

**ondine**



**For Immediate Release**

## **ONDINE COMPLETES SALE OF DENTAL BUSINESS**

*Ondine to Focus on MRSA Product, MRSAid™*

**VANCOUVER, B.C. - June 8, 2009** – Ondine Biopharma Corporation (the “Company” or “Ondine”, TSX: OBP; AIM: OBP), a medical technology company developing photodisinfection based products, today announced the Company has closed the sale of its Dental Healthcare Business to Periowave Dental Technologies, Inc. (“PDT”, formerly JS Dental Technologies, Inc.).

“The sale of the Dental Healthcare Business is a significant milestone for Ondine, enabling us to focus our attention and resources on the development of new products and applications of our platform technology, photodynamic disinfection. We have proven that the Ondine team can successfully develop a new technology, and bring it out of the labs and into the marketplace. We have acquired invaluable knowledge and experience, clinical/regulatory expertise, and a quality management system that not only places us as the global leader in photodynamic disinfection, but will also assist us with future product development initiatives.”, stated Carolyn Cross, Ondine’s Chairman & CEO. “In addition to developing next generation technologies for the dental market in support of PDT, Ondine plans to focus on the development and commercialization of MRSAid™, its non-antibiotic nasal decolonization system intended to reduce the rate of MRSA infections in hospitals and nursing homes. MRSAid™, which is approved in Canada and Europe, is the first of a number of products Ondine intends to introduce addressing the \$10 billion hospital acquired infection market.”

### **About the Transaction**

The closing of the sale follows the signing of the non-binding letter of intent on April 7, 2009, the approval of the Company’s shareholders on May 19, 2009, and the signing of the definitive agreement on June 5, 2009. Under the terms of the transaction, Ondine and PDT will collaborate on the continued development and commercialization of the Periowave™ photodisinfection technology. As part of the purchase price for the Dental Healthcare Business Ondine received an initial payment of \$725,000 from PDT and is entitled to receive, among other things, royalties and a potential stream of milestone payments of up to \$51.4 million on the successful attainment of cumulative revenue targets over ten years. In the event of a subsequent sale to a third party, Ondine will be entitled to receive, in lieu of further royalties and milestone payments, a percentage of all proceeds of such sale (net of transaction costs and amounts previously received as part of the purchase price), 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. In addition, the

Company is entitled to manufacturing margins for supplying PDT with Periowave™ product for at least two years pursuant to a manufacturing, sustaining and servicing agreement; and, subject to certain conditions, Ondine will receive management consulting fees of US \$50,000 per month for up two years pursuant to a management services agreement.

A copy of the definitive agreement and the other material auxiliary agreements will be made available on the SEDAR website at [www.sedar.com](http://www.sedar.com) on the Company's website at [www.ondinebiopharma.com](http://www.ondinebiopharma.com).

### **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 non-antibiotic 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 TSX Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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