



For Immediate Release

Ondine awarded QTDP Grant for Non-Antibiotic MRSA Decolonization Technology

VANCOUVER, B.C. – November 4, 2010 – Ondine Biomedical Inc., formerly Ondine Biopharma Corporation, (TSX: OBP; AIM: OBP) (the “Company”) today announced that its Bothell, Washington based subsidiary, Ondine Research Laboratories, Inc. (“ORL”) has been awarded a grant in the amount of US\$244,479 under the Qualifying Therapeutic Discovery Project (QTDP) tax credit program. ORL was awarded funding to support continuing research and development for the MRSAid™ product for non-antibiotic nasal decolonization of *Staphylococcus aureus* and methicillin-resistant *Staphylococcus aureus* (“MRSA”).

“We are pleased to have been selected for this award under the QTDP program,” stated Dr. Cale Street, ORL’s Vice President of Research and MRSAid™ Program Manager. “The award provides endorsement and support for continued development of MRSAid™ as an important barrier to transmission of healthcare-acquired pathogens. Our successful application indicates national recognition of the importance of developing and supporting non-antibiotic microbicidal therapies for MRSA decolonization, as well as those pathogens responsible for other deadly hospital-acquired infections.”

The QTDP program was created to support innovative medical research by small life sciences companies and to assist in the development of novel cost-saving therapies as part of the Patient Protection and Affordable Care Act of 2010. Cash grants were awarded based on a competitive application process after evaluation by the National Institutes of Health and the Internal Revenue Service. The maximum amount of each grant awarded under this multi-million dollar program was \$244,479. Grants and tax credits were awarded to projects that "show the greatest potential to create and sustain high-quality, high-paying jobs in the United States and to advance our competitiveness in the fields of life, biological, and medical sciences."

About MRSAid™ and MRSA Decolonization

The MRSAid™ system, based on Ondine's Photodisinfection platform, provides a safe and effective approach to elimination of MRSA and other pathogenic bacteria from the nasal passages. MRSA is a highly pathogenic strain of *Staphylococcus aureus* that evolved in both community and healthcare environments to become resistant to a wide range of modern antibiotics. Those patients colonized with MRSA face up to a 30% chance of self-infection, longer hospitalization times and dramatically increased cost of care. MRSAid™ offers distinct advantages over traditional topical antibiotic therapies including: 1) absence of development of bacterial resistance, 2) elimination of patient compliance issues associated with a multi-day treatment schedule, and 3) immediate nasal decolonization.

About MRSA and Hospital Acquired MRSA Infections

The emergence of antibiotic resistant strains such as methicillin/multi-drug resistant *Staphylococcus aureus*, now commonly known as MRSA, has made an already serious problem much worse. MRSA was recently acknowledged by the Centers for Disease Control and Prevention (CDC) as a bigger killer than HIV/AIDS. The mortality rate is as high as 33% for patients with MRSA pneumonia and 50% for patients with MRSA sepsis. Hospital acquired infections (HAI's) and the rise of antibiotic resistance

have been identified as key global health issues. It is estimated that there are about 2.5 million HAI's each year in the U.S. alone leading to significant morbidity and mortality. It is estimated that 8-10% of patients in US hospitals will develop HAI's resulting in over 90,000 deaths and \$10-20 billion of extra costs to the health care system. *Staphylococcus aureus* (Staph) infections add on average \$34,000 extra to the cost of a hospital stay; MRSA infections can cost as much as US\$100,000.

Staphylococcus aureus, a Gram-positive bacterium, is one of the leading causes of skin and soft tissue HAI's and can lead to potentially deadly bacteraemias (sepsis). MRSA/Staph infections have been estimated to add \$4-5 billion of extra costs to the health care system, representing 25-50% of total infection related costs. Several States including Washington, California, Illinois, Pennsylvania, and New Jersey have responded to this health care crisis by legislating mandatory MRSA/Staph screening protocols across state hospitals, ICU facilities, and patients from long term care facilities. Many more jurisdictions are considering similar legislation. All 153 facilities within the Veterans Affairs Health Group, servicing about three-quarters of a million Americans, have recently introduced universal MRSA screening. In the United Kingdom, where screening and decolonization measures have been introduced and mandated, the rates of MRSA infections have been materially reduced saving both lives and millions of dollars.

About Ondine Biomedical Inc.

Ondine is developing non-antibiotic therapies for the treatment of a broad spectrum of bacterial, fungal and viral infections. The Company is focused on developing leading edge products utilizing its patented light-activated technology, primarily for the Hospital Acquired Infection market. Photodisinfection provides broad-spectrum antimicrobial efficacy without encouraging the formation and spread of antibiotic resistance. The Company is headquartered in Vancouver, British Columbia, Canada, with a research and development laboratory in Bothell, Washington, USA. For additional information, please visit the Company's website at: www.ondinebio.com and www.mrsaid.ca.

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

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