. Neurocrine undertakes no obligation to update the statements contained in this press release after the date hereof.

SOURCE Neurocrine Biosciences, Inc.

Web site: <http://www.paladin-labs.com> <http://www.neurocrine.com>

Company News On-Call: <http://www.prnewswire.com/comp/604138.html> or fax, 800-758-5804, ext. 604138

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