UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 000-21243

OncoGenex Pharmaceuticals, Inc.

(Exact name of the registrant as specified in its charter)

Delaware	**95-4343413**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1522 217 th Place SE, Suite 100, Bothell, Washington 98021
(Address of principal executive offices, including zip code)

(425) 686-1500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Exchange on Which Registered**
Common Stock, par value $0.001 per share	The NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 of 15(d) of the Act.Yes ☐ No ☑

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.). Yes ☐ No ☑

As of June 30, 2009, the aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant was $97,175,075. As of March 4, 2010, 6,333,685 shares of the registrant's Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement to be filed with the Securities and Exchange Commission not later than April 30, 2009, in connection with the solicitation of proxies for its 2010 Annual Meeting of Shareholders, are incorporated by reference into Items 10, 11, 12, 13 and 14 of Part III hereof.

OncoGenex Pharmaceuticals, Inc.

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PART I

References in this Form 10-K to "OncoGenex Pharmaceuticals", "OncoGenex", the "Company", "we", "us" or "our" refer to OncoGenex Pharmaceuticals, Inc. and its wholly owned subsidiaries. The information in this Form 10-K contains certain forward-looking statements, including statements related to clinical trials, regulatory approvals, markets for the Company's products, new product development, capital requirements and trends in its business that involve risks and uncertainties. The Company's actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include those discussed in "Business", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as those discussed elsewhere in this Form 10-K.

ITEM 1. BUSINESS

Overview of Our Business

OncoGenex is a biopharmaceutical company committed to the development and commercialization of new cancer therapies that address unmet needs in the treatment of cancer. OncoGenex has five product candidates in its pipeline, namely, OGX-011, OGX-427, OGX-225, SN2310 and CSP-9222, with each product candidate having a distinct mechanism of action and representing a unique opportunity for cancer drug development.

Product Candidates Overview and Recent Developments

Our product candidates OGX-011, OGX-427 and OGX-225 focus on mechanisms of treatment resistance in cancer patients and are designed to address treatment resistance by blocking the production of specific proteins which we believe promote survival of tumor cells and are over-produced in response to a variety of cancer treatments. Our aim in targeting these particular proteins is to disable the tumor cell's adaptive defenses and thereby render the tumor cells more susceptible to attack with a variety of cancer therapies, including chemotherapy, which we believe will increase survival time and improve the quality of life for cancer patients. Product candidate SN2310 is a novel camptothecin for the treatment of cancer. Camptothecins are potent anticancer agents that belong to the family of drugs called topoisomerase I inhibitors that bind reversibly to the TOPO-I-DNA complex causing breaks in the DNA strands during replication resulting in cell death. Product candidate CSP-9222 is the lead compound from a family of compounds, which have been in-licensed from Bayer Healthcare LLC ("Bayer"), that demonstrates activation of programmed cell death in pre-clinical models.

OGX-011

In December 2009, we announced that our wholly-owned subsidiary, OncoGenex Technologies Inc. ("OncoGenex Technologies"), entered into a Collaboration and License Agreement ("Collaboration Agreement") with Teva Pharmaceutical Industries Ltd. ("Teva"), for the development and global commercialization of OGX-011 (and related compounds targeting clusterin, excluding OGX-427 and OGX-225). In connection with the Collaboration Agreement, OncoGenex and Teva developed a Clinical Development Plan (the "Clinical Development Plan") under which the following three phase 3 clinical trials will be initiated:

- a phase 3 clinical trial of OGX-011 in approximately 300 patients with second-line castrate resistant prostate cancer ("CRPC"), expected to initiate in the second quater of 2010 subject to institutional review board approval and patient screening. OncoGenex will have primary responsibility for the oversight of this trial;
- a phase 3 clinical trial of OGX-011 in approximately 800 patients with first-line CRPC, expected to initiate in the third quater of 2010. Teva will have primary responsibility for the oversight of this trial; and
- a phase 3 clinical trial of OGX-011 in at least 700 patients with first-line non-small cell lung cancer ("NSCLC"), expected to initiate by early 2011. Teva will have primary responsibility for the oversight of this trial.

Under the Collaboration Agreement, Teva agreed to pay us upfront payments in the aggregate amount of $50 million, will pay up to $370 million upon the achievement of developmental and commercial milestones and will pay royalties at percentage rates ranging from the mid-teens to mid-twenties on net sales. We have an option to co-promote OGX-011 in the United States and Canada.

In connection with the Collaboration Agreement, the Company and Teva also entered into a stock purchase agreement (the "Stock Purchase Agreement") pursuant to which Teva made an additional $10 million equity investment in OncoGenex at a 20% premium to a thirty-day average closing share price.

Funding responsibilities for the Clinical Development Plan have been allocated as follows:

- We are required to contribute $30 million towards development of OGX-011 which will include our personnel costs for certain development activities; and
- Teva is required to fund all other expenses under the Clinical Development Plan.

In addition to the development costs noted above, Teva is also responsible for all costs relating to product commercialization, including any costs incurred in relation to our co-promotion option, except for start-up costs of any exercised co-promotion activities in advance of commercialization. For a detailed discussion of the terms of the Collaboration Agreement, refer to the discussion under the heading "License and Collaboration Agreements — *Teva Pharmaceutical Industries Ltd."*

OncoGenex has conducted five phase 2 clinical trials to evaluate the ability of OGX-011 to enhance the effects of therapy in prostate, non-small cell lung and breast cancers. Results have been presented for each of these phase 2 studies. OncoGenex has designed phase 3 registration clinical trials to evaluate the clinical benefit of OGX-011 in first and second-line CRPC. Together with Teva, we are in the process of designing a phase 3 registration trial with respect to NSCLC. Refer to the discussion below under the headings "Summary of OGX-011 Product Registration Strategy" and "Summary of Results of OGX-011 Phase 2 Clinical Trials" for further details.

OGX-427

OGX-427, an inhibitor of heat shock protein 27, is being evaluated in a phase 1 clinical trial to evaluate safety for OGX-427 administered alone, as well as in combination with docetaxel chemotherapy ("docetaxel"), in patients with various types of cancer. Enrollment in the OGX-427 monotherapy aspect of the phase 1 clinical trial is complete. Enrollment in the OGX-427 in combination with docetaxel aspect of the clinical trial is ongoing. A second investigator-sponsored phase 1 clinical trial evaluating OGX-427 when administered directly into the bladder in patients with bladder cancer was initiated in August 2009. The study, which will enroll up to 36 patients with bladder cancer, is designed to determine the safety and potential benefit of OGX-427 administered directly into the bladder using a catheter, which is known as intravesical instillation. In addition, the study will measure the direct effect of OGX-427 on expression of Hsp27 in bladder tumor cells as well as determine the pharmacokinetics and pharmacodynamics of OGX-427 when delivered by intravesical instillation.

In January 2010, we announced that an investigator-sponsored phase 2 clinical trial evaluating OGX-427 when administered as a monotherapy to patients with CRPC has received grant funding. The randomized, controlled phase 2 study will enroll up to 72 patients and is designed to determine the potential benefit of OGX-427 by evaluating the number of patients who are without disease progression at 12 weeks post-study treatment, with or without OGX-427.

SN2310, OGX-225 and CSP-9222

SN2310 was evaluated in a phase 1 clinical trial to evaluate safety in patients with advanced cancer who have received on average 3 to 5 prior chemotherapy treatments. The phase 1 clinical trial has been completed. We are currently exploring options to out-license this product candidate.

OGX-225 is a second generation antisense drug which in preclinical experiments, inhibits production of both Insulin Growth Factor Binding Protein 2 ("IGFBP-2") and Insulin Growth Factor Binding Protein-5 ("IGFBP-5"). Increased IGFBP-2 or IGFBP-5 production is observed in many human cancers, including prostate, non-small cell lung, breast, ovarian, bladder, pancreatic, colon, acute myeloid leukemia, acute lymphoblastic leukemia, neuroblastoma, glioma and melanoma cancers. Increased IGFBP-2 or IGFBP-5 production is linked to faster rates of cancer progression, treatment resistance and shorter survival duration in humans.

Product candidate CSP-9222, in pre-clinical development, is the lead compound from a family of compounds, which have been in-licensed from Bayer Healthcare LLC ("Bayer"), that demonstrates activation of programmed cell death in pre-clinical models.

Financial Overview

In the fourth quarter of 2009, we recognized $25.5 million in collaboration revenue attributable to our upfront payment from Teva. Previously, we had not recognized any revenue. We have devoted substantially all of our resources to the development of our product candidates.

We incurred a loss for the year ended December 31, 2009 of $5.5 million and had a cumulative loss at December 31, 2009 of $53.5 million and expect to continue to incur increasing additional losses in the future as we continue our research and development activities.

To date, we have funded our operations primarily through the private and public placements of equity securities and upfront payments received from our Collaboration Agreement with Teva.

Management believes that additional human resources will be required to carry on existing development activities, though some of these costs will be passed through to Teva. We are unable to predict when, if ever, we or Teva will be able to commence the sale of OGX-011 or any of our other product candidates.

Recent Corporate History

On August 21, 2008, the Company, then named Sonus Pharmaceuticals, Inc., completed its acquisition (the "Arrangement") of OncoGenex Technologies, a Canadian corporation, as contemplated by the Arrangement Agreement between the companies dated May 27, 2008 (the "Arrangement Agreement"). As a result of the Arrangement, OncoGenex Technologies became a wholly-owned subsidiary of the Company. As used in this filing, the term "Sonus" is used to refer to the business of the Company prior to August 21, 2008. More information concerning the Arrangement is contained in note 5 to the financial statements included in this Annual Report on Form 10-K, as well as in our Current Report on Form 8-K filed on August 21, 2008 and our Definitive Proxy Statement on Schedule 14A filed on July 3, 2008.

The consolidated financial statements account for the Arrangement as a reverse acquisition, whereby OncoGenex Technologies is deemed to be the acquiring entity from an accounting perspective. The consolidated results of operations of the Company for the years ended December 31, 2009 and December 31, 2008 include the results of operations of only OncoGenex Technologies for the time period of January 1, 2008 through August 20, 2008 and include the results of the combined company following the completion of the Arrangement on August 21, 2008. The consolidated results of operations for the year ended December 31, 2007 include only the consolidated results of operations of OncoGenex Technologies and do not include historical results of Sonus. This treatment and presentation is in accordance with SFAS 141. Information relating to the number of shares, price per share and per share amounts of common stock are presented on a post- reverse stock split basis, as a reverse stock split in the ratio of one-for-eighteen was effected in connection with the Arrangement.

The Company was incorporated in October 1991 and OncoGenex Technologies was incorporated in May 2000.

Our Product Candidates

We have three clinical-stage product candidates (OGX-011, OGX-427, and SN2310) and two pre-clinical-stage product candidates (CSP-9222 and OGX-225).

OGX-011

Overview of OGX-011

Through our clinical trials, we are treating cancer patients with OGX-011 to reduce clusterin production. Clusterin is a protein that is over-produced in several types of cancer and in response to many cancer treatments, including hormone ablation therapy, chemotherapy and radiation therapy. Preclinical and other data suggest that clusterin promotes cell survival. Increased clusterin production has been linked to faster rates of cancer progression, treatment resistance and shorter survival duration. Since increased clusterin production is observed in many human cancers, including prostate, non-small cell lung, breast, ovarian, bladder, renal, pancreatic, anaplastic large cell lymphoma and colon cancers and melanoma, we believe that OGX-011 may have broad market potential to treat many cancer indications and disease stages.

A broad range of pre-clinical studies conducted by the Vancouver Prostate Centre and others have shown that reducing clusterin production with OGX-011: (i) facilitates tumor cell death by sensitizing human prostate, non-small cell lung, breast, ovarian, bladder, renal and melanoma tumor cells to various chemotherapies; and (ii) sensitizes prostate tumor cells to hormone ablation therapy and sensitizes prostate and non-small cell lung tumor cells to radiation therapy. Pre-clinical studies conducted by the Vancouver Prostate Centre also indicate that reducing clusterin production with OGX-011 re-sensitizes docetaxel-resistant prostate tumor cells to docetaxel.

Our phase 1 clinical trials evaluated the safety and established a recommended phase 2 dose of OGX-011 in combination with docetaxel (two different schedules), gemcitabine and a platinum chemotherapy or hormone ablation therapy. Docetaxel, gemcitabine, and a platinum regimen are all examples of chemotherapy agents. In all of our phase 1 clinical trials, 640 mg, the highest dose evaluated, was well tolerated and established as the recommended phase 2 dose.

We have conducted five phase 2 clinical trials to evaluate the ability of OGX-011 to enhance the effects of therapy in prostate, non-small cell lung and breast cancer. These phase 2 clinical trials have treated 294 patients with OGX-011 (or over 300 patients if including patients in control groups). Data is available from each of the five phase 2 studies which demonstrate that adding OGX-011 to therapy shows potential benefit of OGX 011, including:

- longer survival duration when adding OGX-011 to first-line docetaxel compared to first-line docetaxel alone in patients with CRPC within a randomized phase 2 trial;
- longer survival duration when adding OGX-011 to either mitoxantrone or docetaxel as second-line chemotherapy compared to survival duration observed in two published studies of CRPC patients receiving second-line chemotherapy (One is a study in patients with better prognostic risk factors who received docetaxel as second-line chemotherapy which was conducted at the British Columbia Cancer Agency and presented at the American Society of Clinical Oncology (“ASCO”) Genitourinary Conference in 2008 (“BCCA Study”) and the second study is the follow-up evaluation of patients on the TAX 327 Study (the “TAX 327 Study”) who later received second-line chemotherapy. The TAX 327 Study was the key registration study that showed a survival benefit for docetaxel over mitoxantrone for first-line chemotherapy treatment of patients with metastatic CRPC);
- increased frequency and duration of pain palliation when adding OGX-011 to either mitoxantrone or docetaxel as second-line chemotherapy compared to the frequency and duration of pain palliation observed in the TAX 327 Study for first-line chemotherapy alone in patients with CRPC; and
- longer survival duration when adding OGX-011 to gemcitabine and a platinum-containing chemotherapy compared to the survival duration reported in prior published results from randomized clinical trials in NSCLC patients receiving gemcitabine and a platinum-containing chemotherapy.

Refer to the discussion below under the heading “Summary of Results of OGX-011 Phase 2 Clinical Trials” for further details.

Final results of a randomized phase 2 trial evaluating the benefit of combining OGX-011 with first-line docetaxel chemotherapy were presented during an oral presentation at the ASCO 2009 Annual Meeting. Analyses indicating a survival benefit in patients treated with OGX-011 in combination with first-line docetaxel compared to docetaxel alone, the latter of which being the current standard care for patients with advanced, progressive metastatic prostate cancer, are described below under the heading “Summary of Final Results of OGX-011 Phase 2 Clinical Trial in First-Line Hormone Refractory Prostate Cancer.”

At the 2008 ASCO Annual Meeting, OGX-011 phase 2 data in second-line chemotherapy treatment of CRPC was reported. Durable pain palliation defined as pain palliation of 12 weeks or greater was observed in this phase 2 trial evaluating patients with metastatic CRPC who progressed while receiving, or within 6 months of completing, first-line docetaxel treatment. In this trial, 46% of patients who were retreated with docetaxel as second-line treatment in combination with OGX-011 had durable pain palliation. This is favorable even when compared to the 35% pain responses of 3 weeks or greater observed in the phase 3 study which supported the registration of docetaxel as first-line chemotherapy in patients with CRPC. The data from this clinical trial also showed evidence that adding OGX-011 to docetaxel as second-line chemotherapy may have reversed docetaxel resistance in some patients whose disease had progressed while being treated with first-line docetaxel. In preliminary analyses, the mean average levels of serum clusterin during the OGX-011 treatment period were significantly lower compared to baseline levels before OGX-011 treatment and low average serum clusterin levels were predictive of survival with low serum clusterin levels correlating to longer survival.

Due to the pain palliation results observed in our phase 2 trial, the other prostate cancer phase 3 registration trial, which we intend to initiate in 2010, will evaluate the durable pain palliation benefit of OGX-011 in patients treated with second-line chemotherapy. OncoGenex believes that its pre-clinical and clinical data support the use of OGX-011 to improve the activity of chemotherapy in both CRPC and NSCLC indications.

OGX-011 has received Fast Track designations from the U.S. Food & Drug Administration (“FDA”) for the treatment of CRPC in combination with docetaxel for both first and second-line docetaxel treatment. The FDA has agreed on the design of two phase 3 registration trials, each in CRPC, via the Special Protocol Assessment (“SPA”) process. One trial design investigates overall survival as the primary endpoint for OGX-011 in combination with first-line chemotherapy, whereas the other trial design investigates pain palliation as the primary endpoint for OGX-011 in combination with second-line chemotherapy.

OGX-011 has also received written, scientific advice from the European Medicines Agency (“EMA”) on the Company’s development plan for OGX-011 for the treatment of men with CRPC. The input received from the Committee for Medicinal Products for Human Use (“CHMP”) at the EMA was in overall agreement with OncoGenex’s development plan regarding the proposed preclinical studies and both the study designs and analyses for the phase III trials. The CHMP also agreed that the intended safety database would enable a sufficiently qualified risk-benefit assessment for market approval.

OGX-011 has been administered to 294 patients with various types of cancer. Some of the patients experienced various adverse events, the majority of which are associated with other treatments in the protocol and the disease. The majority of adverse events were mild and the most common adverse events associated with OGX-011 consisted of flu-like symptoms. Of the moderate and severe adverse events associated with OGX-011, neutropenia, vomiting, diarrhea, and difficulty breathing (also known as “dyspnea”) were the most common events, occurring in $\geq$ 2% of patients.

The United States adopted name, or USAN, for the OGX-011 drug product is custirsen sodium.

Summary of OGX-011 Product Registration Strategy

As a result of the partnership with Teva, OGX-011 has committed funding for three phase 3 trials. Two phase 3 clinical trials will evaluate the clinical benefit of OGX- 011 in CRPC. Both trials are planned to initiate in 2010. The third phase 3 trial is being developed in collaboration with Teva, and will evaluate the clinical benefit of OGX-011 in NSCLC. The Clinical Development Plan agreed to by Teva and the Company under which the three phase 3 clinical trials will be initiated is as follows:

- Evaluating a survival benefit for OGX-011 in combination with first-line docetaxel treatment in approximately 800 men with CRPC, expected to initiate in the third quarter of 2010. Teva will have primary responsibility of the oversight of this trial;
- Evaluating a durable pain palliation benefit for OGX-011 in combination with docetaxel as second-line chemotherapy in approximately 300 men with CRPC, expected to initiate in the second quarter of 2010 subject to institutional review board approval and patient screening. OncoGenex will have primary responsibility for the oversight of this trial; and
- Evaluating a survival benefit for OGX-011 in combination with first-line chemotherapy in at least 700 patients with NSCLC, expected to initiate in 2011. Teva will have primary responsibility for the oversight of this trial.

Summary of Results of OGX-011 Phase 2 Clinical Trials

Five phase 2 clinical trials have been conducted to evaluate the ability of OGX-011 to enhance the effects of therapy in prostate, non-small cell lung and breast cancer. The following is a summary of the clinical trials evaluating OGX-011 in combination with chemotherapy.

Summary of Final Results of OGX-011 Phase 2 Clinical Trial in First-Line Hormone Refractory Prostate Cancer

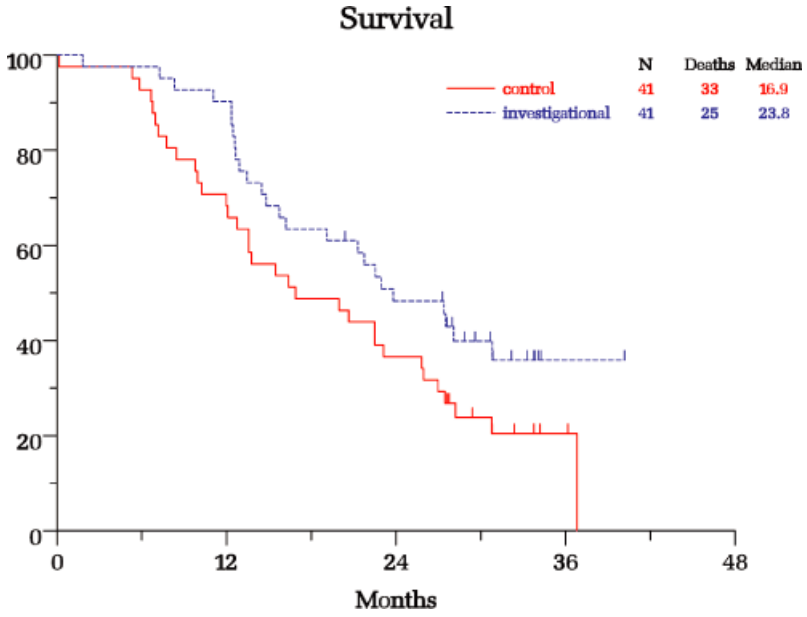
Final results of a randomized phase 2 trial evaluating the benefit of combining OGX-011 with first-line docetaxel chemotherapy in patients with CRPC were presented during an oral presentation at the ASCO 2009 Annual Meeting. In this phase 2 trial, patients were randomized to receive either docetaxel or OGX-011 plus docetaxel.

