

FOR MEDIA INFORMATION

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Orexo establishes sales force in Nordic markets, by entering into a joint venture with ProStrakan

Orexo (OMX Midcap:ORX.) has embarked on the next phase of its growth strategy by entering into a joint venture agreement with ProStrakan in the Nordic territories. Together Orexo and ProStrakan are establishing a sales operation, which will be owned equally. The new entity will have Nordic sales rights for both Orexo's and ProStrakan's portfolio which will include currently marketed and future products, Tostrex[®], Rectogesic[®] and Droperidol[®], followed by Rapinyl[™], Orexo's patented product for the treatment of cancer break through pain for which ProStrakan holds the European distribution rights, and ProStrakan's product Sancuso[®] for the prevention of chemotherapy-induced nausea and vomiting, both currently undergoing the European regulatory process.

ProStrakan's existing Swedish affiliate, ProStrakan AB, will be used as the joint venture company. Orexo is investing £1.3 million (SEK 17.9 million), through a directed share issue, to acquire 50% of it. The joint venture company will initially trade as ProStrakan AB from its offices located at Malmo, Sweden.

Orexo has grown over the past years by focusing on developing proprietary pharmaceuticals to address areas of unmet therapeutic need. This next phase in its development will enable Orexo's products, at launch, to immediately benefit from an established sales force in the Nordic region.

Zsolt Lavotha, President and CEO of Orexo AB said: "We have, in a short time, built up a market driven pharmaceutical company with a balanced advanced stage product portfolio and a proven business model. This joint venture represents a critical next step which will enable us to operate as an integrated pharmaceutical company with a sales and marketing structure in the Nordic region. This joint venture will furthermore provide us with market presence from day one with the sales of Tostrex[®], Rectogesic[®] and Droperidol[®]. At the same time we estimate that we through our network – and as a complement to Orexo's and ProStrakan's own products – will be able to generate more opportunities for new products through in-licensing and/or acquisitions"

Dr Wilson Totten, Chief Executive of ProStrakan, said:

“The Nordic countries are very important to ProStrakan and teaming up with Orexo will considerably boost the ability of both companies to enhance our performance in this market and increase sales. Orexo is an ambitious, fast-growing and successful business and it makes for a complementary partner for ProStrakan in this venture.

“Today’s announcement effectively sees the further development of our distribution network in major European countries and ensures that our products are effectively marketed in a cash efficient manner to as broad an audience across Europe as possible.”

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TO THE EDITORS

1. About Orexo

Orexo is a pharmaceutical company which focuses on identifying suboptimal therapeutic characteristics of existing products and developing more efficient and effective delivery methods for them. By combining approved active substances with Orexo's drug delivery technologies it is possible to significantly enhance their therapeutic value, such as providing quicker onset of action or ease of administration. This business model is aimed at bringing products to market faster with lower development risk and costs.

Orexo, which has its global headquarters and development laboratories in Sweden, currently operates across the world through development, licensing and distribution agreements in all major markets.

Orexo has a balanced portfolio with two products on the market, three in registration and/or late stage clinical phase and two under formulation development.

Orexo is listed on the OMX Nordic List Mid Cap (ticker;ORX) .

2. About Orexo's technology

Orexo's product and development endeavours are based on its innovative expertise in a wide variety of drug delivery formulations, with focus on dry formulations.

3. About Rapinyl™

Rapinyl™ is a patented product for the management of breakthrough cancer pain. ProStrakan is already Orexo's partner for registration, development and marketing of Rapinyl™ in Europe.

Rapinyl™ also has registration, development and marketing agreements in the following countries:

- US – Endo Pharmaceuticals
- Japan – Kyowa Hakko
- Russia, Romania, Bulgaria – Gedeon Richter

4. About ProStrakan

ProStrakan Group plc is one of Europe's fastest growing speciality pharmaceutical companies. ProStrakan is engaged in the development and commercialisation of prescription medicines for the treatment of unmet therapeutic needs in major markets. Based in the UK, the company also markets a range of products in major EU markets through its commercial operations in the UK, Germany, France and Spain. ProStrakan is listed on the main London Stock Exchange.

Sancuso®

Sancuso® is ProStrakan's proprietary transdermal patch containing granisetron, proposed to be indicated for the prevention of chemotherapy-induced nausea and vomiting. It is currently undergoing the regulatory approval processes of both Europe and the USA.

Tostrex®

Tostrex® is 2% testosterone gel for use in hypogonadal men.

Rectogesic®

Rectogesic® is indicated for the relief of pain associated with chronic anal fissures.

Droperidol®

Droperidol® is a branded injectable solution used to treat post-operative nausea and vomiting.