

**ondine**



**For Immediate Release**

## **Ondine Biopharma Enters into Letter of Intent for Sale of Dental Healthcare Business**

*Proceeds will support expansion of the company's photodisinfection platform technology into fighting hospital-acquired infections and superbugs*

**VANCOUVER, B.C. - April 8, 2009** – Ondine Biopharma Corporation (TSX: OBP; AIM: OBP) today announced that it has entered into a non-binding letter of intent (“LOI”) with JS Dental Technologies Inc (“JSDT”), a Toronto-based privately held firm to purchase the Company’s Dental Healthcare Business. Subject to the execution of definitive agreements and Ondine shareholder approval, the proposed transaction would provide Ondine with continued economic benefits and cash flows to be used for the development of expanded applications of the Company’s photodisinfection platform technology. Periowave™, Ondine’s dental technology, is approved by Health Canada for the treatment of gum disease and other oral indications, and is used in approximately 400 dental offices and teaching schools across Canada.

Under the terms of the proposal Ondine will receive milestone payments subject to the acquirer reaching certain cumulative sales thresholds, or in the event of a subsequent sale to a third party, would receive participation payments from the proceeds of the sale. Ondine will also receive an up-front cash payment of C\$725,000, ongoing cash flows from royalties and manufacturing margins, and additional management consulting and product development fees.

“We believe that this proposed sale will ensure that Periowave™ not only continues to grow as a leading dental technology to combat gum disease, but will also be expanded to assist dental professionals in treating other oral infections,” said Carolyn Cross, Ondine’s Chairman and CEO. “Periowave™ is currently used by 12% of Canadian periodontists and in select European Union countries and pending the successful outcome of our application to the FDA, will become an important product in the U.S.”

Upon completion of the proposed transaction, Ondine will focus on further advancing its MRSAid™ nasal decolonization system, which kills bacteria in the nasal passages, a key reservoir for MRSA (methicillin-resistant *Staphylococcus aureus*) and significant source of MRSA infections. The company received a Health Canada license for the MRSAid™ system to combat MRSA in March 2009. According to Canadian Nosocomial Infection Surveillance Program figures, an estimated 220,000 Canadians develop hospital-acquired infections and approximately 8,000 die from these kinds of superbugs each year.

“Addressing the global issue of hospital-acquired infections is both a personal and professional passion. We plan to leverage the rigorous quality management system, regulatory process and

product development infrastructure we established during the commercialization of Periowave™ to bring MRSAid™, an important new tool in the fight against hospital-acquired infections, to market,” said Ms. Cross. “With the rise in both the prevalence of, and costs associated with MRSA infections and other superbugs in hospitals, we believe rapid patient screening should be followed by rapid MRSA decolonization procedures through technologies like MRSAid™ as they can reduce expensive patient isolation procedures and barrier precautions between patients, healthcare workers and visitors.”

### **About the Proposed Transaction**

Under the terms of the proposal, Ondine and JSDT will collaborate on sales and marketing of the Periowave™ photodisinfection technology. Ondine would receive a stream of milestone payments which range from \$200,000 to \$12.5 million based on cumulative sales thresholds ranging from \$10 million to \$1 billion achieved via the collaborative arrangement with JSDT. In the event of a subsequent sale to a third party, Ondine would receive, in lieu of further royalties and milestone payments, a percentage of all proceeds of such sale, up to a maximum of 40 percent in the first year and declining on a yearly basis to 5 percent in the sixth year and 2.5 percent thereafter. Ondine will also receive an up-front cash payment of C\$725,000, royalties, manufacturing margins, and management consulting and product development fees. Additional details of the proposed transaction will be released in connection with the filing of the Company’s information circular for the shareholders meeting.

### **About Ondine Biopharma Corporation**

Ondine Biopharma develops non-antibiotic therapies to treat a broad spectrum of bacterial, fungal and viral infections. The Company is focused on developing leading-edge products that utilize its patented light-activated technology to kill microbes without encouraging the formation and spread of antibiotic resistance. Ondine is a publicly-traded company listed on the Toronto and AIM stock exchanges under the symbol OBP. Ondine is headquartered in Vancouver, British Columbia, Canada, and has a research and development facility in Bothell, Washington, USA and an international office in St. Michael, Barbados. For additional information, please visit the Company's website at: [www.ondinebiopharma.com](http://www.ondinebiopharma.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 LOI is non-binding and there can be no assurances that the transaction contemplated by the LOI will be consummated. The transaction is subject to, among other things, negotiation of a definitive agreement and the Company receiving shareholder approval. A special resolution concerning the contemplated transaction will be*

*tabled at a meeting of the Company's shareholders which is expected to be held in mid May. It is anticipated that if approved the transaction will close shortly thereafter.*

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

**For further information please contact:**

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