The trial enrolled 82 patients at 12 sites in Canada and the United States from September 2005 to December 2006. Patients were randomized to one of two treatment arms to receive either 640 mg per week of OGX-011 by intravenous infusion in combination with docetaxel and prednisone or docetaxel and prednisone alone. Patients in both treatment arms received therapy until disease progression, toxicity or the completion of ten 3-week cycles of therapy. Analyses indicated a survival benefit in patients treated with OGX-011 in combination with docetaxel compared to docetaxel alone — the current standard of care for patients with advanced prostate cancer:

- The median overall survival in patients who were treated with OGX-011 plus docetaxel trial was 23.8 months compared to 16.9 months for patients treated with docetaxel alone, indicating a 6.9 month survival advantage in the OGX-011 arm;
- The unadjusted hazard ratio (“HR”), a measure used to compare the death rates between treatment groups, was 0.61, representing a 39% lower rate of death for patients treated with OGX-011; and
- A prospectively defined multivariate analysis indicated that the significant predictors of overall survival were treatment arm, performance status and presence of metastases other than in bone or lymph nodes. In the multivariate analysis, patients treated with OGX-011 had a rate of death of 51% lower than patients treated with docetaxel alone (HR=0.49; p=0.012). Additional exploratory analyses found that the lower rate of death was associated with the effect of OGX-011 treatment even when varying amounts of chemotherapy were administered (i.e. OGX-011 treatment resulted in a lower rate of death when compared to the control arm for patients receiving 6 or less cycles of chemotherapy as well as for patients receiving 10 cycles of chemotherapy).

OGX-011 treatment was well tolerated in combination with docetaxel. There was an increase in incidence of mild fever, chills and creatinine levels (a laboratory measure for reduced kidney function) and a moderate to significant decrease in circulating lymphocytes in the blood (another laboratory measure) without any increase in infection rate compared to the docetaxel arm. Lymphocytes are a type of white blood cell involved in the body's defence against infections. Due to the final results of this randomized phase 2 trial, the phase 3 registration trial will evaluate the overall survival benefit of OGX-011 in patients treated with first-line chemotherapy.

The following graph display the Kaplan-Meier curves for OGX-011 in combination with docetaxel as compared to docetaxel alone:



Summary of Results of OGX-011 Phase 2 Clinical Trial in Second-Line CRPC

We have completed accrual and patient treatment in our randomized phase 2 clinical trial in patients with CRPC evaluating OGX-011 in combination with either docetaxel or mitoxantrone as second-line chemotherapy. In this phase 2 trial, patients who were previously treated with a first-line, docetaxel-based chemotherapy regimen and progressed on or within 6 months of discontinuation of docetaxel treatment were randomized to receive OGX-011 plus either docetaxel retreatment or mitoxantrone. Initially, 42 patients were randomized and received at least one cycle of OGX-011 and chemotherapy and were included for analysis: 20 patients received docetaxel retreatment plus OGX-011 and 22 patients received mitoxantrone plus OGX-011. The protocol was amended to allow additional patients to be enrolled in the docetaxel retreatment arm. Enrollment into the amended protocol was initiated in May 2007 and 25 additional patients were enrolled as of September 2007. All patients received at least one cycle of OGX-011 and docetaxel retreatment and were included in the analysis. As of June 9, 2009, the median follow-up time for the 42 randomized patients (20 in the custirsen plus docetaxel retreatment arm and 22 in the custirsen plus mitoxantrone treatment arm) was 30 months (range 25 to 34 months).

The preliminary results for the clinical trial are summarized as follows:

- survival duration is longer than the survival duration observed in the follow-up evaluation of patients on the TAX 327 Study who later received second-line chemotherapy and were available for long-term follow-up. In the follow-up evaluation of TAX 327, 237 patients received either docetaxel or mitoxantrone as second-line chemotherapy. The median (50%) survival duration from the start of second-line chemotherapy was 10 months for both groups of patients (patients receiving mitoxantrone as second-line chemotherapy after receiving docetaxel as first-line chemotherapy or patients receiving docetaxel as second-line chemotherapy after receiving mitoxantrone as first-line chemotherapy). As of June 9, 2009, the estimated median over survival duration for the custirsen plus mitoxantrone arm was 11.4 months (95% C.I.: 6.5-15.2 months) based on a median follow-up of 30 months. For the custirsen plus docetaxel retreatment arm, the median overall survival is estimated at 15.8 months (95% C.I.:9.9-23.3 months) for the 20 randomized patients, based on a median follow-up of 30 months, and 12.8 months (95% C.I.:9.9-17.0 months) for the combined 45 patients, based on a median follow-up of 23 months;

- the survival data from this clinical trial also compares favorably to the median survival duration of 9.6 months for patients who received second-line docetaxel after first-line docetaxel in the retrospective BCCA Study. The patients in the BCCA Study had a better prognosis than the patients in OncoGenex' clinical trial;

- preliminary analyses have shown that treatment with OGX-011 in combination with chemotherapy significantly lowers serum clusterin levels and that average serum clusterin levels were predictive of survival with low serum clusterin levels correlating to longer survival; and

- durable pain responses (defined as a duration of 12 weeks or greater) were observed in 46% of evaluable patients in the docetaxel retreatment plus OGX-011 arm and in 46% of patients in the mitoxantrone arm.

Summary of Preliminary Results of OGX-011 Phase 2 Clinical Trial in NSCLC

We have completed accrual and patient treatment in our clinical trial in patients with advanced NSCLC, evaluating OGX-011 in combination with gemcitabine and a platinum chemotherapy (cisplatin or carboplatin) as first-line chemotherapy. In this phase 2 trial, 81 patients with advanced NSCLC received OGX-011 in combination with gemcitabine and a platinum chemotherapy as first-line chemotherapy. Eighty two percent of the patients had stage IV disease at enrollment. Patients are currently being followed for survival. The preliminary results are summarized as follows:

- the median overall survival was 14.1 months and 54% of patients survived at least 1 year;

- in January 2009, we reported that at two years, 30% of patients who had received OGX-011 with first-line chemotherapy were alive;

- for comparison, published studies using a platinum-based regimen plus gemcitabine as first-line chemotherapy for advanced NSCLC reported median survivals of 8 to 11 months and one-year survival rates of 33% to 43%. Market approval for Avastin plus paclitaxel and carboplatin chemotherapy for NSCLC was based on results showing a median survival of 12.3 months compared to 10.3 months for patients treated with chemotherapy alone. Survival rates for Avastin plus chemotherapy versus chemotherapy alone were reported as 51% versus 44% at one year and 23% versus 15% at two years, respectively;

- 73% of patients achieved disease control; and

- preliminary analyses have shown that treatment with OGX-011 in combination with gemcitabine and a platinum chemotherapy significantly lowers serum clusterin levels and that average serum clusterin levels were predictive of survival with low serum clusterin levels correlating to longer survival.

Summary of Preliminary Results of OGX-011 Phase 2 Clinical Trial in Advanced Breast Cancer

In January 2009, the results of this clinical trial in patients with advanced breast cancer evaluating OGX-011 in combination with docetaxel as first-line or second-line chemotherapy were published in the scientific journal, Clinical Cancer Research. The authors' conclusion was that the combination of OGX-011 and docetaxel at 75 mg/m2 is well tolerated and clinical activity was seen in these patients with metastatic breast cancer.

OGX-427

The development program for our second product candidate, OGX-427, is focused on reducing heat shock protein 27 production to enhance treatment sensitivity and delay tumor progression in patients who have not fully developed treatment resistance and to restore treatment sensitivity in patients who have developed treatment resistance. Heat shock protein 27 is a protein that is over-produced in response to many cancer treatments and which we believe promotes cell survival based on preclinical data.

A number of pre-clinical studies conducted by the Vancouver Prostate Centre and others have shown that inhibiting the production of Hsp27 in human prostate, breast, ovarian, pancreatic and bladder tumor cells sensitizes the cells to chemotherapy. Pre-clinical studies conducted by The Vancouver Prostate Centre and others have shown that reducing Hsp27 production induced tumor cell death in prostate, breast, non-small cell lung, bladder and pancreatic cancers. The Vancouver Prostate Centre has also conducted pre-clinical studies that indicate that reducing Hsp27 production sensitizes prostate tumor cells to hormone ablation therapy.

A phase 1 trial has evaluated 53 patients with a variety of cancers, with enrollment ongoing. OGX-427 was first evaluated as a single agent in a dose escalation clinical trial with doses ranging from 200mg up to 1000mg OGX-427. A maximum tolerated dose was not identified up to and including the 1000mg dose of OGX-427 monotherapy. Subsequently, as defined by the protocol, OGX-427 was evaluated in combination with chemotherapy in a dose escalation trial design. An 800mg dose of OGX-427 in combination with docetaxel was evaluated, followed by a 1000mg dose of OGX-427 plus docetaxel. A maximum tolerated dose was not identified up to and including the 1000mg dose of OGX-427 plus docetaxel.

OGX-427 is administered as three loading doses within the first nine days and then continued weekly, with three weeks defined as a treatment cycle, until disease progression or toxicity. In those groups receiving OGX-427 in combination with docetaxel, 75mg/M2 docetaxel was administered on day 1 of every 3-week cycle starting after completion of the OGX-427 loading doses.

Preliminary results of this phase 1 trial were presented during an oral presentation at the ASCO 2009 Annual Meeting. At that time, 41 patients were enrolled who had a diagnosis of breast, ovarian, prostate or non-small cell lung cancer and most had failed multiple prior chemotherapy treatments. A median of two cycles (range of one to eight cycles) was administered.

OGX-427 treatment was well tolerated as a monotherapy. No evidence of altered cardiac activity was observed. A majority of adverse events were mild and mainly occurred during the loading doses. Adverse events consisted of chills, itching and fatigue in over one-third of patients. There was a trend for increasing incidence of some mild adverse events with escalating OGX-427 doses. For example, 33% of patients at the 200mg dose compared to 67% of patients at the 1000mg dose had mild adverse events during the loading doses. The half-life of OGX-427 in the blood remained constant, although there appeared to be an increase in maximum blood levels and a corresponding decease in blood clearance of OGX-427 as doses were escalated.

The combination of OGX-427 with docetaxel at both dose levels was also well tolerated. This data is subject to further analysis.

Circulating tumor cells ("CTCs"), an emerging metric to assess treatment effect, were evaluated at baseline before treatment and during OGX-427 treatment as a monotherapy. Both total and Hsp27-positive CTCs were evaluated. Declines of 50% or greater in both total and Hsp27-positive CTCs were observed in over one-half of the patients in each cohort and in each type of cancer. Declines in Hsp27 CTCs to 5 or less cells occurred in 27% of patients who had greater than 5 CTCs at baseline. Reduction in tumor markers defined as declines of prostate specific antigen, or PSA, levels in prostate cancer or CA-125 levels in ovarian cancer were also observed. A reduction in PSA level was observed in 7 of 20 patients (35%) with prostate cancer and a reduction in CA-125 levels was observed in 3 of 5 patients (60%) with ovarian cancer.

An investigator-sponsored phase 1 clinical trial evaluating OGX-427 when administered directly into the bladder in patients with bladder cancer was initiated in August 2009. The study, which will enroll up to 36 patients with bladder cancer, is designed to determine the safety and potential benefit of OGX-427 administered directly into the bladder using a catheter, which is known as intravesical instillation. In addition, the study will measure the direct effect of OGX-427 on expression of Hsp27 in bladder tumor cells as well as determine the pharmacokinetics and pharmacodynamics of OGX-427 when delivered by intravesical instillation. This investigator-sponsored study is funded by the National Cancer Institute of Canada ("NCIC").

In January 2010, we announced that an investigator-sponsored phase 2 clinical trial evaluating OGX-427 when administered as a monotherapy to patients with CRPC has received grant funding. The randomized, controlled phase 2 study will enroll up to 72 patients and is designed to determine the potential benefit of OGX-427 by evaluating the number of patients who are without disease progression at 12 weeks post study treatment with or without OGX-427. This phase 2 trial will also measure the direct effect of OGX-427 on PSA levels, time to progression by PSA or measurable disease, numbers of CTCs and other relevant secondary endpoints. The trial is expected to start by mid 2010 following final analysis of phase 1 data and approval by Health Canada and the institutional review board. The funds were awarded by a third party granting agency to Dr. Kim Chi, a medical oncologist at the BC Cancer Agency, Research Scientist at the Vancouver Prostate Centre and the principal investigator of the OGX-427 phase 2 trial.

SN2310

Product candidate SN2310 is a novel camptothecin for the treatment of cancer. Camptothecins are potent anticancer agents that belong to the family of drugs called topoisomerase I inhibitors that bind reversibly to the TOPO-I-DNA complex causing breaks in the DNA strands during replication resulting in cell death. The phase 1 clinical trial evaluated safety in patients with advanced cancer who have received on average 3 to 5 prior chemotherapy treatments. The phase 1 clinical trial has been completed and the dose-limiting toxicity that defined a maximum tolerated dose in this heavily pretreated patient population, as expected, was a significant decrease in the number of neutrophils ("neutropenia"), a type of white blood cell that is involved in the body's defense against infections.

SN2310 has been administered to 26 patients with various types of cancer in a phase 1 clinical trial. Enrollment for this clinical trial has been completed. Some of the patients experienced adverse events, which were considered unrelated to the trial drug and attributed to the underlying disease. Of the adverse events associated with the administration of SN2310, most were mild and the most common events were nausea, diarrhea, vomiting and fatigue. Mild to moderate reactions (back/chest pain, flushing) have been observed during infusions. Significant neutropenia has occurred in some patients and was the dose-limiting toxicity observed, sometimes associated with fever or septicemia. We have not defined additional development activities for this product candidate at this time and are currently exploring options to out-license this product candidate.

OGX-225

The development program for our fourth product candidate, OGX-225, is focused on reducing the production of both IGFBP-2 and IGFBP-5 with a single product to enhance treatment sensitivity and delay tumor progression. Increased IGFBP-2 or IGFBP-5 production is observed in many human cancers. Increased IGFBP-2 or IGFBP-5 production is linked to faster rates of cancer progression, treatment resistance and shorter survival duration. We believe employing OGX-225 as a single product to simultaneously inhibit the production of both IGFBP-2 and IGFBP-5 has the potential to delay disease progression in cancers dependent upon insulin-like growth factor 1 ("IGF-1"), for proliferation. OncoGenex has completed pre-clinical proof of concept studies with OGX-225.

We believe that because IGFBP-2 and IGFBP-5 are over-produced in a variety of cancers, OGX-225 may have broad market potential to treat many cancer indications. OncoGenex believes that the initial opportunity for OGX-225 would be in breast and prostate cancer patients early in the course of their recurrence after failed hormone ablation therapy.

We have identified the lead compound and numerous pre-clinical proof of concept studies with OGX-225 have been completed indicating that it delays progression to hormone independence in prostate and breast cancer model systems. We have not defined when it will initiate the pre-clinical studies required for a regulatory submission and initiation of phase 1 clinical trials.

CSP-9222

Product candidate CSP-9222 is the lead compound from a family of caspase activators. These novel, small molecules have been identified as activators of programmed cell death in pre-clinical models.

Summary of Product Development Programs

The following table summarizes the status of our product development programs:

Product Candidate	Cancer Indication and Study	Treatment Combination(1)	Development Phase/Status	Recent and Expected Near Term Data Releases
OGX-011 phase 3 (2)	Castrate Resistant Prostate Cancer — Survival Endpoint (OGX-011-11)	First-line docetaxel with and without OGX-011 (~800 patients)	• Initiation pending; SPA approved by the FDA and EMA in agreement with development plan	• Expected to initiate in the third quarter of 2010. Teva has primary responsibility for the oversight of this trial
	Castrate Resistant Prostate Cancer — Durable Pain Palliation Endpoint (OGX-011-10)	Docetaxel as second-line chemotherapy with and without OGX-011(~300 patients)	• Initiation pending; SPA approved by the FDA and EMA in agreement with development plan	• Expected to initiate in the second quarter of 2010. OncoGenex has primary responsibility for the oversight of this trial
	Advanced Non-Small Cell Lung Cancer — Survival Endpoint	Chemotherapy with or without OGX-011 (~ 700 patients) (Protocol to be determined)	• Initiation pending	• Expected to initiate in early 2011. Teva has primary responsibility for the oversight of this trial
OGX-011 phase 2	Castrate Resistant Prostate Cancer (OGX-011-03)	First-line docetaxel with and without OGX-011	• Phase 2 completed	• Final survival data presented at 2009 ASCO Annual Meeting • Manuscript submitted
	Castrate Resistant Prostate Cancer (OGX-011-07)	OGX-011 with second-line chemotherapy (docetaxel or mitoxantrone)	• Phase 2 completed	• Interim data presented at ASCO GU Symposium 2008 Manuscript in preparation • Manuscript in preparation
	Castrate Resistant Prostate Cancer (OGX-011-07A)	OGX-011 with docetaxel as second-line chemotherapy	• Phase 2 completed	• Manuscript in preparation
	Advanced Non-Small Cell Lung Cancer (OGX-011-05)	OGX-011 with first-line chemotherapy (gemcitabine and cisplatin or gemcitabine and carboplatin)	• Phase 2 completed	• 2-year survival data presented Feb 2009 • Manuscript in preparation
	Localized Prostate Cancer (OGX-011-04)	OGX-011 with hormone ablation therapy	• Phase 2 completed	• Results presented at ASCO GU 2008
	Advanced Breast Cancer (OGX-011-06)	OGX-011 with docetaxel as second-line chemotherapy	• Phase 2 completed	• Data published in Clinical Cancer Research 2009
OGX-011 phase 1	Localized Prostate Cancer (OGX-011-01)	OGX-011 with hormone ablation therapy	• Phase 1 completed	• Data published in Journal of National Cancer Institute 2005
	Solid Tumors (prostate, breast, NSCL, ovarian, renal, bladder, peritoneum) (OGX-011-02)	OGX-011 with docetaxel	• Phase 1 completed	• Data published in Clinical Cancer Research 2008
OGX-427 phase 2	Castrate Resistant Prostate Cancer	OGX-427 as monotherapy	• Not yet initiated	• Expected to initiate in 2010
OGX-427 phase 1	Solid Tumors	OGX-427 with and without chemotherapy	• Phase 1 ongoing- accrual and treatment complete for evaluation of OGX-427 as monotherapy. On-going accrual and treatment ongoing for evaluation of OGX-427 with chemotherapy	• Monotherapy evaluation complete — maximum tolerated dose not determined at highest dose level. • Data presented at 2009 ASCO Annual Meeting • Complete study in 2010 and present data if selected at ASCO 2010
	Bladder Cancer	OGX-427 as monotherapy	• Phase 1 ongoing	• None
SN2310	Solid Tumors	SN2310 administered to heavily pre-treated patients with advanced cancer	• Phase 1 completed	• Enrollment and treatment completed — maximum tolerated dose determined
OGX-225	Solid Tumors	OGX-225 with and without chemotherapy	• Pre-clinical proof-of-concept studies completed	• None
CSP-9222	Solid Tumors	To be determined	• Formulation to be determined	• None

(1) In all of our prostate cancer clinical trials and in clinical practice for prostate cancer, docetaxel is administered in combination with prednisone.

(2) We have designed two phase 3 clinical trials to evaluate the clinical benefit of OGX-011 in metastatic CRPC. OncoGenex believes that two phase 3 trials will be required for initial product marketing approval.

Overview of Market and Treatment

In North America, cancer is expected to strike slightly fewer than one in two men and slightly more than one in three women in their lifetimes and has recently surpassed heart disease as the leading cause of death in the United States. The American Cancer Society estimated that in 2009 approximately 1,479,350 new patients in the United States would be diagnosed with cancer and that there would be approximately 562,340 patient deaths attributable to cancers.

