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PRESS RELEASE

Oasmia enters new important license agreement for Paclical® Vet with Orion Corporation

Oasmia Pharmaceutical has entered into a license agreement with the Animal Health business of Orion Corporation, Finland, for the veterinary product Paclical® Vet (paclitaxel). The agreement covers the Nordic countries and Poland, the Czech Republic and Hungary. According to the agreement, Oasmia will receive EUR 2 million in up-front payments plus significant royalties on all sales. Orion obtains exclusive sales and distribution rights for the included territories.

Paclical® Vet is a new cytostatic treatment for veterinary use, developed by Oasmia. Paclical® Vet is currently in clinical phase III. Another extensive international phase III study on mastocytoma in dogs will be initiated during spring 2008. The purpose is to ensure efficacy and safety in order to seek marketing authorisations for the product. If positive, Paclical® Vet will be the first cytostatic product to be registered for the treatment of dogs.

Oasmia is responsible for all clinical development and registration of Paclical® Vet. Oasmia has in 2007 already established a licensing agreement with Orion Corporation regarding Paclical® for human use.

- Orion Corporation has been leading in the Nordic region within animal health for a number of years. For Oasmia, they are an ideal partner in exploring this rapidly growing market. Together, we will be the first to explore this interesting field, comments Julian Aleksov, CEO of Oasmia.

- Oncology is one of the key therapeutic areas for Orion. Paclical® Vet ideally complies with our strategy and our goal to provide our customers with innovative products for unmet medical needs, such as the challenge of to treat cancer. For us, this agreement with Oasmia means expanded collaboration with a company dedicated to innovative technologies and seeking new treatment approaches, says Satu Ahomäki, Senior Vice President heading the Animal Health business of Orion.

Today, there are 140 million dogs only in the EU and the US. The market, calculated as the number of dogs over six years old in the EU and the US of which 40 % will suffer from cancer, totals 1,5 billion USD. The Nordic region accounts for 3-4 % of the total world market. The market for Paclical® Vet is estimated to reach 350 to 650 million EUR in year 5 to 10 after registration.

About mastocytoma (Skin cancer)

Mastocytoma is a malignant form of cancer, originating from the mastocytom cells of the skin. The disease is graded I – III depending on the seriousness of the disease. This form of cancer accounts for approximately 20 % of all malignant skin tumours in dogs. Today, the most common form of treatment is surgery, although chemotherapy developed for human use is also used. Unfortunately, surgery as a treatment of grade III tumours is ineffective, and euthanization is often the only remaining alternative.



About Paclical® Vet

Paclical® Vet is a water soluble, solvent free nanoparticle formulation, based on the well-known cytotoxic substance paclitaxel. It's unique properties are based on Oasmia's nanotechnological formulation and micellar model XR-17, which is protected by international patents. The new Oasmia platform means that paclitaxel is water-soluble, that no premedication is necessary, infusion times can be shortened and infusion procedure can be made more effective.

About Oasmia

Oasmia Pharmaceutical AB develops second and third 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 cooperates 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.

About Orion

Orion is a European pharmaceutical and diagnostics company which emphasises the development of innovative medicinal treatments and diagnostic tests for global markets. Orion develops, manufactures and markets pharmaceuticals for humans and animals, active pharmaceutical ingredients as well as diagnostic tests. Orion's clientele consists mainly of healthcare service providers and professionals. The Group's net sales in 2007 were EUR 683.6 million and in the end of 2007 there were 3 176 employees working for the Group. Orion's stocks are listed in OMX Nordic Exchange Helsinki.

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

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