

Ore Pharmaceutical Holdings Inc. Announces \$5.3 Million Investment by Steel Partners

CAMBRIDGE, Mass., Oct 22, 2010 (BUSINESS WIRE) --

Ore Pharmaceutical Holdings Inc. (OTC: ORXE.PK), announced today that Steel Partners, Ltd. has completed a \$5.3 million combined debt and equity investment in the Company. The investment is composed of an equity investment of \$1.1 million (3,125,000 newly issued Common Shares priced at \$0.35 per share) and a note with a five year maturity for \$4.2 million. As part of the transaction, Steel has been provided with the right to nominate two new directors to the Company to replace two current directors, who have resigned in conjunction with the transaction.

"We are very excited about this transaction," said J. Stark Thompson, PhD, Chairman of the Ore Board of Directors. "This investment by Steel provides significant capital for Ore to put to work as it pursues new opportunities to acquire profitable businesses that can operate under the Ore umbrella. I look forward to working with the new Board of Directors and Steel Partners to implement this strategy and find new ways to create value for Ore shareholders." As part of the transaction, Jack Howard, one of the new Steel directors, will become Chairman of the Board.

p-Value Capital Management, LLC, a specialized healthcare asset management firm, has been managing Ore under a management services agreement, including providing Ore with its senior executive team. In conjunction with this transaction and the new corporate strategy, p-Value will terminate its current management agreement. p-Value will continue to work with the Company on a consulting basis to assist the new Ore Board with the ongoing clinical trial of its lead development-stage pharmaceutical product ORE-1001, as well as other operating activities.

As previously disclosed, Ore has suspended its SEC registration and no longer provides financial or other information through SEC filings. Ore intends to continue providing quarterly and financial information about the company on its web site, www.orepharma.com, as well as through other distribution methods it may identify, and to stockholders directly upon written request.

Ore Pharmaceutical Holdings Overview

Ore Pharmaceutical Holdings Inc. (the "Company") is currently focused on developing and monetizing its current portfolio of pharmaceutical assets, which includes four clinical-stage compounds in-licensed from major pharmaceutical

companies: ORE1001, its lead compound, ORE10002, ORE5002 (tiapamil) and ORE5007 (romazarit).

Safe Harbor Statement

This press release contains "forward-looking statements," as such term is used in the Securities Exchange Act of 1934, as amended. Such forward-looking statements include our ability to identify strategies for making our businesses successful and the impact of such strategies on our business and financial performance and on shareholder value. Forward-looking statements typically include the words "expect," "anticipate," "believe," "estimate," "intend," "may," "will," and similar expressions as they relate to Ore Pharmaceutical Holdings or its management. Forward-looking statements are based on our current expectations and assumptions, which are subject to risks and uncertainties. They are not guarantees of our future performance or results. Our actual performance and results could differ materially from what we project in forward-looking statements for a variety of reasons and circumstances, including particularly risks and uncertainties that may affect the Company's operations, financial condition and financial results and that are discussed in detail in our Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission. They include, but are not limited to: whether we will be able to manage our existing cash adequately and whether we will have access to financing on sufficiently favorable terms to maintain our businesses and effect our strategies; whether the compounds we develop will be commercially viable; whether we will be able to begin to generate sufficient new revenue from licensing or other transactions early enough to support our operations and continuing compound development; whether we will be subject to a claim related to the assignment of our Cambridge facility lease, as guarantor of such lease; whether we will be able to obtain, and maintain, a listing on the OTC Bulletin Board or other public market ; whether we will be able to attract and retain qualified personnel for our business; and potential negative effects on our operations and financial results from workforce reductions and the transformation of our business. Ore Pharmaceutical Holdings Inc. undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE: Ore Pharmaceutical Holdings Inc.

Ore Pharmaceutical Holdings Inc.
Bob Pelletier, 617-649-2001

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