Typically, cancer treatment is given sequentially and can include surgery, radiation therapy, chemotherapy and hormone therapy. Although a particular therapy may initially be effective, tumor cells often react to therapeutic treatment by increasing the production of proteins that afford them a survival advantage, which enable them to become resistant to therapy, multiply and spread to additional organs. As a result, many patients progress rapidly through all available therapies and ultimately die.

Our Strategy

- Focus on gaining market approval for OGX-011 by conducting registration trials, in both prostate and lung cancer, in collaboration with Teva, that demonstrate efficacy and safety. As a result of the Collaboration Agreement with Teva, committed funding is available for phase 3 trials in 1st line CRPC, 2nd line CRPC, and 1st line NSCLC. The prostate trials are intended to begin in 2010 and the NSCLC trial is expected to begin in early 2011. Currently, both mitoxantrone and docetaxel are approved for use in patients with CRPC, but docetaxel was shown to improve patient survival when compared to mitoxantrone. Currently, Avastin, carboplatin, gemcitabine and cisplatin are approved for use in patients with NSCLC, but Avastin in combination with paclitaxel and carboplatin chemotheraphy was shown to improve patient survival when compared to carboplatin chemotherapy alone.

- Advance OGX-427 by conducting clinical trials across multiple cancer indications for OGX-427 including, but not limited to, bladder cancer and CRPC. Consistent with the strategy OncoGenex is following for OGX-011, OncoGenex intends to conduct parallel clinical trials to evaluate OGX-427 in several cancer indications and treatment combinations to accelerate its assessment of this product candidate for further development.

- Focus on developing and commercializing new cancer therapies to inhibit treatment resistance in cancer patients. OncoGenex plans to leverage its expertise in discovery and development to bring new products to market as fast as possible. OncoGenex intends to maintain and develop its relationships with the Vancouver Prostate Centre, and develop relationships with other research institutions in order to identify and source additional product candidates.

- Optimize the development of our product candidates through use of outsourcing and internal expertise. In order to increase efficiency and lower its overhead, OncoGenex outsources, and plans to continue to outsource, pre-clinical and manufacturing activities. OncoGenex has chosen to establish critical product development functions in-house, including clinical trial management and regulatory affairs.

Second Generation Antisense Technology

OGX-011, OGX-427 and OGX-225 are based on second-generation antisense drug chemistry and belong to the drug class known as antisense therapeutics. On a product by product basis, OncoGenex has collaborated with Isis Pharmaceuticals Inc. ("Isis") and selectively licensed technology from Isis to combine Isis' second generation antisense chemistry with our proprietary gene target sequences to create inhibitors which are designed to down regulate certain proteins associated with cancer resistance. In contrast to first-generation antisense chemistry, second-generation antisense chemistry has improved target binding affinity, increased resistance to degradation and improved tissue distribution. These improvements result in slower clearance of the therapies from the body, allowing for less frequent dosing and thereby making treatment easier on patients at a lower associated cost. For example, clinical data from our phase 1 clinical trial in prostate cancer patients demonstrated that weekly intravenous administration of OGX-011 resulted in drug distribution to prostate cancer tissue and over 92% inhibition of its target, clusterin mRNA, in prostate tumor cells in these patients. These data demonstrate that following systemic administration, OGX-011 entered tumor cells and inhibited clusterin production.

License and Collaboration Agreements

Teva Pharmaceutical Industries Ltd.

OGX-011

As discussed above, in December 2009, OncoGenex, through its wholly-owned subsidiary, OncoGenex Technologies, entered into the Collaboration Agreement with Teva for the development and global commercialization of OGX-011 (and related compounds). Pursuant to the Collaboration Agreement, Teva received the exclusive worldwide right and license to develop and commercialize any products containing OGX-011 and related compounds ("Licensed Products"). We have an option to co-promote OGX-011 in the United States and Canada.

Under the Collaboration Agreement, Teva made upfront payments in the aggregate amount of $50 million, will pay up to $370 million upon the achievement of developmental and commercial milestones and will pay royalties at percentage rates ranging from the mid-teens to mid-twenties on net sales, depending on aggregate annual net sales of Licensed Products. In addition to the ongoing royalties, Teva will pay us additional one-time sales threshold royalties if certain aggregate net sales are achieved. We are required to contribute $30 million towards the development of OGX-011 which will include personnel costs for certain development activities.

Teva and OncoGenex have developed a Clinical Development Plan under which the following three phase 3 clinical trials will be initiated:

- a phase 3 clinical trial of OGX-011 in approximately 300 patients with second-line castrate resistant prostate cancer, expected to initiate in the second quarter of 2010 subject to institutional review board approval and patient screening. OncoGenex will have primary responsibility for the oversight of this trial;
- a phase 3 clinical trial of OGX-011 in approximately 800 patients with first-line castrate resistant prostate cancer, expected to initiate in the third quarter of 2010. Teva will have primary responsibility for the oversight of this trial; and
- a phase 3 clinical trial of OGX-011 in at least 700 patients with first-line NSCLC, expected to initiate by early 2011. Teva will have primary responsibility for the oversight of this trial.

Teva will be responsible for conducting any other studies and development work necessary to obtain required regulatory approvals. We may assume some of these activities if assigned by the Joint Steering Committee, but Teva would be responsible for all associated costs. The Joint Steering Committee will oversee the development and regulatory approval of any Licensed Product. Funding responsibilities for the Clinical Development Plan will be allocated as follows:

- We will be required to contribute $30 million towards the development of OGX-011 which will include personnel costs for certain development activities; and
- Teva will be required to fund all other expenses under the Clinical Development Plan.

In addition to the development costs noted above, Teva is also responsible for all costs relating to product commercialization including any costs incurred in relation to our co-promotion option, except for start-up costs in advance of commercialization.

Teva was also granted the first right to file, prosecute and maintain, and enforce at its expense the patent rights associated with OGX-011. If Teva elects, however, not to or fails to file, prosecute and maintain, and enforce the patent rights associated with OGX-011, OncoGenex retains the right to assume responsibility for the filing, prosecution and maintenance, and enforcement of the patent rights associated with OGX-011.

The Collaboration Agreement will remain in effect, on a country-by-country basis, until the expiration of the obligation of Teva to pay royalties on sales of the Licensed Product in such country (or earlier termination under its terms). Commencing after the completion of all three phase 3 clinical trials set forth in the Clinical Development Plan, or upon early termination due to a material adverse change in our patent rights related to OGX-011 or safety issues or “futility” as defined in the Collaboration Agreement, Teva may terminate the Collaboration Agreement in its sole discretion upon three months’ notice if notice is given prior to regulatory approval of a Licensed Product and upon six months’ notice if notice is given after such regulatory approval. If Teva terminates the Collaboration for any reasons other than an adverse change in OGX-011 patent rights, safety issues or “futility” determination as previously described, it will remain responsible for paying for any remaining costs of all three phase 3 clinical trials, except for Company Development Expenses. Either party may terminate the Collaboration Agreement for an uncured material breach by the other party or upon the bankruptcy of either party. If the Collaboration Agreement is terminated other than for an uncured material breach by Teva, we will pay Teva a royalty on sales of Licensed Products. The percentage rates of such royalties (which are in the single digits) depend if termination occurs prior to the first regulatory approval in the United States or a primary European Market or after one of these approvals. These royalties would expire on a country-by-country basis on the earlier of ten years after the first commercial sale of a Licensed Product or certain thresholds related to generic competition.

In the event of a change of control of the Company and within 90 days of the change of control, Teva may terminate the Joint Steering Committee in its sole discretion, terminate the co-promotion option in its sole discretion if not then exercised by us or if exercised but not yet executed by us, or terminate the co-promotion option if in its commercially reasonable opinion co-promotion with our successor would be materially detrimental to Teva’s interests.

Isis Pharmaceuticals, Inc.

OGX-011

In November 2001, OncoGenex Technologies entered into an agreement with Isis to jointly develop and commercialize OGX-011 ("Original Isis Agreement"). This strategic relationship provided us with access to Isis' proprietary position in second-generation antisense chemistry for use in OGX-011, Isis' expertise in developing antisense therapeutics, including their manufacturing expertise, and allowed us to develop OGX-011 cost efficiently. Under the Original Isis Agreement, we shared with Isis, on a basis of 65% OncoGenex and 35% Isis, the costs and revenues resulting from the development and commercialization of OGX-011. On July 2, 2008, OncoGenex and Isis amended the Original Isis Agreement ("Amended Isis Agreement") pursuant to which OncoGenex became solely responsible for the costs and development of OGX-011, and, in turn, took on certain financial obligations to Isis, primarily related to sharing revenues received by OncoGenex from a third party as a result of a licensing transaction.

Licensing revenues that are based on a percentage of net sales of a licensor are defined as Royalty Revenue, while other licensing revenues, with the exception of fair market value of equity and reimbursement of research and development expenses, are defined as Non-Royalty Revenue. We will pay Isis royalties comprised of a base percentage of net sales of OGX-011 and a percentage of Royalty Revenue we receive in excess of a certain threshold up to a certain cap. The amount of the royalties payable to Isis is dependent on whether Isis owes royalty payments to third parties pursuant to its license agreements with third parties. Based on the Royalty Revenue we are eligible to receive as a result of the royalty rates established in our collaboration with Teva, our total royalty obligations to Isis will range between 6.38% and 7.00% of net sales of OGX-011 by Teva during the period Isis owes royalty payments to third parties and between 3.88% and 4.50% when those third party obligations of Isis have expired, which we expect to occur in 2017.

OncoGenex paid Isis $10 million in January 2010 as Isis' share of Non-Royalty Revenue received by OncoGenex in December 2009 in connection with our Collaboration Agreement with Teva. OncoGenex does not anticipate making any further payments to Isis in 2010 under the terms of the Amended Isis Agreement.

In addition, we are required to pay to Isis 30% of all Non-Royalty Revenue we receive. Isis has disclosed in its SEC filings that it is entitled to receive 30% of the up to $370 million in milestone payments we may receive from Teva as part of the Collaboration Agreement; however, we believe that certain of the milestone payments related to sales targets may qualify as Royalty Revenue, and therefore be subject to the lesser payment obligations as discussed above. No assurance can be provided that we will be entitled to receive these milestone payments or, if we are, that the applicable amount payable to Isis will be less than 30%. Neither OncoGenex nor Isis can pursue the development or commercialization of any antisense compound for clusterin outside of the Amended Isis Agreement. This arrangement will continue until OGX-011 is no longer being developed or commercialized or until the agreement is terminated early due to an uncured material breach.

To facilitate the execution and performance of the Collaboration Agreement, OncoGenex and Isis agreed to amend the Amended Isis Agreement (the "Second Isis Amendment"). The Second Isis Amendment provides that, among other things, if the Company is the subject of a change of control with a third party, where the surviving company immediately following such change of control has the right to develop and sell the product, then (i) a milestone payment of $20 million will be due and payable to Isis 21 days following the first commercial sale of the product in the United States; and (ii) unless such surviving entity had previously sublicensed the product and a royalty rate payable to Isis by the Company has been established, the applicable royalty rate payable to Isis will thereafter be the maximum amount payable under the Amended Isis Agreement. Any non-royalty milestone amounts previously paid will be credited toward the $20 million milestone if not already paid. As a result of the $10 million milestone payment paid to Isis in relation to the Collaboration Agreement, the remaining amount owing in the event of change of control discussed above is a maximum of $10 million. As the Company has now licensed the product to Teva and established a royalty rate payable to Isis, no royalty rate adjustments would apply if Teva acquires the Company and is the surviving company.

OncoGenex Technologies has agreed to indemnify Isis and persons affiliated with Isis against liabilities resulting from the development, manufacture, use, handling, storage, sale or other commercialization or disposition of OGX-011, caused by OncoGenex Technologies' or its licensees' or sublicensees' gross negligence or willful misconduct, or caused by OncoGenex Technologies' material breach of the agreement.

OGX-427

In January 2005, OncoGenex Technologies entered into a collaboration and license agreement with Isis to jointly identify antisense compounds designed to inhibit the production of proteins encoded by specified gene targets. OncoGenex Technologies is solely responsible for all product development activities for antisense compounds under this collaboration. This relationship provides OncoGenex Technologies with access to Isis' proprietary position in second generation antisense chemistry for use in specified products. OncoGenex Technologies was permitted to designate up to two collaboration gene targets for collaborative research, development and commercialization. In April, 2005, Hsp27 was confirmed as a collaboration gene target. OncoGenex and Isis jointly designed and screened antisense compounds for this gene target. OncoGenex Technologies' right to designate a second collaboration gene target expired on January 5, 2007.

Under the terms of the agreement, in the event that OncoGenex Technologies abandons OGX-427, Isis may elect to unilaterally continue development of OGX-427, in which case it must provide Isis with a worldwide license or sublicense (as the case may be) of its relevant technology solely to develop and commercialize OGX-427 in exchange for a royalty on Isis' sales of OGX-427.

In consideration for the grant of rights related to OGX-427, on May 5, 2005 OncoGenex Technologies issued Isis a promissory note which was converted into shares of OncoGenex Technologies that were exchanged in the Arrangement for 53,200 OncoGenex Pharmaceuticals common shares. Under the terms of the agreement, OncoGenex Technologies may be obligated to make certain milestone payments to Isis contingent upon the occurrence of certain clinical development and regulatory events related to OGX-427. It is also obligated to pay to Isis certain milestone payments as well as certain royalties on net sales for OGX-427, with the amount of royalties depending on whether third party royalty payments are owed. We anticipate paying Isis $750,000 in 2010 upon the initiation of a phase 2 clinical trial of OGX-427 in patients with CRPC. We do not anticipate making any royalty payments to Isis under the terms of the agreement in 2010.

OncoGenex Technologies has agreed to indemnify Isis and certain persons affiliated with Isis against liabilities caused by its and its licensees' and sublicensees' gross negligence or willful misconduct, its material breach of the collaboration and license agreement, and the manufacture, use, handling, storage, sale or other disposition of OGX-427 that is sold by OncoGenex Technologies or its affiliates, agents or sublicensees.

The term of the agreement will continue for each product until the later of 10 years after the date of the first commercial sale of OGX-427, or the expiration of the last to expire of any patents required to be licensed in order to use or sell OGX-427, unless OncoGenex Technologies abandons OGX-427 and Isis does not elect to unilaterally continue development of OGX-427.

University of British Columbia

OGX-011

Under an agreement made in November 2001, as amended, the University of British Columbia ("UBC") granted to OncoGenex Technologies an exclusive, worldwide license to commercialize its existing intellectual property and any improvements related to clusterin. This technology combined with Isis' second-generation antisense chemistry is our product candidate, OGX-011. In connection with entering into this license agreement, we issued to UBC shares of OncoGenex Technologies that were exchanged in the Arrangement for 15,243 common shares of OncoGenex Pharmaceuticals. OncoGenex Technologies agreed to pay to UBC certain royalties on milestones and the revenue from sales of OGX-011. OncoGenex Technologies is obligated to pay to UBC CAD$2,000 in annual maintenance fees. In January 2010, we paid UBC $333,333 as a result of upfront payments we received from Teva in December 2009 in connection with our Collaboration Agreement. The occurrence and receipt of future milestone payments and the generation of royalty revenue are uncertain.

OncoGenex Technologies agreed to use its commercially reasonable efforts to develop and exploit the licensed technology and any improvements. OncoGenex Technologies also agreed to promote, market and sell any resulting products and to cause the market demand for such products to be satisfied. OncoGenex Technologies is permitted to sublicense the technology, subject to certain consent and other requirements. OncoGenex Technologies directs patent prosecution and is responsible for all fees and costs related to the preparation, filing, prosecution and maintenance of the patent rights underlying the agreement. OncoGenex Technologies indemnifies UBC and certain of UBC's affiliates against liability arising out of the exercise of any rights granted pursuant to the agreement. The term of this agreement will expire on the later of 20 years from its effective date or the expiry of the last patent licensed under the agreement. Subject to patent term extensions, the current granted patent for OGX-011 expires in the United States in 2021 and would expire in all other jurisdictions by 2020. OncoGenex Technologies has additional patent applications pending which, if issued and not invalidated, may extend the expiration date of the last-to-expire patents. OncoGenex Technologies may also file additional patent applications related to clusterin that could potentially extend the expiration date of the last to expire patent in this area.

OGX-427

Under an agreement made in April 2005, as amended, UBC granted to OncoGenex Technologies an exclusive, worldwide license to commercialize its existing intellectual property and any improvements related to Hsp27. This technology combined with Isis' second-generation antisense chemistry is our product candidate, OGX-427. In connection with entering into this license agreement, OncoGenex Technologies issued to UBC shares that were exchanged in the Arrangement for 6,533 common shares of OncoGenex Pharmaceuticals. OncoGenex Technologies also agreed to pay to UBC certain royalties on the revenue from sales of OGX-427, which royalty rate may be reduced in the event that OncoGenex Technologies must pay additional royalties under patent licenses entered into with third parties in order to manufacture, use or sell OGX-427. OncoGenex Technologies may be obligated to make milestone payments to UBC contingent upon the occurrence of certain clinical development and regulatory events related to OGX-427. OncoGenex Technologies is obligated to pay to UBC CAD$2,000 in annual maintenance fees. We anticipate paying UBC CAD$100,000 in 2010 upon the initiation of a phase 2 trial of OGX-427 in patients with CRPC. The occurrence and receipt of upfront and milestone payments and the generation of royalty revenue are uncertain.

Subject to certain exceptions, OncoGenex Technologies agreed to use its commercially reasonable efforts to (i) develop and exploit the licensed technology and any improvements, and (ii) promote, market and sell any resulting products. OncoGenex Technologies is permitted to sublicense the technology, subject to certain consent and other requirements. OncoGenex Technologies directs patent prosecution and is responsible for all fees and costs related to the preparation, filing, prosecution and maintenance of the patent rights underlying the agreement. OncoGenex Technologies indemnifies UBC and certain of UBC's affiliates against liability arising out of the exercise of any rights granted pursuant to the agreement. The term of this agreement will expire on the later of 20 years from its effective date or the expiry of the last patent licensed under the agreement. Depending on the outcome of the pending patent applications in the licensed patent family, and subject to any applicable patent term extensions, a patent issuing from this family would expire in all jurisdictions by 2023. OncoGenex Technologies may also file additional patent applications related to Hsp27 that could potentially extend the expiration date of the last to expire patent in this area.

OGX-225 and CSP-9222

Pursuant to the terms of our third party license agreements relating to OGX-225 and CSP-9222, OncoGenex will owe payments upon the completion of product development milestones as well as royalties on product sales. We do not anticipate making any milestone or royalty payments to third parties under the terms of these agreements in 2010.

OncoGenex is also obligated to pay annual license fees to third parties with respect to these product candidates. These amounts are disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations — *Contractual Obligations",* which is incorporated herein by reference.

Summary of Milestone Obligations by Product Candidate

The following table sets forth the milestones that we may be required to pay to third parties under the license and collaboration agreements described above. As described above, we will also required to pay certain revenue-based royalties with respect to each of our product candidates.

Milestone Obligations to Third Parties	Amount Payable
OGX-011	31% of non-royalty revenue
OGX-427	Up to $5,813,000 (1)(2)(3)
OGX-225(3)	Up to $4,313,000 (2)(3)
CSP-9222	Up to $14,000,000 (4)

(1) Additional milestone payments may be required in respect of OGX-427 for product approvals outside the field of oncology.

(2) Payable in connection with the initiation of certain clinical trials and obtaining certain market approvals.

(3) Certain milestone payments are payable in Canadian dollars, which are translated based on the December 31, 2009 exchange rate of US$1.00 = CAD$1.047, and rounded to the nearest $1,000.

(4) Payable in connection with the initiation of certain clinical trials, making certain regulatory filings and obtaining certain market approvals.

Government Regulations—Drug Approval Process

Regulation by governmental authorities in the U.S. and other countries is a significant factor in our ongoing research and development activities and in the production and marketing of our products. In order to undertake clinical trials, to produce and market products for human use, mandatory procedures and safety standards, established by the FDA in the U.S. and by comparable agencies in other countries, must be followed.

The standard process before a pharmaceutical agent may be marketed includes the following steps:

- preclinical studies including laboratory evaluation and animal studies to test for initial safety and efficacy;
- submission to national health authorities of an Investigational New Drug ("IND") IND, or Clinical Trials Application ("CTA") or equivalent dossier, which must be accepted by each national health authority before human clinical trials may commence in that country;
- adequate and well-controlled clinical trials to establish the safety and efficacy of the drug in its intended population and use(s);
- submission to appropriate national and/or regional regulatory health authorities of a NDA, or equivalent marketing authorization application, which application is not automatically accepted for review; and
- approval by appropriate regulatory health authorities of the marketing authorization application prior to any commercial sale or shipment of the drug in each country or jurisdiction.

