

Press release, December 16, 2010

Orexo and Boehringer Ingelheim report progress in their pain and inflammatory diseases collaboration

Uppsala/Sweden and Ingelheim/Germany, December 16, 2010 - Orexo AB (STO: ORX) and Boehringer Ingelheim announced today that Boehringer Ingelheim has selected a development candidate resulting from the worldwide exclusive research, development and commercialisation agreement which Boehringer Ingelheim had signed in November 2005 with Biolipox, a Swedish research-based pharmaceutical company acquired by Orexo in October 2007. The aim of the collaboration is to develop a new class of medication with a novel mechanism of action for the treatment of pain and inflammatory diseases. The selection of a development candidate has triggered a milestone payment of € 6.5 million (59 mSEK) to Orexo.

The terms of the agreement foresee further potential milestone and royalty payments. Boehringer Ingelheim is responsible for all further compound development and marketing. In the Nordic and Baltic countries Orexo has the option to co-promote the products arising from this collaboration. The co-promotion option would enable Orexo to build up its own commercialisation capabilities within the field of inflammatory pain.

The collaboration is focused on Orexo's initial research on prostaglandin (PGE₂). PGE₂ is an endogenous substance of the human body that is central to various inflammatory processes. The project is aiming at the development of a medication which specifically targets PGE₂ synthesis inhibition. Such selective inhibition could lead to a compound with the potential for fewer side effects than existing pain and inflammation medications, such as the NSAIDs.

"We are delighted to report this significant progress in our collaboration with Boehringer Ingelheim, a global player with expertise in the inflammatory pain area and an excellent partner for Orexo. By combining our skills and resources, we are convinced that new and better drugs will sooner be available, for millions of patients," says Dr Torbjörn Bjerke, President and Chief Executive Officer of Orexo.

“We remain impressed by the quality of Orexo’s expertise in the area of arachidonic acid pathways”, says Prof. Wolfgang Rettig, Corporate Senior Vice President Research at Boehringer Ingelheim. “The medical need in the area of pain and inflammation is considerable and this collaboration has the potential to address the patients’ and physicians’ need for a new treatment regarding safety and efficacy.”

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To the editors:**About Orexo**

Orexo is a pharmaceutical company focusing on developing treatments for pain and inflammation. Orexo is developing proprietary products based on its proven reformulation technologies, targeted at the Specialty Pharmaceutical market. Orexo intends to commercialise some of these products itself in one or more major markets. Its development activity builds on Orexo’s core competences in R&D, which have previously resulted in several successful products, currently out-licensed through worldwide partnership agreements to larger pharmaceutical companies. Today, Orexo has four products on the market of which Abstral® is a leading product for the treatment of breakthrough pain in cancer patients in most of Europe. Orexo also has three significant partnerships with major pharmaceutical companies for research and development programs: discovery stage collaborations with Ortho-McNeil Janssen and Janssen Pharmaceutica in respiratory inflammation and with Boehringer Ingelheim for inflammation and pain, both within the arachidonic acid cascade and a clinical stage development agreement with Novartis in gastrointestinal disorders. Orexo’s head office is located in Uppsala, Sweden.

More information can be found at www.orexo.com.

About Boehringer Ingelheim

The Boehringer Ingelheim group is one of the world's 20 leading pharmaceutical companies. Headquartered in Ingelheim, Germany, it operates globally with 142 affiliates in 50 countries and more than 41,500 employees. Since it was founded in 1885, the family-owned company has been committed for 125 years to researching, developing, manufacturing and marketing novel products of high therapeutic value for human and veterinary medicine.

In 2009, Boehringer Ingelheim posted net sales of 12.7 billion euro while spending 21% of net sales in its largest business segment Prescription Medicines on research and development.

For more information please visit **www.boehringer-ingelheim.com**.

Note:

This is information that Orexo AB (publ.) is required to disclose pursuant to the Swedish Securities Markets Act. The information was provided for public release on December 16, 2010 at 09:00 a.m. CET.