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PRESS RELEASE

Oasmia Pharmaceutical announces licensing agreement with Orion Corporation regarding new innovative ovarian cancer drug candidate, Paclical®.

Oasmia Pharmaceutical, Sweden and Orion Corporation, Finland, have entered a license and distribution agreement for marketing and sales of the human cancer drug Paclical® (micellar paclitaxel) in the Nordic region, encompassing Sweden, Denmark, Norway, Finland and Iceland. The product is currently entering Phase III development by Oasmia, with ovarian cancer as the target indication.

Orion receives the exclusive rights in the Nordic region to distribute and sell the product. Orion will also have first right of refusal for one more cancer drug candidate in the Oasmia product portfolio in this region. According to the agreement, Oasmia will receive payments of EUR 4 million, partly up front and partly subject to a successful development and regulatory process for Paclical®, as well as royalties from the sales.

Oasmia will be responsible for the clinical development, registration and production of Paclical®. Paclical® is currently entering into clinical phase III and further clinical studies in ovarian cancer are planned for the first quarter of 2008. Other indications will follow during the same year. Orion Corporation will be responsible for the distribution and sales in the Nordic region after registration.

- We are very pleased to announce our agreement with Orion, as the first in a number of upcoming agreements for the world-wide distribution of Paclical®. Orion, with its strong presence and long tradition in the Nordic region, is an ideal partner to reach cancer patients with our product in this region, which represents approximately five per cent of the world market for Paclical®. The market for taxanes currently exceeds EUR 61 million yearly in the region. We regard this agreement as the first step in a broader co-operation between Orion and Oasmia, says **Julian Aleksov, CEO** of Oasmia.

- Orion is pleased to work towards bringing new treatments for cancer patients. This product will offer an improved way to treat ovarian cancer and Oasmia's work in this field will hopefully materialise in other innovative treatments as well. For Orion's Urology and Oncology business area this is an important product, says **Timo Lappalainen, Senior Vice President of Proprietary Products division** at Orion.

About Paclical®

Paclical® is a novel water soluble, solvent-free nano particle formulation based on the well known cytotoxic agent paclitaxel. The unique properties of Paclical® are based on Oasmia's nanotechnologically produced excipient and micellar model XR-17 which is protected by international patents. The novel platform makes paclitaxel hydrophilic, makes premedication unnecessary, shortens the infusion time and facilitates the infusion.



About Oasmia

Oasmia Pharmaceutical AB develops next generation cancer drugs based on nanotechnology for human and veterinary use. The broad portfolio is focused on oncology and contains several promising products in clinical and pre-clinical phase. Oasmia co-operates with leading universities and other biotech companies to discover and optimize substances with a favourable safety profile and better efficacy. The company was founded in 1998 and is based in Uppsala, Sweden. For more information, please visit: www.oasmia.com

About Orion

Orion is dedicated to treating and preventing disease by discovery and developing innovative medicinal treatments. In 2006, Orion generated sales of EUR 641.1 million and invested EUR 84.1 million in research and development. Orion Corporate headquarters are situated in Espoo, Finland and the company has approximately 3,060 employees. For more information, please visit: www.orion.fi/english/

More information is available at www.ngm.se or www.oasmia.com

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Oasmia Pharmaceutical AB is a pharmaceutical company that specialises in the treatment of severe diseases based on the latest concepts in bio-organic chemistry. Our vision is to improve the treatment of serious diseases. Primarily, this development is in oncology but Oasmia also conducts research in antibiotics, asthma and neurological diseases. Oasmia has in-house production capacity of pharmaceuticals for clinical trials, both company related and others. Oasmia has developed several products based on existing pharmaceuticals in a new environment, which leads to new solutions for cancer treatment. These products give Oasmia a solid product portfolio within oncology with several products in clinical or pre-clinical phase. Oasmia is listed on NGM Equity.