As part of the regulatory health authority approval for each product, the drug-manufacturing establishment is subject to inspection by the FDA and must comply with current Good Manufacturing Practices ("cGMP") requirements applicable to the production of pharmaceutical drug products. The facilities, procedures, and operations of manufacturers must be determined to be adequate by the FDA before product approval.

Preclinical studies include laboratory evaluation of the active drug substance and its formulation in animal studies to assess the potential safety and efficacy of the drug and its formulation. Prior to initiating the first clinical testing of a new drug product candidate, the results of the preclinical studies are submitted to regulatory health authorities as part of an IND or CTA, and must be accepted before the proposed clinical trial(s) can begin.

Clinical trials for cancer therapeutics involve the administration of the investigational drug product to patients with a defined disease state, under the supervision of a qualified principal investigator.

Clinical trials are conducted in accordance with protocols that detail the parameters to be used to monitor safety and efficacy. Each protocol is submitted to regulatory health authorities as part of the IND/CTA, in each country where clinical trials are to be conducted. Each clinical trial is approved and monitored by independent Institutional Review Boards or Ethics Committees who consider ethical factors, informed consent documents, the safety of human subjects and the possible liability of the institutions conducting a clinical trial. The Institutional Review Board or Ethics Committee may require changes in the clinical trials protocol, which may delay initiation or completion of the trial.

Clinical trials typically are conducted in three sequential phases, although the phases may overlap. In phase 1, the initial introduction of the drug to humans, the drug is tested for safety and clinical pharmacology. Phase 2 trials involve more detailed evaluation of the safety and efficacy of the drug in patients with a defined disease. Phase 3 trials consist of large scale evaluations of safety and efficacy of the investigational product compared to accepted standard therapy in a defined disease.

The process of completing clinical testing and obtaining regulatory health authority approval for a new product takes a number of years and requires the expenditure of substantial resources. Regulatory health authorities may conclude that the data submitted in a marketing authorization application are not adequate to support an approval and may require further clinical and preclinical testing, re-submission of the application, and further review. Even after initial approval has been obtained, further studies may be required to provide additional data about the approved indication, and further studies will be required to gain approval for the use of a product for clinical indications other than those for which the product was approved initially. Also, health authorities require post-marketing surveillance programs to monitor the drug product's side effects.

Marketing of pharmaceutical products outside of the U.S. is subject to regulatory requirements that vary from country to country. In the European Union, the general trend has been towards coordination of common standards for clinical testing of new drug products. Centralized approval in the European Union is coordinated through the EMA.

The level of regulation outside the U.S. and European Union varies widely. The time required to obtain regulatory approval from regulatory agencies in each country may be longer or shorter than that required for FDA or EMA approval. In addition, in certain markets, reimbursement is subject to governmentally mandated prices.

Many of the chemicals and compounds used in our research and development efforts are classified as hazardous materials under applicable federal, state and local environmental laws and regulations. We are subject to regulations under state and federal law regarding occupational safety, laboratory practices, handling and disposing of chemicals, environmental protection and hazardous substance control.

Contract Research Agreements

Consistent with our strategy to outsource certain product development activities, we have established contract research agreements for pre-clinical, manufacturing and some data management services. We choose which business or institution to use for these services based on their expertise, capacity and reputation and the cost of the service.

We also provide quantities of our product candidates to academic research institutions to investigate the mechanism of action and evaluate novel combinations of its product candidates with other cancer therapies in various cancer indications. These collaborations expand our research activities for product candidates with modest contribution from OncoGenex.

Research and Development Expenditures

For the years ended December 31, 2009, 2008 and 2007, our expenditures for research and development activities were $24.2 million, $7.8 million, and $4.1 million, respectively. Such research and development expenses primarily related to the advancement of our lead product candidate, OGX-011.

Manufacturing

We do not own facilities for the manufacture of materials for clinical or commercial use. We rely and expect to continue to rely on contract manufacturers to manufacture our product candidates in accordance with cGMP, for use in clinical trials. We will ultimately depend on contract manufacturers for the manufacture of our products, when and if it has any, for commercial sale, as well as for process development as required.

To date, all active pharmaceutical ingredient ("API"), for OGX-011 has been manufactured by Isis or Avecia Biotechnology Inc. ("Avecia") on a purchase order basis, under cGMP. Drug product manufactured from API has been performed by Formatech, Inc., Pyramid Laboratories Inc., and Laureate Pharma, Inc., in several separate manufacturing campaigns, pursuant to purchase orders or short-term contracts with OncoGenex or its licensors. For OGX-427, all API has been manufactured for OncoGenex by Avecia and all drug product has been manufactured for OncoGenex by Laureate Pharma, Inc., in each case pursuant to a purchase order or short-term contract that has been fulfilled. Contract manufacturing for commercial product is being evaluated and may or may not be performed at the current manufacturers. Larger contract manufacturers that can meet higher commercial drug quantities may be required and contracted to manufacture our products for commercial sale, when and if it has any.

Intellectual Property

Our success depends in part on the ability of us and our collaborators to obtain and maintain proprietary protection for our product candidates, technology and know-how; prevent others from infringing the proprietary rights for our product candidates; and operate without infringing on the proprietary rights of others.

For each of OGX-011, OGX-427 and OGX-225, our intellectual property results from our licenses with UBC and Isis. In addition, Isis has assigned a three-member patent family related to clusterin antisense to OncoGenex Technologies, and OncoGenex has a pending application on an OGX-427 formulation.

As discussed above, certain intellectual property rights relating to OGX-011 have been sublicensed exclusively to Teva. Teva will subsequently be taking over control of the prosecution of those rights in a graduated fashion, as OGX-011 is developed.

OncoGenex has been granted non-exclusive rights to all intellectual property owned, licensed or otherwise controlled by Isis at the date of its agreements with Isis that relate to second-generation antisense chemistry and that are required for its product candidates (such as OGX-011, OGX-427 and OGX-225). Isis is generally restricted from engaging in research, development and commercialization of antisense compounds related to clusterin, Hsp27, IGFBP-5 and IGFBP-2, other than as provided in the collaboration and license agreement related to each target. Isis directs patent prosecution and is responsible for all fees and costs related to the preparation, filing, prosecution and maintenance of these patent rights, which extend to numerous jurisdictions throughout the world. Individual patents have terms of protection depending on the laws of the countries in which the applications are made.

All TOCOSOL™ and SN2310 intellectual property is owned by OncoGenex Pharmaceuticals, Inc, and intellectual property relating to CSP-9222 is licensed from Bayer.

For intellectual property under license from UBC and Bayer covering OGX-427, OGX-225, and CSP-9222, OncoGenex directs patent prosecution and is responsible for all fees and costs related to the preparation, filing, prosecution and maintenance of the patent rights underlying the agreement. For this intellectual property, OncoGenex files patent applications in the United States, Canada, Europe (through the European Patent Office), Japan, and other jurisdictions.

Composition of matter patents covering OGX-011, OGX-427, SN2310, CSP-9222 and TOCOSOL™ have issued in the U.S. and certain other jurisdictions. Additional patent applications covering all of these products, as well as other technologies, are pending in the U.S. and certain other countries.

Generally, patents issued in the U.S. are effective for 20 years from the earliest non-provisional filing date, if the application from which the patent issues was filed on or after June 8, 1995 (otherwise the term is the longer of 17 years from the issue date or 20 years from the earliest non-provisional filing date). The duration of patent terms for non-U.S. patents is typically 20 years from the earliest corresponding national or international filing date. OncoGenex' licensed UBC patent estate, based on those patents and applications existing now and expected by OncoGenex to issue, will expire in years ranging from 2020 to 2024, such dates do not include extensions that may be available. Our TOCOSOL™ patent terms will expire starting from 2018, and the SN2310 and CSP-9222 patent terms from 2023. Patent term extensions, specifically to make up for regulatory delays, are available in the U.S., Europe, and Japan. Although we believe that some or all of its product candidates will meet the criteria for patent term extensions, there can be no assurance that it will obtain such extensions.

We also rely on unpatented trade secrets, proprietary know-how and continuing technological innovation, which we seek to protect, in part, by confidentiality agreements with our corporate partners, collaborators, employees and consultants in our drug development research. There can be no assurance that these agreements will not be breached, that we will have adequate remedies for any breach, or that our trade secrets or know-how will not otherwise become known or be independently discovered by competitors. Further, there can be no assurance that we will be able to protect our trade secrets or that others will not independently develop substantially equivalent proprietary information and techniques.

Competition

The development and commercialization of new drugs is highly competitive. Our major competitors are large pharmaceutical, specialty pharmaceutical and biotechnology companies, in the United States, Canada and abroad. Many oncology drugs in clinical trials are being developed for the four primary cancer indications: lung, breast, colorectal, and prostate cancer. Certain of these drugs are, like OGX-011, OGX-427, and OGX-225, designed to interfere with mechanisms potentially involved with treatment resistance. If new drugs targeting mechanisms of treatment resistance are approved for sale for the indications that we are targeting in advance of our product candidates, or even after their commercialization, it may reduce the market's interest in its product candidates. We are aware of several other companies developing therapeutics, whether antisense or otherwise, that seek to promote tumor cell death by inhibiting proteins believed to promote cell survival. Our competitors may seek to identify gene sequences, protein targets or antisense chemistry different from ours, and outside the scope of our intellectual property protection, to develop antisense therapeutics that serve the same function as its product candidates. Our competitors may also seek to use mechanisms other than antisense to inhibit the proteins that our product candidates are designed to inhibit the production of.

Many of our existing and potential competitors have substantially greater financial resources and expertise in manufacturing, developing products, conducting clinical trials, obtaining regulatory approvals, and marketing than us. These entities also compete with us in recruiting and retaining qualified scientific and management personnel, as well as in acquiring products and technologies complementary to its programs. Standard treatments vary considerably by cancer indication, and new drugs may be more effective in treating one cancer indication than another. In addition, it must be recognized that cancer is a difficult disease to treat and it is likely that no one therapeutic will replace all other therapies in any particular indication. Therapeutic strategies for treating cancer are increasingly focused on combining a number of drugs in order to yield the best results. Since OGX-011 and OGX-427 are intended to be used in multiple cancer indications and target the tumors' adaptive survival mechanisms, these drugs will potentially be synergistic with many new and currently marketed therapies.

Our ability to compete successfully will depend largely on our ability and, where applicable, the ability of our collaborators to:

- establish that our product candidates are well tolerated and result in a clinical benefit when administered to cancer patients;
- advance the development of our lead programs, including the enrollment of patients for our clinical trials;
- gain regulatory approval for our product candidates in their respective first indications as well as expand into additional indications;
- commercialize our lead product candidates successfully, including convincing physicians, insurers and other third-party payors of the advantages of its products, when and if it has any, over current therapies;
- obtain intellectual property protection and protect the exclusivity for our product candidates and products, when and if it has any; and
- acquire other product candidates to expand our pipeline.

Trademarks

We own two approved Canadian trademarks: OncoGenex™ and Bringing Hope to Life™. We have registered corresponding trademark Bringing Hope to Life™ in the U. S., and applied for OncoGenex™ in that jurisdiction. We are aware of a company called Tikvah Therapeutics of Atlanta, Georgia, which has filed Bringing Hope to Life™ for different goods and services on an intent-to-use basis. OncoGenex and Tikvah have agreed not to oppose or prevent the other from establishing their respective marks for their respective goods.

Registrations and applications relating to the SONUS™ and TOCOSOL™ trademarks are no longer being maintained.

There can be no assurance that the registered or unregistered trademarks or trade names of our Company will not infringe upon third party rights or will be acceptable to regulatory agencies.

Employees

We have a total of 26 employees; one part-time and 25 full-time. In our Vancouver office, we have 10 full-time employees and one part-time employee, three of whom are engaged in clinical development and regulatory affairs and seven of whom are engaged in administration, business development, accounting and finance. In our Bothell office, we have 15 full-time employees, with all 15 engaged in clinical and regulatory affairs.

All of our employees have entered into non-disclosure agreements regarding our intellectual property, trade secrets and other confidential information. None of our employees are represented by a labor union or covered by a collective bargaining agreement, nor have we experienced any work stoppages. We believe that we maintain satisfactory relations with our employees.

From time to time, OncoGenex also uses outside consultants to provide advice on its clinical development plans, research programs, administration and potential acquisitions of new technologies.

Company Information

The Company was incorporated in the state of California in October 1991 and subsequently reorganized as a Delaware corporation in September 2005. Our principal executive offices are located 1522 217th Place SE, Suite 1090, Bothell, Washington 98021, and its telephone number is (425) 686-1500.

On August 21, 2008, pursuant to the Arrangement, OncoGenex Technologies Inc. became a wholly-owned subsidiary of the Company. OncoGenex Technologies was incorporated under the federal laws of Canada in May 2000. OncoGenex, Inc., the subsidiary of OncoGenex Technologies, was incorporated under the laws of Washington in August 2005 and was dissolved pursuant to Articles of Dissolution filed on July 1, 2009.

Available Information

We maintain a website at http://www.oncogenex.com. The information contained on or accessible through our website is not part of this Annual Report on Form 10-K. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are available free of charge on our website as soon as reasonably practicable after we electronically file such reports with, or furnish those reports to, the Securities and Exchange Commission (the “SEC”).

ITEM 1A. RISK FACTORS

Risks Related to Our Business

Investing in our common shares involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information contained in this Form 10-K, before deciding to invest in our common shares. If any of the following risks materialize, our business, financial condition, results of operation and future prospects will likely be materially and adversely affected. In that event, the market price of our common shares could decline and you could lose all or part of your investment.

We have a limited operating history, have incurred losses since inception and anticipate that we will continue to incur losses for the foreseeable future. We have never had any products available for commercial sale and we may never achieve or sustain profitability.

We are a clinical-stage biopharmaceutical company with a limited operating history. We are not profitable and have incurred losses in each year since our inception. We have never had any products available for commercial sale and we have not generated any revenue from product sales. We do not anticipate that we will generate revenue from the sale of products in the foreseeable future. Our only revenue to date has been collaboration revenue under our Collaboration Agreement with Teva. We have not yet submitted any products for approval by regulatory authorities. We continue to incur research and development and general and administrative expenses related to our operations. We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we continue our research activities and conduct development of, and seek regulatory approvals for, our product candidates, and prepare for and begin to commercialize any approved products. If our product candidates fail in clinical trials or do not gain regulatory approval, or if our product candidates do not achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods.

Because we depend on financing from third parties for our operations, our business may fail if such financing becomes unavailable or is offered on commercially unreasonable terms.

To date, we have financed our operations primarily through the sale of our equity securities and from the upfront payment we received pursuant to our Collaboration Agreement with Teva. We believe that our existing capital resources and interest thereon, including the upfront payment we received from Teva in December 2009, will be sufficient to meet our current operating requirements into 2012 and expect that both phase 3 prostate cancer trials will be fully accrued by this time. However, if our Collaboration Agreement with Teva were to be terminated or if Teva failed to fulfill its obligations thereunder, or if we change our development plans, acquire rights to new product candidates or cannot find third party collaborators for our other product candidates, we may need additional capital sooner than we expect. Our future capital requirements will depend on many factors, including without limitation:

- maintaining our partnership with Teva and Teva's ongoing commitment to develop OGX-011 in a timely fashion;
- the scope and results of our preclinical and clinical trials;
- whether we experience delays in our preclinical and clinical development programs, or slower than anticipated product development;
- whether opportunities to acquire additional product candidates arise and the costs of acquiring and developing those product candidates;
- whether we are able to enter into additional third party collaborative partnerships to develop and/or commercialize any of our other product candidates on terms that are acceptable to us;
- the timing and requirements of, and the costs involved in, conducting studies required to obtain regulatory approvals for our product candidates from the FDA and comparable foreign regulatory agencies;
- the availability of third parties to perform the key development tasks for our product candidates, including conducting preclinical and clinical studies and manufacturing our product candidates to be tested in those studies and the associated costs of those services; and
- the costs involved in preparing, filing, prosecuting, maintaining, defending the validity of and enforcing, patent claims and other costs related to patent rights and other intellectual property rights, including litigation costs and the results of such litigation.

If we are unable to raise funds on acceptable terms when it becomes necessary to do so, we may not be able to continue developing our product candidates, acquire or develop additional product candidates or respond to competitive pressures or unanticipated requirements. For these reasons, any inability to raise additional capital when we require it could have a materially adverse effect on our business.

We are dependent upon our collaborative relationship with Teva to further develop and commercialize OGX-011, and if our relationship were not to be successful or were to be terminated, we may not be able to effectively develop and/or commercialize OGX-011, which would have a material adverse effect on the Company.

Under our Collaboration Agreement with Teva, we rely heavily on Teva to collaborate with us in respect of the development and global commercialization of OGX-011. Furthermore, under the Collaboration Agreement, we and Teva must agree on any changes to the Clinical Development Plan for OGX-011. As a result of our dependence on our relationship with Teva, the eventual success or commercial viability of OGX-011 is largely beyond our control. The financial returns to us, if any, under our Collaboration Agreement with Teva depend in large part on the achievement of development and commercialization milestones, plus a share of any revenues from sales. Therefore, our success, and any associated financial returns to us and our investors, will depend in large in part on the performance of Teva under the agreement.

We are subject to a number of additional specific risks associated with our dependence on our collaborative relationship with Teva, including:

- adverse decisions by Teva or the Joint Steering Committee regarding the development and commercialization of OGX-011;
- possible disagreements as to the timing, nature and extent of our development plans, including clinical trials or regulatory approval strategy;
- loss of significant rights if we fail to meet our obligations under the Collaboration Agreement;
- our limited control over clinical trials with respect to OGX-011;
- changes in key management personnel at Teva that are members of the Joint Steering Committee; and
- possible disagreements with Teva regarding the Collaboration Agreement or ownership of proprietary rights.

If we and Teva are unable to reach an agreement under the Clinical Development Plan, or if either we or Teva fail to perform our respective obligations or effectively manage our relationship, such occurrence could cause clinical trial, regulatory approval or development progress to be significantly delayed or halted, could result in costly or time consuming litigation or arbitration and could have a material adverse effect on our business.

If Teva's business strategy changes, it may adversely affect the development and commercialization of OGX-011.

Teva may change its business strategy. Decisions by Teva to either reduce or eliminate its participation in the oncology field, to emphasize other competitive agents currently in its portfolio, or to add additional competitive agents to its portfolio, could result in a decision to terminate the Collaboration Agreement. In the event of termination of the Collaboration Agreement, among other things, we would have responsibility for paying for any remaining costs of all three phase 3 clinical trials. Any such termination could adversely affect the timing and extent of development and commercialization activities, which could cause significant delays and funding shortfalls impacting those activities and seriously harm our business.

We are highly dependent on the success of our lead product candidate, OGX-011, and we cannot give any assurance that OGX-011 or any of our other product candidates will receive regulatory approval.

OGX-011 has been evaluated in five phase 2 clinical trials, and results for these trials were previously disclosed. If competitive products developed by third parties show significant benefit in the cancer indications in which we are developing our product candidates, any planned supportive or primary registration trials may be delayed, altered or not initiated and OGX-011 may never receive regulatory approval. In order to market OGX-011, we and Teva must, among other things, conduct additional clinical trials, including phase 3 or registration clinical trials, to demonstrate safety and efficacy. We are intending to initiate two registration trials in 2010 involving OGX-011, but we have not initiated any registration clinical trials with any of our product candidates to date. OGX-427 and SN2310 have been evaluated in humans, though we have very limited safety data and have not yet established efficacy in humans. We have completed enrollment in the phase 1 clinical trial of SN2310 and the dose limiting toxicity that defined a maximum tolerated dose in this heavily pretreated patient population, as expected, was significant neutropenia. Additional clinical trials will be required with SN2310 to establish the safety and efficacy of this product candidate. Neither OGX-225 nor CSP-9222 have yet been tested in humans. Our pre-clinical testing of these product candidates may not be successful and we may be unable to initiate clinical evaluation of them. Our clinical development programs for our product candidates may not receive regulatory approval either if such product candidates fail to demonstrate that they are safe and effective in clinical trials and consequently fail to obtain necessary approvals from the FDA, or similar non-U.S. regulatory agencies, or if we have inadequate financial or other resources to advance these product candidates through the clinical trial process. Any failure to obtain regulatory approval of OGX-011 or our other product candidates would have a material and adverse impact on our business.

