

**ondine**



**For Immediate Release**

## **Ondine Announces Debt Financing**

**VANCOUVER, BC, June 30, 2010** – Ondine Biopharma Corporation (the “Company” or “Ondine”, TSX: OBP; AIM: OBP) a medical technology company developing photodisinfection based products, today announced that it has entered into a loan agreement with Carolyn Cross, Chairman, CEO and a shareholder of the Company, pursuant to which Ms. Cross has advanced the Company C\$500,000 (the “Loan”), demonstrating her continued support of the Company. Under the rules of the Toronto Stock Exchange, the Company is currently restricted from raising additional equity financing without first obtaining shareholder approval.

The Loan is due on September 1, 2010 and is secured by a first charge on the proceeds of any future financing transaction. The Loan is interest free until the due date, but thereafter, the principal amount will accrue interest at a rate of 5% per annum payable monthly. The proceeds of the Loan will be used for the continued research and development of new products based on the Company’s photodisinfection technology, including applications for the reduction of ventilator associated pneumonia (VAP) and for MRSAid™, the Company’s product for the decolonization of pathogenic bacteria, such as methicillin-resistant *Staphylococcus aureus* (MRSA), in the nose; for working capital; and for general corporate purposes.

The loan agreement entered into by the Company and Ms. Cross constitutes a related party transaction for the purposes of the AIM Rules for Companies (the “Related Party Transaction”). Accordingly, the directors of the Company (excluding Ms. Cross), having consulted with its nominated adviser, consider the terms of the Related Party Transaction to be fair and reasonable insofar as the Company’s shareholders are concerned.

The material change report in respect of this transaction was not filed at least 21 days in advance of the closing of the Loan as the Company was in need of the funds. The Company considers the shortened timeframe to be reasonable under these circumstances.

### **About Ondine Biopharma Corporation**

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. 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.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.

**For further information please contact:**

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