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PRESS RELEASE

Paccal Vet® update on the European Regulatory process

Oasmia Pharmaceutical AB will address the European Medicines Agency's (EMA) concern of the benefit to risk assessment regarding Paccal® Vet. Therefore Oasmia has decided following formal procedure; to withdraw the application for marketing authorization for Paccal® Vet from the European Medicines Agency (EMA) and to re-submit the application with additional, complementary data for final approval of Paccal® Vet. The withdrawal of the European application does not affect the on-going approval process for Paccal® Vet in the USA.

Oasmia's clinical Phase III study in dogs with non-resectable grade II or III mast cell tumours in dogs was successful in demonstrating a statistically significant treatment effect in favour of Paccal®Vet over Lomustine (positive control). However, the CVMP (Committee for Medicinal Products for Veterinary use at EMA) expressed their concern regarding the benefit to risk assessment and Oasmia has therefore decided to withdraw the application in order to provide complementary data on a positive benefit-risk balance for the product. The file including the additional data will be re-submitted for a final approval of Paccal® Vet.

About Paccal® Vet

Paccal® Vet is a novel formulation composed of Oasmia Pharmaceutical's patented excipient XR-17 and the anti-cancer substance paclitaxel. XR-17 is a nanotechnologically produced entity which can be used in order to improve the solubility of substances, such as paclitaxel, one of the most frequently used chemotherapeutic substances in the world. Many chemotherapeutic drugs based on paclitaxel are usually dissolved in lipid soluble formulations, which are associated with a range of side-effects. In humans they can usually be controlled with pre-medication, but in dogs the reaction is often fatal despite pre-medication. Paccal® Vet is free from the lipid soluble formulation-related side effects.

About Oasmia Pharmaceutical AB

Oasmia Pharmaceutical AB develops a new generation of drugs within human and veterinary oncology. The product development aims to manufacture novel formulations based on well-established cytostatics which, in comparison with current alternatives, show improved properties, a reduced side-effect profile and an expanded therapeutic area. The product development is based on in-house research within nanotechnology and company patents. The company share is listed on NASDAQ OMX Stockholm and the Frankfurt Stock Exchange.

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"Oasmia is required under the Financial Instruments Trading Act to make the information in this press release public. The information was submitted for publication at 7.20 a.m. CET March 9, 2012."