Clinical trials may not demonstrate a clinical benefit of our product candidates.

Positive results from pre-clinical studies and early clinical trials, including those results from the OGX-011 clinical trials conducted to date, should not be relied upon as evidence that later-stage or large-scale clinical trials will succeed. We will be required to demonstrate with substantial evidence through well-controlled clinical trials that our product candidates are safe and effective for use in a diverse population before we can seek regulatory approvals for their commercial sale. Success in early clinical trials does not mean that future clinical trials will be successful because product candidates in later-stage clinical trials may fail to demonstrate sufficient safety and efficacy to the satisfaction of the FDA and other non-U.S. regulatory authorities despite having progressed through initial clinical trials.

Even after the completion of our planned phase 3 clinical trials, the FDA or other non-U.S. regulatory authorities may disagree with our clinical trial design and our interpretation of data, and may require us to conduct additional clinical trials to demonstrate the efficacy of our product candidates.

Our clinical trials may be suspended or terminated at any time, including by the FDA, other regulatory authorities, the Institutional Review Board ("IRB") overseeing the clinical trial at issue, any of our clinical trial sites with respect to that site, by Teva in the case of OGX-011, or by us. Any failure or significant delay in completing clinical trials for our product candidates could materially harm our financial results and the commercial prospects for our product candidates.

We do not know whether any of our currently planned future clinical trials for OGX-011 or OGX-427 will proceed or be completed on schedule, or at all, or, with respect our current portfolio of product candidates, whether we will be able to initiate any future pre-clinical studies or clinical trials, as applicable, beyond those currently planned. The completion or commencement of future pre-clinical studies or clinical trials could be substantially delayed or prevented by several factors, including:

- decrease in Teva's level of focus and efforts to develop OGX-011;
- delay or failure to obtain sufficient manufacturing supply of OGX-011;
- delay or failure to obtain acceptance from the FDA's of Avecia as our manufacturer for OGX-011;
- limited number of, and competition for, suitable patients with the particular types of cancer required for enrollment in our clinical trials;
- limited number of, and competition for, suitable sites to conduct clinical trials;
- delay or failure to obtain required future additional funding, when needed, through private or public offerings of our equity securities, debt financings, or executing a licensing, partnership or collaboration agreement with a third party for any of our product candidates;
- introduction of new product candidates to the market in therapeutic areas similar to those which we are developing our product candidates;
- concurrent evaluation of new investigational product candidates in therapeutic areas similar to those which we are developing our product candidates;
- delay or failure to obtain the FDA's or non-U.S. regulatory agencies' approval or agreement to commence a clinical trial, including our phase 3 or registration clinical trials under a Special Protocol Assessment;
- delay or failure to obtain sufficient supplies of the product candidate for its clinical trials;
- delay or failure to reach agreement on acceptable clinical trial agreement terms or clinical trial protocols with prospective sites or investigators; and
- delay or failure to obtain the approval of the IRB to conduct a clinical trial at a prospective site.

The completion of our clinical trials currently in progress could also be substantially delayed or prevented by several factors, including:

- slower than expected rates of patient recruitment and enrollment;
- failure of patients to complete the clinical trial;
- unforeseen safety issues;
- lack of efficacy evidenced during clinical trials;
- termination of our clinical trials by one or more clinical trial sites;
- inability or unwillingness of patients or medical investigators to follow its clinical trial protocols;
- inability to monitor patients adequately during or after treatment;
- introduction of competitive products that may impede its ability to retain patients in its clinical trials; and
- delay or failure to obtain future additional funding through private or public offerings of our equity securities, debt financings, or executing a licensing, partnership or collaboration agreement with a third party for any of our product candidates in the event of material unforeseen costs relating to our clinical trials currently in progress.

Our clinical trials may be suspended or terminated at any time by the FDA, other regulatory authorities, the IRB overseeing the clinical trial at issue, any of our clinical trial sites with respect to that site, or us. Any failure or significant delay in completing clinical trials for our product candidates could materially harm our financial results and the commercial prospects for our product candidates.

Our product candidates may cause undesirable and potentially serious side effects during clinical trials that could delay or prevent their regulatory approval or commercialization.

OGX-011 has been administered to 294 patients with various types of cancer. Some of the patients experienced various adverse events, the majority of which are associated with other treatments in the protocol and the disease. The majority of adverse events were mild and the most common adverse events associated with OGX-011 consisted of flu-like symptoms. Of the moderate and severe adverse events associated with OGX-011, neutropenia, vomiting, diarrhea, and difficulty breathing (also known as "dyspnea") were the most common events, occurring in $\geq$ 2% of patients.

As of February 12, 2010, OGX-427 has been administered to 53 patients with various types of cancer in a phase 1 clinical trial. Enrollment in the OGX-427 monotherapy aspect of the phase 1 clinical trial is complete and dose-limiting toxicity was not reached at the highest doses evaluated. Enrollment in the OGX-427 in combination with docetaxel aspect of the clinical trial is ongoing. Of the 41 patients presented at ASCO 2009, all patients experienced adverse events, the majority of which were unrelated to OGX-427. Of the adverse events associated with OGX-427, the majority of adverse events were mild and the most common adverse events consisted of flu-like symptoms, infusion-related reactions, pruritus and flushing. Serious adverse events have been reported for seventeen patients (50%). The serious adverse events were unrelated to OGX-427 administration for 14 patients and associated with OGX-427 administration for 3 patients. The events that were associated with OGX-427 administration were elevated creatinine in two patients, an indicator of kidney function, and rigors and chills in one patient.

SN2310 has been administered to 26 patients with various types of cancer in a phase 1 clinical trial. Enrollment for this clinical trial has been completed. Some of the patients experienced adverse events, which were considered unrelated to study drug and attributed to underlying disease. Of the adverse events associated with SN2310, most were mild and the most common events were nausea, diarrhea, vomiting and fatigue. Mild to moderate reactions (back/chest pain, flushing) have been observed during infusions. Significant neutropenia has occurred in some patients and was the dose-limiting toxicity observed, sometimes associated with fever or septicemia.

Since patients in our clinical trials have advanced stages of cancer, we expect that additional adverse events, including serious adverse events, will occur.

Undesirable side effects caused by any of our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in the denial of regulatory approval by the FDA or non-U.S. regulatory authorities for any or all targeted indications. This, in turn, could prevent us from commercializing our product candidates and generating revenues from their sale. In addition, if our product candidates receive marketing approval and we or others later identify undesirable side effects caused by the product:

- Teva may elect to terminate the ongoing clinical trials and cease development of OGX-011;
- regulatory authorities may withdraw their approval of the product;

- we may be required to recall the product, change the way the product is administered, conduct additional clinical trials or change the labeling of the product;
- a product may become less competitive and product sales may decrease; or
- our reputation may suffer.

Any one or a combination of these events could prevent us from achieving or maintaining market acceptance of the affected product or could substantially increase the costs and expenses of commercializing the product, which in turn could delay or prevent us from generating significant revenues from the sale of the product.

Recent events have raised questions about the safety of marketed drugs and may result in increased cautiousness by the FDA in reviewing new drugs based on safety, efficacy or other regulatory considerations and may result in significant delays in obtaining regulatory approvals, additional clinical trials being required, or more stringent product labeling requirements. Any delay in obtaining, or inability to obtain, applicable regulatory approvals, would prevent us from commercializing its product candidates.

Even if we or Teva receive regulatory approval to market our product candidates, the market may not be receptive to our products.

Even if our product candidates obtain regulatory approval, resulting products may not gain market acceptance among physicians, patients, health care payors and/or the medical community. We believe that the degree of market acceptance will depend on a number of factors, including:

- timing of market introduction of competitive products;
- safety and efficacy of our products;
- prevalence and severity of any side effects;
- potential advantages or disadvantages over alternative treatments;
- strength of marketing and distribution support;
- price of our products, both in absolute terms and relative to alternative treatments; and
- availability of coverage and reimbursement from government and other third-party payors.

If our future product candidates fail to achieve market acceptance, we may not be able to generate significant revenue or achieve or sustain profitability.

We may not be able to negotiate the exit or sublease of excess office and laboratory space currently leased in Bothell, Washington, on terms acceptable to us or at all.

Prior to the Arrangement, Sonus entered into a non-cancellable lease arrangement for office and laboratory space located in Bothell, Washington, which is considered to be in excess of our current requirements. We have been seeking to exit or sublease this excess space. To date, we have not entered into any agreement for the exit or sublease of this space, or identified which transactions or transaction structures would most benefit shareholders. The goal of minimizing future lease expenditures will impact any decisions we make regarding specific deal structures or transactions into which we may enter. We can provide no assurances that we will be able to negotiate the exit or sublease of this space, on terms acceptable to us or at all or on terms which meet our or our shareholders' expectations.

Although we have entered into a Collaboration Agreement with Teva for OGX-011, we have not yet partnered with third party collaborators with respect to any of our other product candidates, and we cannot control whether we will be able to do so on favorable terms or at all.

Our business strategy relies in part on potentially partnering successful product candidates with larger companies to complement our internal development and commercialization efforts. While we have successfully entered into a Collaboration Agreement with Teva with respect to OGX-011, it may be difficult for us to find third parties that are willing to enter into a collaboration on acceptable economic terms or at all with respect to our other product candidates. We also will be competing with many other companies as we seek partners for our other product candidates and we may not be able to compete successfully against those other companies. If we are not able to enter into collaboration arrangements for our other product candidates, we would be required to undertake and fund further development, clinical trials, manufacturing and commercialization activities solely at our own expense and risk. If we are unable to finance and/or successfully execute those expensive activities, our business could be materially and adversely effected.

If our competitors develop and market products that are more effective, safer or less expensive than our future product candidates, our clinical trials and commercial opportunities will be negatively impacted.

The life sciences industry is highly competitive, and we face significant competition from many pharmaceutical, biopharmaceutical and biotechnology companies that are researching and marketing products designed to address cancer indications for which we are currently developing products or for which we may develop products in the future. We are aware of several other companies which are developing therapeutics that seek to promote tumor cell death by inhibiting proteins believed to promote cell survival. Any products we may develop in the future are also likely to face competition from other drugs and therapies. Many of our competitors have significantly greater financial, manufacturing, marketing and drug development resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing and in obtaining regulatory approvals for drugs. These companies also have significantly greater research and marketing capabilities than we do. In addition, many universities and private and public research institutes are, or may become, active in cancer research, the products of which may be in direct competition with ours. If our competitors market products that are more effective, safer or less expensive than our future product candidates, if any, or that reach the market sooner than our future product candidates, if any, we may not achieve commercial success.

If new therapies become broadly used, we may need to conduct clinical trials of our product candidates in combination with these new therapies to demonstrate safety and efficacy of the combination. Additional trials will delay the development of our product candidates and increase our costs. The failure of certain of our product candidates to work in combination with these new therapies would have an adverse effect on our business.

Our intention is to combine certain of our product candidates with therapies that are broadly used by clinicians and considered highly effective. As new therapies are developed, we will need to assess these therapies to determine whether to conduct clinical trials of our product candidates in combination with them to demonstrate safety and efficacy of the combination. If we determine that it is appropriate to conduct additional clinical trials of our product candidates in combination with these new therapies, the development of our product candidates will be delayed and our costs will be increased. If these clinical trials generate safety concerns or lack of efficacy, our business would be adversely affected.

If our product candidates become approved in combination with a specific therapy that is broadly used and that therapy becomes displaced by another product, the market for our product candidate may decrease.

If we were to be successfully sued related to our products or operations, we could face substantial liabilities that may exceed our resources.

We may be held liable if any of our products or operations cause injury or death or are found otherwise unsuitable during product testing, manufacturing, marketing or sale. These risks are inherent in the development of pharmaceutical products. We currently maintain Commercial General and Umbrella Liability policies with combined limits of $10 million per occurrence and in the aggregate and in addition, a $10 million per claim and annual aggregate product liability insurance policy related to our clinical trials consistent with industry standards. When necessary for our products, we intend to obtain additional product liability insurance. Insurance coverage may be prohibitively expensive, may not fully cover potential liabilities or may not be available in the future. Inability to obtain sufficient insurance coverage at an acceptable cost or otherwise to protect against potential product liability claims could prevent or inhibit the commercialization of our products. If we were to be sued for any injury caused by or associated with our products or operations, the litigation could consume substantial time and attention of our management, and the resulting liability could exceed our total assets.

If we fail to acquire and develop products or product candidates at all or on commercially reasonable terms, we may be unable to grow our business.

We currently do not have internal discovery capabilities and are dependent upon pharmaceutical and biotechnology companies and other researchers to sell or license products or product candidates to us. To date, three of our product candidates have been derived from technologies discovered by the Vancouver Prostate Centre and licensed to us by UBC and one candidate has been in-licensed from Bayer. We intend to continue to rely on the Vancouver Prostate Centre, UBC and other research institutions and other biotechnology or pharmaceutical companies as sources of product candidates. We cannot guarantee that the Vancouver Prostate Centre or UBC will continue to develop new product candidate opportunities, that we will continue to have access to such opportunities or that we will be able to purchase or license these product candidates on commercially reasonable terms, or at all. If we are unable to purchase or license new product candidates from the Vancouver Prostate Centre or UBC, we will be required to identify alternative sources of product candidates.

The success of our product pipeline strategy depends upon our ability to identify, select and acquire pharmaceutical product candidates. Proposing, negotiating and implementing an economically viable product acquisition or license is a lengthy and complex process. We compete for partnering arrangements and license agreements with pharmaceutical and biotechnology companies and academic research institutions. Our competitors may have stronger relationships with third parties with whom we are interested in collaborating and/or may have more established histories of developing and commercializing products. As a result, our competitors may have a competitive advantage in entering into partnering arrangements with such third parties. In addition, even if we find promising product candidates, and generate interest in a partnering or strategic arrangement to acquire such product candidates, we may not be able to acquire rights to additional product candidates or approved products on terms that we find acceptable, or at all. If we fail to acquire and develop product candidates from others, we may be unable to grow our business.

We expect that any product candidate that we acquire rights to will require additional development efforts prior to commercial sale, including extensive clinical evaluation and approval by the FDA and non-U.S. regulatory authorities. All product candidates are subject to the risks of failure inherent in pharmaceutical product development, including the possibility that the product candidate will not be shown to be sufficiently safe and effective for approval by regulatory authorities. Even if the product candidates are approved, we cannot be sure that we would be capable of economically feasible production or commercial success.

We will need to retain additional personnel and expand our other resources in order to complete development of OGX-011, promote OGX-011 in the event we exercise our co-promotion option and develop our other product candidates. If we fail to effectively expand our operations, including attracting and retaining key management and scientific personnel, we may be unable to successfully develop or commercialize our product candidates and our business may be materially adversely affected.

We will need to expand and effectively manage our managerial, operational, financial, development and other resources in order to successfully pursue our research, development and commercialization efforts for our existing and future product candidates. Our success depends on our continued ability to attract, retain and motivate highly qualified personnel, including management, pre-clinical and clinical personnel, including our executive officers Scott Cormack and Cindy Jacobs, and to recruit and retain a new Chief Financial officer. Currently, Cameron Lawrence, the Director of Financial Reporting, is our interim principal financial officer. We are in the process of searching for executive talent to fill the Chief Financial Officer position on a permanent basis. In addition, although we have entered into employment agreements with each of Mr. Cormack and Dr. Jacobs, such agreements permit the executive to terminate his or her employment with us at any time, subject to providing us with advance written notice.

With respect to OGX-011 specifically, we will need to hire additional clinical development personnel in order to perform our responsibilities under the Clinical Development Plan with Teva. In addition, should OGX-011 receive marketing approval in the United States and Canada, or should we exercise our co-promotion option, which we do not anticipate having the funds to do, we would need to hire a substantial number of specialized personnel, including field based medical affairs representatives. In turn, we would need to increase our administrative headcount to support such expanded development and commercialization operations with respect to our product candidates. Our ability to attract and retain qualified personnel in the future is subject to intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses and our current financial position. The loss of the services of any of our senior management, or our inability to recruit a new Chief Financial Officer, could delay or prevent the development and commercialization of our product candidates, or have other adverse effects on our business for an indefinite term. In particular, if we lose any members of our current senior management team, we may not be able to find suitable replacements in a timely fashion or at all and our business may be harmed as a result. Among other things, if any of such events were to occur, we may not be able to comply with our contractual obligations to Teva under our Collaboration Agreement or advance our product candidates, which could have a material adverse effect on our business.

We have scientific and clinical advisors who assist us in formulating our development and clinical strategies. These advisors are not employees of the Company and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. In addition, our advisors may have arrangements with other companies to assist those companies in developing products or technologies that may compete with ours.

We may encounter difficulties in managing our expected growth and in expanding our operations successfully.

As we advance our product candidates OGX-427, OGX-225, and CSP-9222 through development and clinical trials, we will need to develop or expand our development, regulatory, manufacturing, marketing and sales capabilities or contract with third parties to provide these capabilities for us. Maintaining additional relationships and managing our future growth will impose significant added responsibilities on members of our management. We must be able to: manage our development efforts effectively; manage our clinical trials effectively; hire, train and integrate additional management, development, administrative and sales and marketing personnel; improve our managerial, development, operational and finance systems; and expand our facilities, all of which may impose a strain on our administrative and operational infrastructure.

Under the Collaboration Agreement, Teva is responsible for the commercialization costs associated with OGX-011; however, if we were to exercise our co-promotion option, which we do not anticipate having sufficient funds to do, we would need to expand our marketing and sales capabilities. In addition, as we have primary responsibility for the oversight of the second-line trial in CRPC, we must be able to manage our development responsibilities effectively, which may impose a strain on our administrative and operational infrastructure.

Furthermore, we may acquire additional businesses, products or product candidates that complement or augment our existing business. Integrating any newly acquired business, product or product candidate could be expensive and time-consuming. We may not be able to integrate any acquired business, product or product candidate successfully or operate any acquired business profitably. Our future financial performance will depend, in part, on our ability to manage any future growth effectively and our ability to integrate any acquired businesses. We may not be able to accomplish these tasks, and our failure to accomplish any of them could prevent us from successfully growing the Company.

We may need to further develop our financial and reporting processes, procedures and controls to support our anticipated growth.

To manage the anticipated growth of our operations and personnel, we may be required to improve existing, or implement new, operational and financial systems, processes and procedures, and to expand, train and manage our employee base. Our current and planned systems, procedures and controls may not be adequate to support our future operations.

We may be adversely impacted if our controls over external financial reporting fail or are circumvented.

We regularly review and update our internal controls, disclosure controls and procedures, and corporate governance policies. In addition, we are required under the Sarbanes Oxley Act of 2002 to report annually on our internal control over financial reporting. If it were to be determined that our internal control over financial reporting is not effective, such shortcoming could have an adverse effect on our business and financial results and the price of our common stock could be negatively affected. This reporting requirement could also make it more difficult or more costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. Any system of internal controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of the controls and procedures or failure to comply with regulation concerning control and procedures could have a material effect on our business, results of operation and financial condition. Any of these events could result in an adverse reaction in the financial marketplace due to a loss of investor confidence in the reliability of our financial statements, which ultimately could negatively impact the market price of our shares, increase the volatility of our stock price and adversely affect our ability to raise additional funding. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees and as executive officers.

We rely, in part, on third parties to conduct clinical trials for our product candidates and plan to rely on third parties to conduct future clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may be unable to obtain regulatory approval for or commercialize our current and future product candidates.

To implement our product development strategies, we rely on third parties, such as collaborators, contract research organizations, medical institutions, clinical investigators and contract laboratories, to conduct our clinical trials of our product candidates. In particular, we will have limited control over the two OGX-O11 phase 3 trials over which Teva will have primary oversight. Although we rely on third parties to conduct our clinical trials, we are responsible for ensuring that each of our clinical trials is conducted in accordance with our investigational plan and protocol. Moreover, the FDA and non-U.S. regulatory authorities require us to comply with regulations and standards, commonly referred to as Good Clinical Practices (“GCPs”) for conducting, monitoring, recording and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate and that the clinical trial subjects are adequately informed of the potential risks of participating in clinical trials. Our reliance on third parties does not relieve us of these responsibilities and requirements. If the third parties conducting our clinical trials do not perform their contractual duties or obligations, do not meet expected deadlines or need to be replaced, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to GCPs or for any other reason, we may need to enter into new arrangements with alternative third parties and our clinical trials may be extended, delayed or terminated. In addition, a failure by such third parties to perform their obligations in compliance with GCPs may cause our clinical trials to fail to meet regulatory requirements, which may require us to repeat our clinical trials.

