



For Immediate Release

UCL & Ondine Awarded £1 million by UK Medical Research Council to Develop Infection Prevention Technology for Catheters

Vancouver, Canada – January 18, 2011 - Ondine Biomedical Inc. (“Ondine” or the “Company”, TSX: OBP; AIM: OBP) today announced that University College London (UCL) Professors Ivan P. Parkin and Michael Wilson and colleagues, in collaboration with Ondine, have been awarded a Medical Research Council (MRC) Developmental Pathway Funding Scheme Award of £1 million to develop a light activated antimicrobial application for the prevention of catheter-associated infections such as urinary tract infections. This two and one-half year project is scheduled to initiate on February 1, 2011, and represents the first of its kind for Ondine.

This project will be managed by Professor Ivan Parkin, Head of the Department of Chemistry, UCL, and Professor Michael Wilson, Professor of Microbiology, UCL Eastman Dental Institute (“UCLEDI”), to take existing fundamental basic and clinical research findings towards the clinic. The stated purpose of the Award is to help strengthen the translation of fundamental research towards patient benefit. This project is intended to enhance the exclusive license that Ondine has with University College London on Light-Activated Antimicrobial Agents nanoparticle conjugates and mixtures, and leverages expertise acquired by Ondine during the development of Endowave™, a ventilator associated pneumonia (VAP) prevention product and MRSAid™, a MRSA nasal decolonization product based on photodynamic disinfection .

"We consider this initiative to be a significant step towards the development of a major class of new medical devices that may have the potential to reduce the number of urinary tract infections acquired in hospital, thereby significantly reducing healthcare costs," stated Professor Ivan Parkin. "Furthermore, proof of concept for application to urinary catheters will demonstrate a step-change in the prevention of catheter associated infections (CAIs) and provide opportunity for the potential application of this novel approach to other catheter types, including Cardiovascular, Intravenous & Neurovascular catheters."

Professor Michael Wilson, Professor of Microbiology, UCLEDI, and Pro-Provost for Europe at UCL, stated: "What makes this undertaking unique is that the development work will be carried out by a multi-disciplinary team from clinics, academia and industry consisting of chemists, bacteriologists, photobiologists, medical laser physicists and clinicians experienced in the management of catheter-associated infections. This level of collaboration across a number of disciplines is clearly of tremendous benefit to the project and builds on many years of independent research, clinical experience and historic product development efforts."

"Ondine and UCL have a successful partnership that spans over ten years," said Derek Reay, Senior Business Manager of UCLB, the business development arm of University College London. "Together, we are recognized as global leaders in developing applications based on photodisinfection (also known as anti-microbial photodynamic therapy). Jointly, Ondine and UCL have developed the Periowave™ Photodisinfection System, a light activated antimicrobial technology for the dental market. Development of the anti-microbial catheter is a natural extension of our past research and is an ideal collaboration between our two groups. We are therefore very pleased for this opportunity to translate our collective expertise into a significant new product development initiative. Combining a research approach with upfront corporate integration has proven to be very effective. We look forward to working with Ondine on this, and future, development programs addressing antibiotic resistant pathogens and biofilm-based infections."

"The use of light activated antimicrobials to prevent catheter associated urinary tract infections leverages our existing product development efforts related to ventilator associated pneumonia as well as our clinical and regulatory expertise," said Carolyn Cross, Chairman and CEO of Ondine Biomedical Inc. "Successful results from this catheter associated infection prevention project would have immediate benefit in today's hospital environment, and translate into sizable savings of hospital costs and improve patient outcomes since urinary tract infections represent the largest source of healthcare-associated infections (HAIs). HAI's globally represent tens of billions of dollars of direct and indirect costs each year as HAIs prolong hospital treatment, increase morbidity and mortality. Photodisinfection, we believe, is ideally suited for this application given its proven antimicrobial efficacy combined with its excellent safety profile."

About Healthcare-Associated Infections

Healthcare-associated infections (HAIs) occur when a patient acquires an infection during the course of treatment at, or a visit to, a healthcare facility. The World Health Organization has called healthcare-associated infections one of the biggest causes of avoidable harm and unnecessary deaths in the developed world. Every year in the UK, hundreds of thousands patients develop HAIs that prolong hospital treatment, increase morbidity & mortality, and add an estimated £1 billion to healthcare costs. More than 5,000 people die every year as a result of these infections. In the US, 1.7 million HAIs occur annually, resulting in more than 99,000 deaths. On average, HAIs add 19 days to a patient's hospital stay, and increase medical expenses by more than US\$45,000. The US Centers for Disease Control and Prevention estimate that HAIs add \$35-\$45 billion in costs to the healthcare system every year.

About Urinary Tract Infections

Urinary tract infections, or UTIs, are the most common type of healthcare-associated infection, accounting for more than 30% of all reported cases. Urinary catheters, which are inserted in more than five million patients each year in the US, are associated with 75% of these infections. These patients are placed at higher risk of developing an infection in their urinary tract. Long term urinary catheterization is used on patients who are immobile. As a result of catheterization, UTIs affect 10%-12% of all urinary catheter users, adding billions of dollars in additional costs to the healthcare system, and killing over 13,000 patients in the US every year.

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 healthcare-associated infection (HAI) market. Photodisinfection provides broad-spectrum antimicrobial efficacy without encouraging the formation and spread of antibiotic resistance. The Company is based 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.

Forward-Looking Statements:

Certain statements contained in this release containing words like "believe", "intend", "may", "expect" and other similar expressions, are forward-looking statements that involve a number of risks and uncertainties. Factors that could cause actual results to differ materially from those projected in the Company's forward-looking statements include the following: market acceptance of our technologies and products; our ability to obtain financing; our financial and technical resources relative to those of our competitors; our ability to keep up with rapid technological change; government regulation of our technologies; our ability to enforce our intellectual property rights and protect our proprietary technologies; the ability to obtain and develop partnership opportunities; the timing of commercial product launches; the ability to achieve key technical milestones in key products and other risk factors identified from time to time in the Company's public filings.

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

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