We rely on third parties to manufacture and supply our product candidates.

We do not own or operate manufacturing facilities, and we depend on third-party contract manufacturers for production of our product candidates. We lack the resources and the capability to manufacture any of our product candidates ourselves. To date, our product candidates have been manufactured in limited quantities for pre-clinical studies and clinical trials. All active pharmaceutical ingredient for OGX-011 has been manufactured for us by Isis or Avecia and all drug product has been manufactured for us by Formatech, Inc. and Pyramid Laboratories, Inc., in each case pursuant to a purchase order or short-term contract that has been fulfilled. We will need to obtain additional quantities of OGX-011 to complete our first phase 3 clinical trial.

All active pharmaceutical ingredient for OGX-427 for IND-enabling toxicology studies and initial clinical trials has been manufactured for us by Avecia and all drug product has been manufactured for us by Laureate Pharma, Inc., in each case pursuant to a purchase order or short-term contract that has been fulfilled.

If, in the future, one of our product candidates is approved for commercial sale, we or a pharmaceutical partner that has licensed such product candidates, will need to manufacture that product candidate in commercial quantities. We cannot assure you that the third-party manufacturers with which we have contracted in the past will have sufficient capacity to satisfy our future manufacturing needs, that we will be able to negotiate additional purchases of active pharmaceutical ingredient or drug product from these or alternative manufacturers on terms favorable to us, or at all, or that a pharmaceutical partner that has licensed will have sufficient capacity or expertise to satisfy future needs.

Third party manufacturers may fail to perform under their contractual obligations, or may fail to deliver the required commercial quantities of bulk drug substance or finished product on a timely basis and at commercially reasonable prices. Any performance failure on the part of our contract manufacturers could delay clinical development or regulatory approval of our product candidates or commercialization of our future product candidates, depriving us of potential product revenue and resulting in additional losses. If we are required to identify and qualify an alternate manufacturer, we may be forced to delay or suspend our clinical trials, regulatory submissions, required approvals or commercialization of our product candidates, which may cause us to incur higher costs and could prevent us from commercializing our product candidates successfully. If we are unable to find one or more replacement manufacturers capable of production at a reasonably favorable cost, in adequate volumes, of adequate quality, and on a timely basis, we would likely be unable to meet demand for our product candidates and our clinical trials could be delayed or we could lose potential revenue. Our ability to replace an existing active pharmaceutical ingredient manufacturer may be difficult because the number of potential manufacturers is limited to approximately four manufacturers, and the FDA must inspect any replacement manufacturer and review information related to product produced at the manufacturer before they can begin manufacturing our product candidates. It may be difficult or impossible for us to identify and engage a replacement manufacturer on acceptable terms in a timely manner, or at all. We expect to continue to depend on third-party contract manufacturers for the foreseeable future.

Our product candidates require precise, high quality manufacturing. Any of our contract manufacturers will be subject to ongoing periodic unannounced inspection by the FDA and non-U.S. regulatory authorities to ensure strict compliance with cGMP, and other applicable government regulations and corresponding standards. If our contract manufacturers fail to achieve and maintain high manufacturing standards in compliance with cGMP regulations, we may experience manufacturing errors resulting in patient injury or death, product recalls or withdrawals, delays or interruptions of production or failures in product testing or delivery, delay or prevention of filing or approval of marketing applications for our product candidates, cost overruns or other problems that could seriously harm our business.

Significant scale-up of manufacturing may require additional validation studies, which the FDA must review and approve. Additionally, any third party manufacturers we retain to manufacture our product candidates on a commercial scale must pass an FDA pre-approval inspection for conformance to the cGMPs before we can obtain approval of our product candidates. If we are unable to successfully increase the manufacturing capacity for a product candidate in conformance with cGMPs, the regulatory approval or commercial launch of any related products may be delayed or there may be a shortage in supply.

Global credit and financial market conditions could negatively impact the value of our current portfolio of cash equivalents and investment securities

Our cash and cash equivalents are maintained in highly liquid investments with maturities of 90 days or less at the time of purchase. As of the date of this filing, we are not aware of any material losses or other significant deterioration in the fair value of our cash equivalents or investment securities since December 31, 2009. However, no assurance can be given that deterioration in conditions of the global credit and financial markets would not negatively impact our current portfolio of cash equivalents and investment securities and, as result, our financial condition.

Risks Related to Our Intellectual Property

Our proprietary rights may not adequately protect our technologies and product candidates.

Our commercial success will depend on our ability to obtain patents and/or regulatory exclusivity and maintain adequate protection for our technologies and product candidates in the United States and other countries. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies and future product candidates are covered by valid and enforceable patents or are effectively maintained as trade secrets.

We and our collaborators, including Teva, intend to apply for additional patents covering both our technologies and product candidates, as we deem appropriate. However, we or our collaborators may fail to apply for patents on important technologies or product candidates in a timely fashion, or at all. Our existing patents and any future patents we or our collaborators obtain may not be sufficiently broad to prevent others from practicing our technologies or from developing competing products and technologies. In addition, we do not always control the patent prosecution of subject matter that we license from others. Accordingly, we are sometimes unable to exercise a significant degree of control over such intellectual property as we would over our own. Moreover, the patent positions of biopharmaceutical companies are highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. As a result, the validity and enforceability of our patents cannot be predicted with certainty. In addition, we cannot guarantee that:

- we or our licensors were the first to make the inventions covered by each of our issued patents and pending patent applications;
- we or our licensors were the first to file patent applications for these inventions;
- others will not independently develop similar or alternative technologies or duplicate any of our technologies;
- any of our or our licensors' pending patent applications will result in issued patents;
- any of our or our licensors' patents will be valid or enforceable;

- any patents issued to us or our licensors and collaboration partners will provide us with any competitive advantages, or will not be challenged by third parties;
- we will develop additional proprietary technologies that are patentable; or
- the patents of others will not have an adverse effect on our business.

The actual protection afforded by a patent varies on a product-by-product basis, from country to country and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory related extensions, the availability of legal remedies in a particular country and the validity and enforceability of the patents. The ability of us or our collaborators to maintain and solidify our proprietary position for our product candidates will depend on our success in obtaining effective claims and enforcing those claims once granted. Our issued patents and those that may issue in the future, or those licensed to us or our collaborators, may be challenged, invalidated, unenforceable or circumvented, and the rights granted under any issued patents may not provide us with proprietary protection or competitive advantages against competitors with similar products. Due to the extensive amount of time required for the development, testing and regulatory review of a potential product, it is possible that, before any of our product candidates can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of the patent.

We and our collaborators, including Teva, also rely on trade secrets to protect some of our technology, especially where it is believed that patent protection is appropriate or obtainable. However, trade secrets are difficult to maintain. While we use reasonable efforts to protect our trade secrets, our or our collaboration partners' employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose our proprietary information to competitors. Enforcement of claims that a third party has illegally obtained and is using trade secrets is expensive, time consuming and uncertain. In addition, non-U.S. courts are sometimes less willing than U.S. courts to protect trade secrets. If our competitors independently develop equivalent knowledge, methods and know-how, we would not be able to assert our trade secrets against them and our business could be harmed.

We and our collaborators, including Teva, may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on all of our product candidates and products, when and if we have any, in every jurisdiction would be prohibitively expensive. Competitors may use our technologies in jurisdictions where we or our licensors have not obtained patent protection to develop their own products. These products may compete with our products, when and if we have any, and may not be covered by any of our or our licensors' patent claims or other intellectual property rights.

The laws of some non-U.S. countries do not protect intellectual property rights to the same extent as the laws of the United States, and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology and/or pharmaceuticals, which could make it difficult for us to stop the infringement of our patents. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business.

The intellectual property protection for our product candidates is dependent on third parties.

With respect to OGX-011, OGX-427 and OGX-225, we have exclusively licensed from UBC certain issued patents and pending patent applications covering the respective antisense sequences underlying these product candidates and their commercialization and use and we have licensed from Isis certain issued patents and pending patent applications directed to product compositions and chemical modifications used in product candidates for commercialization, use and the manufacturing thereof, as well as some alternative antisense sequences. We have also received a sublicense from Isis under certain third party patent portfolios directed to such modifications. We have entered into an exclusive in-licensing agreement with Bayer for development of caspase activators that are presently being evaluated in preclinical studies.

The patents and pending patent applications underlying our licenses do not cover all potential product candidates, modifications and uses. In the case of patents and patent applications licensed from Isis and Bayer, we do not have and have not had any control over the filing, prosecution or enforcement of these patents or patent applications. We cannot be certain that such prosecution efforts have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents. We also cannot be assured that our licensors or their respective licensors will agree to enforce any such patent rights at our request or devote sufficient efforts to attain a desirable result. Any failure by our licensors or any of their respective licensing partners to properly protect the intellectual property rights relating to our product candidates could have a material adverse effect on our financial condition and results of operation.

We may become involved in disputes with Teva or potential future collaborators over intellectual property ownership, and publications by our research collaborators and scientific advisors could impair our ability to obtain patent protection or protect our proprietary information, which, in either case, could have a significant impact on our business.

Inventions discovered under research, material transfer or other such collaborative agreements, including our Collaboration Agreement with Teva, may become jointly owned by us and the other party to such agreements in some cases and the exclusive property of either party in other cases. Under some circumstances, it may be difficult to determine who owns a particular invention, or whether it is jointly owned, and disputes could arise regarding ownership of those inventions. These disputes could be costly and time consuming and an unfavorable outcome could have a significant adverse effect on our business if we were not able to protect or license rights to these inventions. In addition, our research collaborators and scientific advisors generally have contractual rights to publish our data and other proprietary information, subject to our prior review. Publications by our research collaborators and scientific advisors containing such information, either with our permission or in contravention of the terms of their agreements with us, may impair our ability to obtain patent protection or protect our proprietary information, which could significantly harm our business.

The patent protection for our product candidates or products may expire before we are able to maximize their commercial value which may subject us to increased competition and reduce or eliminate our opportunity to generate product revenue.

The patents for our product candidates have varying expiration dates and, when these patents expire, we may be subject to increased competition and we may not be able to recover our development costs. For example, the first granted U.S. patent directed to OGX-011 and licensed from UBC is due to expire in 2021. In some of the larger economic territories, such as the United States and Europe, patent term extension/restoration may be available to compensate for time taken during aspects of the product candidate's regulatory review. However, we cannot be certain that an extension will be granted, or if granted, what the applicable time period or the scope of patent protection afforded during any extended period will be. In addition, even though some regulatory agencies may provide some other exclusivity for a product candidate under its own laws and regulations, we may not be able to qualify the product candidate or obtain the exclusive time period.

If we are unable to obtain patent term extension/restoration or some other exclusivity, we could be subject to increased competition and our opportunity to establish or maintain product revenue could be substantially reduced or eliminated. Furthermore, we may not have sufficient time to recover our development costs prior to the expiration of our U.S. and non-U.S. patents.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights and we may be unable to protect our rights to, or use of, our technology.

If we choose to go to court to stop someone else from using the inventions claimed in our patents or our licensed patents, that individual or company has the right to ask the court to rule that these patents are invalid and/or should not be enforced against that third party. These lawsuits are expensive and would consume time and other resources even if we were successful in stopping the infringement of these patents. In addition, there is a risk that the court will decide that these patents are invalid or unenforceable and that we do not have the right to stop the other party from using the inventions. There is also the risk that, even if the validity or unenforceability of these patents is upheld, the court will refuse to stop the other party on the grounds that such other party's activities do not infringe our rights.

If we wish to use the technology or compound claimed in issued and unexpired patents owned by others, we will need to obtain a license from the owner, enter into litigation to challenge the validity or enforceability of the patents or incur the risk of litigation in the event that the owner asserts that we infringed its patents. The failure to obtain a license to technology or the failure to challenge an issued patent that we may require to discover, develop or commercialize our product candidates may have a material adverse impact on us.

If a third party asserts that we infringed its patents or other proprietary rights, we could face a number of risks that could seriously harm our results of operations, financial condition and competitive position, including:

- patent infringement and other intellectual property claims, which would be costly and time consuming to defend, whether or not the claims have merit, and which could delay the regulatory approval process and divert management's attention from our business;
- substantial damages for past infringement, which we may have to pay if a court determines that our product candidates or technologies infringe a competitor's patent or other proprietary rights;
- a court prohibiting us from selling or licensing our technologies or future drugs unless the third party licenses its patents or other proprietary rights to us on commercially reasonable terms, which it is not required to do; and
- if a license is available from a third party, we may have to pay substantial royalties or lump sum payments or grant cross licenses to our patents or other proprietary rights to obtain that license.

The biotechnology industry has produced a proliferation of patents, and it is not always clear to industry participants, including us, which patents cover various types of products or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we are sued for patent infringement, we would need to demonstrate that our product candidates or methods of use either do not infringe the patent claims of the relevant patent, and/or that the patent claims are invalid, and/or the patent is unenforceable and we may not be able to do this. Proving invalidity, in particular, is difficult since it requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents.

U.S. patent laws as well as the laws of some foreign jurisdictions provide for provisional rights in published patent applications beginning on the date of publication, including the right to obtain reasonable royalties, if a patent subsequently issues and certain other conditions are met.

Because some patent applications in the United States may be maintained in secrecy until the patents are issued, because patent applications in the United States and many foreign jurisdictions are typically not published until 18 months after filing, and because publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications for technology covered by our licensors' issued patents or our pending applications or our licensors' pending applications, or that we or our licensors were the first to invent the technology.

Patent applications filed by third parties that cover technology similar to ours may have priority over our or our licensors' patent applications and could further require us to obtain rights to issued patents covering such technologies. If another party files a United States patent application on an invention similar to ours, we may elect to participate in or be drawn into an interference proceeding declared by the U.S. PTO to determine priority of invention in the United States. The costs of these proceedings could be substantial, and it is possible that such efforts would be unsuccessful, resulting in a loss of our United States patent position with respect to such inventions.

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations. We cannot predict whether third parties will assert these claims against us or against the licensors of technology licensed to us, or whether those claims will harm our business. If we are forced to defend against these claims, whether they are with or without any merit, whether they are resolved in favor of or against us or our licensors, we may face costly litigation and diversion of management's attention and resources. As a result of these disputes, we may have to develop costly non-infringing technology, or enter into licensing agreements. These agreements, if necessary, may be unavailable on terms acceptable to us, if at all, which could seriously harm our business or financial condition.

If we breach any of the agreements under which we license rights to our product candidates or technology from third parties, we could lose license rights that are important to our business. Certain of our license agreements may not provide an adequate remedy for their breach by the licensor.

We license the development and commercialization rights for most of our product candidates, including OGX-011, OGX-427, OGX-225 and CSP-9222, and we expect to enter into similar licenses in the future. Under such licenses, we are subject to various obligations such as sublicensing, royalty and milestone payments, annual maintenance fees, limits on sublicensing, insurance obligations and the obligation to use commercially reasonable best efforts to develop and exploit the licensed technology. If we fail to comply with any of these obligations or otherwise breach these agreements, our licensors may have the right to terminate the license in whole or in part or to terminate the exclusive nature of the license. Loss of any of these licenses or the exclusivity rights provided therein could harm our financial condition and operating results. In addition, certain of our license agreements with UBC eliminate our ability to obtain money damages in respect of certain claims against UBC.

Under the terms of our Collaboration Agreement with Teva, we are required to use commercially reasonable efforts to maintain and not to breach in any material manner certain of our third party license agreements relating to OGX-011. If we breach any of these agreements in a material manner, we would be in breach of the Collaboration Agreement with Teva, which would allow them to terminate the Collaboration Agreement.

We may be subject to damages resulting from claims that we, or our employees or consultants, have wrongfully used or disclosed alleged trade secrets of third parties.

Many of our employees were previously employed, and certain of our consultants are currently employed, at universities or biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we have not received any claim to date, we may be subject to claims that these employees or consultants or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of these current or former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. We may be subject to claims that employees of our partners or licensors of technology licensed by us have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. We may become involved in litigation to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel.

Risks Related to our Common Stock and Other Securities

If we raise additional financing, the terms of such transactions may cause dilution to existing shareholders or contain terms that are not favorable to us.

To date, our sources of cash have been limited primarily to proceeds from the private or public placement of our securities and proceeds from the Collaboration Agreement with Teva. In the future, we may seek to raise additional financing through private placements or public offerings of our equity or debt securities. We cannot be certain that additional funding will be available on acceptable terms, or at all. To the extent that we raise additional funds by issuing equity securities, our shareholders may experience significant dilution. Any debt financing, if available, may involve restrictive covenants, such as limitations on our ability to incur additional indebtedness, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business.

The price for our common stock is volatile.

The market prices for our common stock and that of emerging growth companies generally have historically been highly volatile. Future announcements concerning us or our competitors may have a significant impact on the market price of our common stock.

The stock markets also experience significant price and volume fluctuation unrelated to the operating performance of particular companies. These market fluctuations may also adversely affect the market price of our common stock.

An increase in the market price of our common shares, which is uncertain and unpredictable, may be your sole source of gain from an investment in our common shares. An investment in our common shares may not be appropriate for investors who require dividend income.

We have never declared or paid cash dividends on our capital stock. We do not anticipate paying any cash dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. Accordingly, an investment in our common shares may not be appropriate for investors who require dividend income.

Anti-takeover provisions in our shareholder rights plan, our constating documents and under Delaware law could make a third party acquisition of the Company difficult.

We have a shareholder rights plan that may have the effect of discouraging unsolicited takeover proposals. Specifically, the rights issued under the shareholder rights plan could cause significant dilution to a person or group that attempts to acquire us on terms not approved in advance by our board of directors. In addition, our certificate of incorporation and bylaws contain provisions that may discourage unsolicited takeover proposals that shareholders may consider to be in their best interests. These provisions include the ability of our board of directors to designate the terms of and issue new series of preferred stock and the ability of our board of directors to amend the bylaws without stockholder approval. In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless certain specific requirements are met as set forth in Section 203. Collectively, these provisions could make a third party acquisition of the Company difficult or could discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our common stock.

Risks Related to Our Industry

The regulatory approval process is expensive, time consuming and uncertain and may prevent us from obtaining approvals for the commercialization of some or all of our product candidates.

The research, testing, manufacturing, labeling, approval, selling, marketing and distribution of drug products are subject to extensive regulation by the FDA and non-U.S. regulatory authorities, which regulations differ from country to country. We are not permitted to market our product candidates in the United States until we receive approval of a NDA, from the FDA. We have not submitted an application for or received marketing approval for any of our product candidates. Obtaining approval of an NDA can be a lengthy, expensive and uncertain process. In addition, failure to comply with FDA, non-U.S. regulatory authorities' or other applicable United States and non-U.S. regulatory requirements may, either before or after product approval, if any, subject our company to administrative or judicially imposed sanctions, including:

- restrictions on the products, manufacturers or manufacturing process;
- warning letters;
- civil and criminal penalties;
- injunctions;
- suspension or withdrawal of regulatory approvals;
- product seizures, detentions or import bans;
- voluntary or mandatory product recalls and publicity requirements;
- total or partial suspension of production;
- imposition of restrictions on operations, including costly new manufacturing requirements; and
- refusal to approve pending NDAs or supplements to approved NDAs.

Regulatory approval of an NDA or NDA supplement is not guaranteed, and the approval process is expensive and may take several years. The FDA also has substantial discretion in the drug approval process. Despite the time and expense exerted, failure can occur at any stage, and we could encounter problems that cause us to abandon clinical trials or to repeat or perform additional pre-clinical studies and clinical trials. The number of pre-clinical studies and clinical trials that will be required for FDA approval varies depending on the drug candidate, the disease or condition that the drug candidate is designed to address, and the regulations applicable to any particular drug candidate. The FDA can delay, limit or deny approval of a drug candidate for many reasons, including:

- a drug candidate may not be deemed safe or effective;
- the FDA may not find the data from pre-clinical studies and clinical trials sufficient;
- the FDA might not approve our third-party manufacturer's processes or facilities;
- the FDA may change its approval policies or adopt new regulations; or
- third party products may enter the market and change approval requirements.

Even if we obtain regulatory approvals for our product candidates, the terms of approvals and ongoing regulation of our product candidates may limit how we manufacture and market our product candidates, which could materially impair our ability to generate revenue.

Upon regulatory approval to market any of our product candidates, if any, the approved product and its manufacturer are subject to continual review. Any regulatory approval that we receive for a product candidate is likely to be subject to limitations on the indicated uses for which the end product may be marketed, or include requirements for potentially costly post-approval follow-up clinical trials. In addition, if the FDA and/or non-U.S. regulatory authorities approve any of our product candidates, the labeling, packaging, adverse event reporting, storage, advertising and promotion for the end product will be subject to extensive regulatory requirements. We and the manufacturers of our products, when and if we have any, will also be required to comply with cGMP regulations, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation. Further, regulatory agencies must approve these manufacturing facilities before they can be used to manufacture our products, when and if we have any, and these facilities are subject to ongoing regulatory inspection. If we fail to comply with the regulatory requirements of the FDA and other non-U.S. regulatory authorities, or if previously unknown problems with our products, when and if we have any, manufacturers or manufacturing processes are discovered, we could be subject to administrative or judicially imposed sanctions, including:

- restrictions on the products, manufacturers or manufacturing process;
- warning letters;
- civil or criminal penalties or fines;
- injunctions;
- product seizures, detentions or import bans;
- voluntary or mandatory product recalls and publicity requirements;
- suspension or withdrawal of regulatory approvals;
- total or partial suspension of production;
- imposition of restrictions on operations, including costly new manufacturing requirements; and
- refusal to approve pending NDAs or supplements to approved NDAs.

In addition, the FDA and non-U.S. regulatory authorities may change their policies and additional regulations may be enacted that could prevent or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States, Canada or abroad. If we are not able to maintain regulatory compliance, we would likely not be permitted to market our future product candidates and we may not achieve or sustain profitability.

There is a high risk that our drug development activities will not result in commercial products.

Our product candidates are in various stages of development and are prone to the risks of failure inherent in drug development. We will need to complete significant additional clinical trials before we can demonstrate that our product candidates are safe and effective to the satisfaction of the FDA and non-U.S. regulatory authorities. Clinical trials are expensive and uncertain processes that take years to complete. Failure can occur at any stage of the process, and successful early clinical trials do not ensure that later clinical trials will be successful. Product candidates in later-stage clinical trials may fail to show desired efficacy and safety traits despite having progressed through initial clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials, even after obtaining promising results in earlier clinical trials. In addition, a clinical trial may prove successful with respect to a secondary objective, but fail to demonstrate clinically significant benefits with respect to a primary objective. Failure to satisfy a primary objective in a phase 3 clinical trial (registration trial) would generally mean that a product candidate would not receive regulatory approval.

If government and third-party payors fail to provide coverage and adequate reimbursement rates for our product candidates, our revenues and potential for profitability will be reduced.

In the United States and elsewhere, our product revenues will depend principally upon the reimbursement rates established by third-party payors, including government health administration authorities, managed-care providers, public health insurers, private health insurers and other organizations. These third-party payors are increasingly challenging the price, and examining the cost effectiveness, of medical products and services. In addition, significant uncertainty exists as to the reimbursement status, if any, of newly approved drugs, pharmaceutical products or product indications. We may need to conduct post-marketing clinical trials in order to demonstrate the cost-effectiveness of products. Such clinical trials may require us to commit a significant amount of management time and financial and other resources. If reimbursement of such product is unavailable or limited in scope or amount or if pricing is set at unsatisfactory levels, our revenues could be reduced.

In some countries other than the United States, particularly the countries of the European Union and Canada, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, obtaining pricing approval from governmental authorities can take six to twelve months or longer after the receipt of regulatory marketing approval of a product for an indication. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of one of our product candidates to other available therapies. If reimbursement of such product candidate is unavailable or limited in scope or amount or if pricing is set at unsatisfactory levels, our revenues could be reduced.

Domestic and foreign governments continue to propose and pass legislation designed to reduce the cost of healthcare, including drugs. In the United States, there have been, and we expect that there will continue to be, federal and state proposals to implement similar governmental control. In addition, increasing emphasis on managed care in the United States will continue to put pressure on the pricing of pharmaceutical products. For example, the Medicare Prescription Drug Improvement and Modernization Act of 2003 reforms the way Medicare will cover and reimburse for pharmaceutical products. The legislation expands Medicare coverage for drug purchases by the elderly and eventually will introduce a new reimbursement methodology based on average sales prices for certain drugs. In addition, the new legislation provides authority for limiting the number of outpatient drugs that will be covered in any therapeutic class. As a result of the new legislation and the expansion of federal coverage of drug products, we expect that there will be additional pressure to contain and reduce costs. The Medicaid program and state healthcare laws and regulations may also be modified to change the scope of covered products and/or reimbursement methodology. Cost control initiatives could decrease the established reimbursement rates that we receive for any products in the future, which would limit our revenues and profitability. Legislation and regulations affecting the pricing of pharmaceutical products, including OGX-011, may change at any time, which could further limit or eliminate reimbursement rates for OGX-011 or other product candidates.

Failure to obtain regulatory approval outside the United States would prevent us or Teva from marketing our product candidates abroad.

We intend to market certain of our existing and future product candidates in non-North American markets. In order to market our existing and future product candidates in the European Union and many other non-North American jurisdictions, we must obtain separate regulatory approvals. We have had no interactions with non-North American regulatory authorities, and the approval procedures vary among countries and can involve additional testing, and the time required to obtain approval may differ from that required to obtain FDA approval. Approval by the FDA or other regulatory authorities does not ensure approval by regulatory authorities in other countries, and approval by one or more non-North American regulatory authorities does not ensure approval by regulatory authorities in other countries or by the FDA. The non-North American regulatory approval process may include all of the risks associated with obtaining FDA approval. We may not obtain non-North American regulatory approvals on a timely basis, if at all. We may not be able to file for non-North American regulatory approvals and may not receive necessary approvals to commercialize our existing and future product candidates in any market.

We are at risk of securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because our stock price and that of other biotechnology and biopharmaceutical companies have experienced significant stock price volatility in recent years and particularly over the past year. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

OncoGenex has business offices located in Bothell, Washington and Vancouver, British Columbia. Prior to the Arrangement, Sonus entered into a non-cancellable lease agreement for laboratory and office space in Bothell, Washington. Sonus moved into this facility on December 14, 2007. The lease involves approximately 42,600 square feet of laboratory and office space in a single facility, currently at a rent of $2 million per annum. The lease has a 10 year term and includes two options to renew for additional five year periods.

In its Vancouver office, OncoGenex leases approximately 4,857 square feet, currently at a rent of approximately $181,000 per annum. This lease expires in March 2011. OncoGenex has an option to renew the lease for a further term of five years.

ITEM 3. LEGAL PROCEEDINGS

From time to time, the Company may be involved in litigation relating to claims arising out of our operations in the normal course of business. The Company currently is not a party to any legal proceedings, the adverse outcome of which, in management's opinion, individually or in the aggregate, would have a material adverse effect on the Company's results of operations or financial position. There are no material proceedings to which any director, officer or any of our affiliates, any owner of record or beneficially of more than five percent of any class of our voting securities, or any associate of any such director, officer, our affiliates, or security holder, is a party adverse to the Company or its consolidated subsidiary or has a material interest adverse thereto.

ITEM 4. Reserved

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock first began trading on the Nasdaq National Market under the symbol "SNUS" on October 12, 1995. Following the completion of the Arrangement discussed elsewhere in this Annual Report on Form 10-K, our common stock commenced trading on the Nasdaq Capital Market under the stock symbol "OGXI" effective August 21, 2008.

No cash dividends have been paid on our common stock, and we do not anticipate paying any cash dividends in the foreseeable future. As of February 26, 2010, there were approximately 159 shareholders of record and approximately 9,000 beneficial shareholders of our Common Stock. The high and low sales prices of our common stock as reported by Nasdaq for the periods indicated are as follows:

OncoGenex Pharmaceuticals, Inc	HIGH (1)	LOW (1)
YEAR ENDED DECEMBER 31, 2008:		
First quarter	10.26	6.12
Second quarter	9.00	4.50
Third quarter	8.22	3.02
Fourth quarter	9.38	2.00
YEAR ENDED DECEMBER 31, 2009:		
First quarter	5.94	2.90
Second quarter	27.05	3.90
Third quarter	42.99	19.30
Fourth quarter	37.88	20.10

(1) All amounts reported herein are presented on a post-one-for-eighteen reverse stock split basis.

The information required by this item regarding equity compensation plan information is set forth in Part III, Item 12 of this Annual Report filed on Form 10-K. We made no purchases of equity securities during the year ended December 31, 2009.

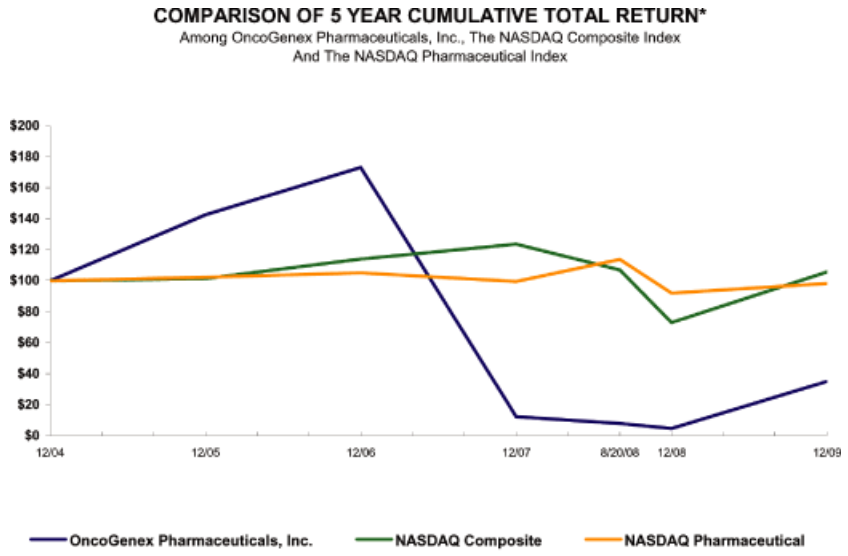
Recent Sales of Unregistered Securities

On December 24, 2009, pursuant to the Stock Purchase Agreement between the Company and Teva (which was entered into in connection with the Collaboration Agreement), the Company issued to Teva 267,531 shares of common stock at a price per share of $37.38, for aggregate cash consideration of approximately $10 million. Such shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and were issued on a private placement basis pursuant to the exemptions from registration provided under Section 4(2) of the Securities Act and Regulation D thereunder, based, in part, on representations by Teva that it is an "accredited investor", as such term is defined in Rule 501 of Regulation D under the Securities Act. The shares cannot be resold unless they are registered under the Securities Act or sold pursuant to an exemption therefrom.

Stock Performance Graph

The following performance graph shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filings. The graph compares the cumulative five year total return provided to shareholders on the Company's common stock relative to the cumulative total returns of the Nasdaq Composite index and the Nasdaq Pharmaceutical index. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our common stock and in each of the indexes on December 31, 2004 and its relative performance is tracked through December 31, 2009. All amounts reflected in the graph are presented after having given effect to the one-for-eighteen reverse stock split effected in connection with the Arrangement.

The stock price performance included in this graph is not necessarily indicative of future stock price performance.



	12/04	12/05	12/06	12/07	8/20/08	12/08	12/09
OncoGenex Pharmaceuticals, Inc.	**100.00**	**142.49**	**173.09**	**12.32**	**7.93**	**4.72**	**35.06**
NASDAQ Composite	**100.00**	**101.33**	**114.01**	**123.71**	**106.91**	**73.11**	**105.61**
NASDAQ Pharmaceutical	**100.00**	**102.23**	**105.16**	**99.56**	**113.74**	**91.99**	**98.21**

(1) August 20, 2008 represents the day before the date of the completion of the Arrangement.

ITEM 6. SELECTED FINANCIAL DATA

The data set forth below should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements and Notes thereto appearing at Item 8 of this report. The selected statements of operations data for the years ended December 31, 2009, 2008, and 2007 and balance sheet data as of December 31, 2009 and 2008 set forth below have been derived from our audited financial statements included elsewhere in this Annual Report on Form 10-K. The selected statements of operations data for the years ended December 31, 2006 and December 31, 2005 and balance sheet data as of December 31, 2007, 2006 and 2005 set forth below have been derived from the audited financial statements for such years not included in this Annual Report on Form 10-K.

In connection with the Arrangement, OncoGenex Technologies was considered to be the acquiring company for accounting purposes. Accordingly, the assets and liabilities of Sonus were recorded, as of the effective time of the Arrangement, at their respective fair values and added to those of OncoGenex Technologies. The results of the operations and balance sheet data for the year ended December 31, 2008 reflect the results of only OncoGenex Technologies for the time period of January 1, 2008 through August 20, 2008 and the results of the combined company from August 21, 2008 through December 31, 2008. The historical results of operations and balance sheet data shown for years ended December 31, 2007, 2006, and 2005 reflect only those of OncoGenex Technologies prior to the Arrangement, and do not reflect the results of Sonus. The historical results presented are not necessarily indicative of future results.

	December 31,				
	2009	2008	2007	2006	2005
	(in thousands except share and per share amounts)				
Statements of Operations Data:					
Collaboration revenue	$ 25,539	—	—	—	—
Operating expenses	$ 28,121	$ 11,112	$ 7,675	$ 11,302	$ 4,666
Net loss	$ 5,476	$ 4,204	$ 8,536	$ 11,594	$ 4,929
Redeemable convertible preferred share accretion	$ —	$ 1,973	$ 2,944	$ 2,604	$ 1,843
Loss attributable to common shareholders	$ 5,476	$ 6,177	$ 11,480	$ 14,198	$ 6,772
Basic and diluted loss per common share	$ (0.95)	$ (3.38)	$ (96.63)	$ (119.51)	$ (58.71)
Shares used in calculation of net loss per share					
Basic	5,766,850	1,829,276	118,801	118,801	115,350
Diluted	5,766,850	1,829,276	118,801	118,801	115,350

	December 31,				
	2009	2008	2007	2006	2005
			(in thousands)		
Balance Sheet Data:					
Cash, cash equivalents and marketable securities	$ 64,568	$ 12,419	$ 5,131	$ 8,012	$ 13,785
Total assets	$ 68,980	$ 14,790	$ 7,350	$ 9,395	$ 19,750
Current liabilities	$ 25,781	$ 2,884	$ 8,200	$ 2,532	$ 1,752
Series preferred shares	$ —	$ —	$ 37,373	$ 34,429	$ 31,825
Common shares	$ 73,804	$ 56,076	$ 399	$ 399	$ 399
Accumulated deficit	$ (53,485)	$ (48,009)	$ (41,832)	$ (30,352)	$ (16,154)
Shareholders equity	22,959	10,707	(38,223)	(27,566)	(13,827)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a number of risks and uncertainties. We caution readers that any forward looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. These statements are based on current expectations of future events. Such statements include, but are not limited to, statements about future financial and operating results, plans, objectives, expectations and intentions, costs and expenses, interest rates, outcome of contingencies, financial condition, results of operations, liquidity, business strategies, cost savings, objectives of management and other statements that are not historical facts. You can find many of these statements by looking for words like "believes," "expects," "anticipates," "estimates," "may," "should," "will," "could," "plan," "intend," or similar expressions in this document or in documents incorporated by reference in this document. We intend that such forward-looking statements be subject to the safe harbors created thereby. Examples of these forward-looking statements include, but are not limited to:

- our anticipated future capital requirements and the terms of any capital financing agreements;
- progress and preliminary and future results of clinical trial conducted by us or our collaborators;
- anticipated regulatory filings, requirements and future clinical trials conducted by us or our partners;
- timing and amount of future contractual payments, product revenue and operating expenses; and
- market acceptance of our products and the estimated potential size of these markets.

These forward-looking statements are based on the current beliefs and expectations of our management and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results may differ materially from current expectations and projections. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements:

- uncertainties regarding our future operating results, and the risk that our product candidates will not obtain the requisite regulatory approvals to commercialize or that the future sales of our product candidates may be less than expected or nil;
- future capital requirements and uncertainty of obtaining additional funding through debt or equity financings on terms acceptable to us;
- dependence on Teva's ongoing commitment and ability to develop and commercialize OGX-011;
- dependence on the development and commercialization of our product candidates, particularly on OGX-011;
- the risk that previous clinical trial results may not be indicative of results in future studies;
- the risk that results of research and preclinical studies may not be indicative of results in humans;
- uncertainty relating to the timing and results of clinical trials;
- uncertainties regarding the safety and effectiveness of our products and technologies;
- the timing, expense and uncertainty associated with the development and regulatory approval process for products;
- acceptance of our products by the medical community;
- the uncertainty associated with exiting or subleasing our excess office and laboratory space;
- our ability to build out our product candidate pipeline through product in-licensing or acquisition activities;
- our future dependence on Teva to market and promote OGX-011 and to provide us with accurate financial data;
- general competitive conditions within the drug development and pharmaceutical industry and new development s or therapies that may not work in combination with our product candidates;
- our dependence on key employees;

- proper management of our operations will be critical to the success of the Company;
- the potential for product liability issues and related litigation;
- the potential for claims arising from the use of hazardous materials in our business;
- the potential inability to successfully protect and enforce our intellectual property rights;
- the reliance on third parties who license intellectual property rights to us to comply with the terms of such agreements and to enforce, prosecute and defend such intellectual property rights;
- the impact of current, pending or future legislation, regulations and legal actions in the United States, Canada and elsewhere affecting the pharmaceutical and healthcare industries;
- volatility in the value of our common stock; and
- general economic conditions.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document or, in the case of documents referred to or incorporated by reference, the date of those documents.

All subsequent written or oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as may be required under applicable U.S. securities law. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

MD&A Overview

In this Management's Discussion and Analysis of Financial Condition and Results of Operations we explain the general financial condition and the results of operations for our Company, including:

- an overview of our business;
- results of operations and why those results are different from the prior year; and
- capital resources we currently have and possible sources of additional funding for future capital requirements.

Arrangement Agreement

As discussed in the notes to the financial statements below, during 2008, we completed the Arrangement with OncoGenex Technologies and, in connection therewith, effected a one-for-eighteen reverse stock split. All information in this report relating to the number of shares, price per share, and per share amounts of common stock are presented on a post-reverse stock split basis. For more information concerning the Arrangement, see the discussion of the Arrangement in note 5 to the financial statements included in this Annual Report on Form 10-K.

Overview of the Company and 2009 Developments

OncoGenex is a biopharmaceutical company committed to the development and commercialization of new cancer therapies that address unmet needs in the treatment of cancer. We have five product candidates in our pipeline, with each product candidate having a distinct mechanism of action and representing a unique opportunity for cancer drug development.

Our product candidates OGX-011, OGX-427 and OGX-225 focus on mechanisms of treatment resistance in cancer patients and are designed to address treatment resistance by blocking the production of specific proteins which we believe promote survival of tumor cells and are over-produced in response to a variety of cancer treatments. Our aim in targeting these particular proteins is to disable the tumor cell's adaptive defenses and thereby render the tumor cells more susceptible to attack with a variety of cancer therapies, including chemotherapy, which we believe will increase survival time and improve the quality of life for cancer patients. Product candidate SN2310 is a novel camptothecin for the treatment of cancer. Camptothecins are potent anticancer agents that belong to the family of drugs called topoisomerase I inhibitors that bind reversibly to the TOPO-I-DNA complex causing breaks in the DNA strands during replication resulting in cell death. Product candidate CSP-9222 is the lead compound from a family of compounds, which have been in-licensed from Bayer, that demonstrate activation of programmed cell death in pre-clinical models.

Product Candidate OGX-011

As discussed above, in December 2009, we announced our entry into the Collaboration Agreement with Teva, for the development and global commercialization of OGX-011 (and related compounds targeting clusterin with the exclusion of OGX-427 and OGX-225).

OncoGenex and Teva have developed a Clinical Development Plan under which three phase 3 clinical trials will be initiated. We have designed two of the phase 3 clinical trials to evaluate the clinical benefit of OGX- 011 in CRPC and, together with Teva, we are in the process of designing a third phase 3 clinical trial evaluating the clinical benefit of OGX-011 in NSCLC, as follows:

- Evaluating a survival benefit for OGX-011 in combination with first-line docetaxel treatment in approximately 800 men with CRPC;
- Evaluating a durable pain palliation benefit for OGX-011 in combination with docetaxel as second-line chemotherapy in approximately 300 men with CRPC; and
- Evaluating a survival benefit for OGX-011 in combination with first-line chemotherapy in at least 700 patients with NSCLC.

For detailed information regarding our relationship with Teva and the Collaboration Agreement, refer to the discussion under the heading "License and Collaboration Agreements — *Teva Pharmaceutical Industries Ltd.*", which is incorporated herein by reference.

During 2009, OGX-011 received Fast Track designations from the FDA for the treatment of progressive metastatic prostate cancer in combination with docetaxel for both first and second-line docetaxel treatment. The FDA has agreed on the design of two phase 3 registration trials, each in CRPC, via the SPA process. One trial design investigates overall survival as the primary endpoint for OGX-011 in combination with first-line chemotherapy, whereas the other trial design investigates pain palliation as the primary endpoint for OGX-011 in combination with second-line chemotherapy.

As discussed above, in February of 2010, OGX-011 received written, scientific advice from the EMA on the Company's development plan for OGX-011 for the treatment of men with CRPC. The input received from the CHMP at the EMA was in overall agreement with OncoGenex's development plan regarding the proposed preclinical studies and both the study designs and analyses for the phase III trials. The CHMP also agreed that the intended safety database would enable a sufficiently qualified risk-benefit assessment for market approval.

Final results of a randomized phase 2 trial evaluating the benefit of combining OGX-011 with first-line docetaxel chemotherapy were presented during an oral presentation at the ASCO 2009 Annual Meeting. Analyses indicating a survival benefit in patients treated with OGX-011 in combination with first-line docetaxel compared to docetaxel alone, the latter of which being the current standard care for patients with advanced, progressive metastatic prostate cancer, are described above under the heading "Summary of Final Results of OGX-011 Phase 2 Clinical Trial in First-Line Hormone Refractory Prostate Cancer", which is incorporated herein by reference.

Due to the final results of this randomized phase 2 trial, the phase 3 registration trial that Teva will initiate in 2010 will evaluate the overall survival benefit of OGX-011 in patients treated with first-line chemotherapy.

Durable pain palliation defined as pain palliation of 12 weeks or greater has been observed in another phase 2 trial evaluating patients with metastatic CRPC who progressed while receiving, or within 6 months of completing, first-line docetaxel treatment. In this trial, 46% of patients who were retreated with docetaxel as second-line treatment in combination with OGX-011 had durable pain palliation. This is favorable even when compared to the 35% pain responses of 3 weeks or greater observed in the phase 3 study which supported the registration of docetaxel as first-line chemotherapy in patients with CRPC. Due to the results of our phase 2 trial, the phase 3 registration trial that OncoGenex will initiate in 2010 will evaluate the durable pain palliation benefit of OGX-011 in patients treated with second-line chemotherapy.

Product Candidate OGX-427

A phase 1 trial has evaluated 53 patients with a variety of cancers, with enrollment ongoing. OGX-427 was first evaluated as a single agent in a dose escalation manner up to 1000mg OGX-427. A maximum tolerated dose was not identified up to and including the 1000mg dose of OGX-427 monotherapy. Subsequently, as defined by the protocol, an 800mg dose of OGX-427 in combination with docetaxel was evaluated, followed by a 1000mg OGX-427 plus docetaxel. OGX-427 is administered as three loading doses within the first nine days and then continued weekly, with three weeks defined as a treatment cycle, until disease progression or toxicity. In those groups receiving OGX-427 in combination with docetaxel, 75mg/M2 docetaxel was administered on day 1 of every 3-week cycle starting after completion of the OGX-427 loading doses.

Preliminary results of this phase 1 trial were presented during an oral presentation at the ASCO 2009 Annual Meeting. At that time, 41 patients were enrolled who had a diagnosis of breast, ovarian, prostate or non-small cell lung cancer and most had failed multiple prior chemotherapy treatments. A median of two cycles (range of one to eight cycles) was administered.

OGX-427 treatment was well tolerated as a monotherapy. No evidence of altered cardiac activity was observed. A majority of adverse events were mild and mainly occurred during the loading doses. Adverse events consisted of chills, itching and fatigue in over one-third of patients. There was a trend for increasing incidence of some mild adverse events with escalating OGX-427 doses. For example, 33% of patients at the 200mg dose compared to 67% of patients at the 1000mg dose had mild adverse events during the loading doses. The half-life of OGX-427 in the blood remained constant, although there appeared to be an increase in maximum blood levels and a corresponding decrease in blood clearance of OGX-427 as doses were escalated.

The combination of OGX-427 with docetaxel at both dose levels was also well tolerated. This data is subject to further analysis.

CTCs, an emerging metric to assess treatment effect, were evaluated at baseline before treatment and during OGX-427 treatment as a monotherapy. Both total and Hsp27-positive CTCs were evaluated. Declines of 50% or greater in both total and Hsp27-positive CTCs were observed in over one-half of the patients in each cohort and in each type of cancer. Declines in Hsp27 CTCs to 5 or less cells occurred in 27% of patients who had greater than 5 CTCs at baseline. Reduction in tumor markers defined as declines of prostate specific antigen, or PSA, levels in prostate cancer or CA-125 levels in ovarian cancer were also observed. A reduction in PSA level was observed in 7 of 20 patients (35%) with prostate cancer and a reduction in CA-125 levels was observed in 3 of 5 patients (60%) with ovarian cancer.

A second investigator-sponsored phase 1 clinical trial evaluating OGX-427 when administered directly into the bladder in patients with bladder cancer was initiated in August 2009. The study, which will enroll up to 36 patients with bladder cancer, is designed to determine the safety and potential benefit of OGX-427 administered directly into the bladder using a catheter, which is known as intravesical instillation. In addition, the study will measure the direct effect of OGX-427 on expression of Hsp27 in bladder tumor cells as well as determine the pharmacokinetics and pharmacodynamics of OGX-427 when delivered by intravesical instillation. This investigator-sponsored study is funded by the National Cancer Institute of Canada ("NCIC").

In January 2010, we announced that an investigator-sponsored phase 2 clinical trial evaluating OGX-427 when administered as a monotherapy to patients with CRPC has received grant funding. The randomized, controlled phase 2 study will enroll up to 72 patients and is designed to determine the potential benefit of OGX-427 by evaluating the number of patients who are without disease progression at 12 weeks post study treatment with or without OGX-427. This phase 2 trial will also measure the direct effect of OGX-427 on PSA levels, time to progression by PSA or measurable disease, numbers of CTCs and other relevant secondary endpoints. The trial is expected to start by mid 2010 following final analysis of phase 1 data and approval by Health Canada and the institutional review board. The funds were awarded by a third party granting agency to Dr. Kim Chi, a medical oncologist at the BC Cancer Agency, Research Scientist at the Vancouver Prostate Centre and the principal investigator of the OGX-427 phase 2 trial.

Product Candidates OGX-225, SN2310 and CSP-9222

SN2310 was evaluated in a phase 1 clinical trial to evaluate safety in patients with advanced cancer who have received on average three to five prior chemotherapy treatments. SN2310 has been administered to 26 patients with various types of cancer in a phase 1 clinical trial. The phase 1 clinical trial has been completed and the dose-limiting toxicity that defined a maximum tolerated dose in this heavily pretreated patient population has been determined. We do not intend to initiate additional trials for SN2310 but rather will seek to out-license or sell this product candidate to a third party. OGX-225, an inhibitor of insulin growth factor binding proteins 2 and 5, and CSP-9222 are in pre-clinical development.

Collaboration Revenue

We recorded $25.5 million of collaboration revenue in connection with our OGX-011 Collaboration Agreement with Teva in the year ended December 31, 2009. At December 31, 2009, $26.5 million of the upfront payment was included in the balance sheet line item Deferred Collaboration Revenue, which we are amortizing over a period of approximately 3 years based on the expected performance period of our deliverables under this agreement. Further, we are eligible to receive payments of up to $370 upon the achievement of developmental and commercial milestones. At present, we are unable to predict the timing or likelihood of such milestone payments, although we do not expect to receive any milestone payments from Teva in the year ended December 31, 2010. There were no revenues in 2008 or 2007. See note 4 in the Notes to Financial Statements for further details on our collaboration with Teva.

Research and Development Expenses

Research and development ("R&D") expenses consist primarily of costs for: milestone payments to third parties, clinical trials; materials and supplies; facilities; personnel, including salaries and benefits; regulatory activities; pre-clinical studies; licensing and intellectual property; and allocations of other research and development-related costs. External research and development expenses include fees paid to universities, hospitals and other entities that conduct certain research and development activities and that manufacture our product candidates for use in our clinical trials. We expect our research and development expenses to increase significantly in the future as we continue to develop our product candidates. Currently, OncoGenex manages its clinical trials through independent medical investigators at their sites and at hospitals.

Under the Collaboration Agreement with Teva, we are required to spend $30 million towards development of OGX-011 which will include personnel costs for certain development activities. Teva will fund all other expenses under the Clinical Development Plan. A total of $3.5 million of costs incurred by the Company in 2009 were applied against the Company's $30 million funding commitment, resulting in a remaining funding commitment of $26.5 million at December 31, 2009. We expect full time equivalent reimbursement of between $1.5 and $2.5 million per year from 2010 to 2012. We expect to incur the remaining costs associated with the Clinical Development Plan over the next three years.

A majority of the Company's expenditures to date have been related to the development of OGX-011. Until July 2, 2008, OGX-011 was being co-developed with Isis and R&D expenses for OGX-011 were shared on the basis of 65% OncoGenex and 35% Isis. On July 2, 2008, OncoGenex and Isis amended their agreement to provide for unilateral development of OGX-011 by OncoGenex. In connection with the Collaboration Agreement and pursuant to the terms of agreements between the Company and Isis relating to OGX-011, the Company accrued a payment of $10 million to Isis, which was included in R&D expenses in the period. The Company also accrued a payment of approximately $333,333 to UBC pursuant to the terms of their license agreement relating to OGX-011, which was also included in R&D expenses in the period.

Several of the Company's clinical trials have been supported by grant funding which was received directly by the hospitals and/or clinical investigators conducting the clinical trials allowing OncoGenex to complete these clinical trials with minimal expense.

Since the Company's drug candidates are in the early stage of development, we cannot estimate completion dates for development activities or when we might receive material net cash inflows from our research and development projects.

We expect our research and development expenses to increase in 2010 as we further expand development of OGX-011, OGX-427 and our other programs. Our projects or intended projects may be subject to change from time to time as we evaluate our research and development priorities and available resources.

General and Administrative Expenses

General and administrative ("G&A") expenses consist primarily of salaries and related costs for our personnel in executive, business development, human resources, external communications, finance and other administrative functions, as well as consulting costs, including market research and business consulting. Other costs include professional fees for legal and auditing services, insurance and facility costs. We believe that G&A resources are sufficient to carry on existing development activities. We anticipate that G&A expenses will increase significantly in the future as we continue to expand our operating activities.

Restructuring Activities

On August 21, 2008, immediately following the completion of the Arrangement, the Company reduced its workforce by approximately 49%. Severance payable at the date of the restructuring in connection with former employees of Sonus was $1,322,000 and has been accounted for in accordance with EITF No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination" as part of the purchase price allocation. During 2008, the Company made payments totalling $1,186,000 and the amount owing at December 31, 2008 was $137,000. All remaining severance liabilities relating to transaction-related workforce reductions were paid out during 2009, and the amount owing at December 31, 2009 was nil.

Prior to the Arrangement, Sonus entered into a non-cancellable lease arrangement for office space located in Bothell, Washington, which is considered to be in excess of the Company's current requirements. The Company is currently in the process of evaluating opportunities to exit or sublet portions of the leased space and recorded an initial restructuring charge of $2,084,000 on August 21, 2008 as part of the purchase price allocation. The liability is computed as the present value of the difference between the remaining lease payments due less the estimate of net sublease income and expenses and has been accounted for in accordance with EITF No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination". This represents the Company's best estimate of the fair value of the liability. Subsequent changes in the liability due to accretion, or changes in estimates of sublease assumptions will be recognized as adjustments to restructuring charges in future periods. During 2008, $362,000 was amortized into income, resulting in a remaining liability.

In June 2009 the Company revised its sublease income assumptions used to estimate the fair value of the excess lease facility liability. These assumptions were subsequently revised again in December 2009. These changes in estimate resulted in increases in the fair value of the excess lease liability and $494,000 and $3,547,000 in charges to research and development expense recorded in June 2009 and December 2009, respectively, to reflect these changes in estimate. These changes in estimate had a $0.69 impact on loss per common share for year ended December 31, 2009. The estimated carrying value of the liability remaining at December 31, 2009 with respect to excess facilities is $4,645,000.

Results of Operations

The consolidated financial statements reflect the Arrangement between Sonus and OncoGenex Technologies as a reverse acquisition, whereby OncoGenex Technologies is deemed to be the acquiring entity from an accounting perspective. Accordingly, for the year ended December 31, 2008, the consolidated results of operations of the Company include only the results of operations of OncoGenex Technologies for the time period of January 1, 2008 through August 21, 2008 and the results of the combined company following the completion of the Arrangement on August 21, 2008. The consolidated results of operations for the years ended December 31, 2007 include only the consolidated results of operations of OncoGenex Technologies and do not include historical results of Sonus. This treatment and presentation is in accordance with SFAS 141, “Business Combinations”. Proforma results are included in note 5 to the financial statements.

Years Ended December 31, 2009 and December 31, 2008

R&D expenses for the year ended December 31, 2009 increased to $24.2 million from $7.8 million for the year ended December 31, 2008, due mainly to higher OGX-011 and OGX-427 development costs, milestone payments owed to Isis and UBC resulting from the Collaboration Agreement with Teva, an increase in employee expenses and higher facility costs resulting from the Arrangement. Included in the year ended December 31, 2008 was a SRED claim of $0.6 million, which offset R&D expenses in the period. Since OncoGenex Technologies ceased to be a Canadian Controlled Private Company under Canadian tax laws as a result of the Arrangement, SRED claims can now only be applied against taxes payable. The SRED program is a Canadian federal tax incentive program that encourages Canadian businesses to conduct research and development in Canada.

G&A expenses for the year ended December 31, 2009 increased to $4.0 million from $3.3 million for the year ended December 31, 2008, due mainly to higher employee expenses and increased costs associated with operating as a public company.

Interest income for the year ended December 31, 2009 decreased to $47 thousand from $210 thousand for year ended December 31, 2008. Of the $210 thousand in interest for the 2008 period, $60 thousand related to interest received from the Canada Revenue Agency in relation to the Company’s 2006 Scientific Research and Development claim, while the 2009 amount includes only interest earned on cash and cash equivalents and marketable securities.

Other for the year ended December 31, 2009 decreased to $70 thousand in income from to $211 thousand in income for the year ended December 31, 2008, due to lower gains on sales of equipment.

Years Ended December 31, 2008 and December 31, 2007

R&D expenses for the year ended December 31, 2008 were $7.8 million compared to $4.1 million for the year ended December 31, 2007, which reflects an increase of $3.7 million due mainly to costs associated with the development of OGX-427, an increase in employee expenses and higher facility costs both resulting from the reverse takeover of Sonus.

G&A expenses for the year ended December 31, 2008 were $3.3 million compared to $3.5 million for the year ended December 31, 2007, which reflects a decrease of approximately $200 thousand due mainly to higher costs associated with employee expenses and increased costs associated with operating as a public company, offset by higher costs incurred as part of a planned initial public offering in 2007 by OncoGenex Technologies which was later abandoned.

Interest income for the year ended December 31, 2008 was $210 thousand compared to $177 thousand for year ended December 31, 2007, which reflects an increase of $33 thousand due mainly to an increase in cash equivalents and short term investments.

Other for the year ended December 31, 2008 was $211 thousand in income compared to $325 thousand in expense for the year ended December 31, 2007, due to gains on sales of equipment, and foreign exchange gains.

Liquidity and Capital Resources

OncoGenex has incurred an accumulated deficit of $53.5 million through December 31, 2009, and we expect to incur substantial and increasing additional losses in the future as we expand our research and development activities. We have not generated any revenue from product sales to date, and we do not expect to generate product sales revenue for several years, if ever. In the year ended December 31, 2009, we generated $25.5 million in collaboration revenue from the Teva Collaboration Agreement.

All of our operations to date have been funded through the sale of our debt and equity securities, and upfront payments received from Teva. As at December 31, 2009, OncoGenex had cash, cash equivalents, and short-term investments of $64.6 million in the aggregate as compared to cash, cash equivalents and short-term investments of $12.4 million as at December 31, 2008. As at December 31, 2009, OncoGenex does not have any borrowing or credit facilities available to it. Based upon our current expectations, we believe our capital resources at December 31, 2009 will be sufficient to fund our currently planned operations into 2012 and expect that both phase 3 prostate cancer trials will be fully accrued by this time. We may seek additional funding through, among other things, executing a partnership or collaboration agreement, or licensing or sale of certain of our product candidates, or through private or public offerings of our equity securities or debt financings. Our currently planned operations are set forth below under the heading “Operating Capital and Capital Expenditure Requirements”.

Cash Flows

Cash Used in Operations

For the years ended December 31, 2009, net cash provided by operating activities was $34.9 million, compared to $12.3 million of net cash used in operation in 2008. This increase in cash provided by operating activities during 2009 was driven by the upfront cash payment from Teva, offset by increased R&D expenses associated with personnel and facilities assumed in the Arrangement, cash used to reduce liabilities assumed in the Arrangement and increased current assets associated with R&D activities.

For the year ended December 31, 2008, cash used in operations of $7.9 million was attributable primarily to our losses from operations, offset by an increase in investment tax credit recoverable of $1.0 million, and an increase in taxes payable under Part VI.1 of the Income Tax Act (“Part VI.1 tax”) of $1.0 million and the interest on its convertible debentures of $0.2 million.

Cash Provided by Financing Activities

For the years ended December 31, 2009 and 2008, net cash provided by financing activities was $17.3 million and $121 thousand respectively. Net cash provided by financing activities in the year ended December 31, 2009 was attributable to the net proceeds we received from the issuance of common shares through a registered direct offering, net proceeds we received from the issuance of common shares to Teva as part of the Share Purchase Agreement, and the proceeds from the issuance of common shares on stock option exercises. All net cash provided by financing activities in the year ended December 31, 2008 was the result of proceeds from the issuance of common shares on stock option exercises, offset by cash paid on the elimination of fractional shares following the one-for-eighteen reverse stock split. All net cash provided by financing activities in the year ended December 31, 2007 was due to the issuance of convertible debentures.

Cash Used/Provided by Investing Activities

Net cash provided by investing activities for the year ended December 31, 2009 and December 31, 2008 was $2.2 million and $15.1 million, respectively. Net cash provided by investing activities in the year ended December 31, 2009 was due to transactions involving marketable securities in the normal course of business. Net cash provided by investing activities in the year ended December 31, 2008 was due to the Arrangement with Sonus and transactions involving marketable securities in the normal course of business.

Net cash provided by investing activities for the years ended December 31, 2007 of $6.3 million was due primarily to maturities of investments.

Operating Capital and Capital Expenditure Requirements

We believe that our cash, cash equivalents and short-term investments will be sufficient to fund our currently planned operations into 2012, including:

- completing patient accrual in a phase 3 clinical trial evaluating a durable pain palliation benefit for OGX-011 in combination with docetaxel as second-line chemotherapy in approximately 300 men with CRPC which we expect to initiate in the second quarter of 2010;
- completing patient accrual in a phase 3 clinical trial evaluating a survival benefit for OGX-011 in combination with docetaxel as first-line chemotherapy in approximately 800 men with CRPC which we expect to initiate in the third quarter of 2010;
- completing follow-up monitoring visits related to our completed phase 2 clinical trials of OGX-011;
- completing follow-up monitoring visits related to the phase 1 clinical trial evaluating OGX-427 as a monotherapy in patients with solid tumors and continuing evaluation of OGX-427 in combination with docetaxel in patients with solid tumors;
- continuing an investigator-sponsored phase 1 clinical trial evaluating OGX-427 treatment in patient with bladder cancer;
- initiating an investigator-sponsored phase 3 clinical trial evaluating OGX-427 treatment in patients with prostate cancer; and
- meeting working capital needs, capital expenditures and general corporate purposes.

As of December 31, 2009 we have a remaining commitment to fund $26.5 million towards the three phase 3 trials of OGX-011, while Teva is required to fund all additional expenses under the clinical development plan. The final results from the phase 3 trials may be released at a date beyond our current available cash runway. In addition, if we desire to conduct development activities with respect to our other product candidates beyond those development activities mentioned in the list above, we will require additional funding to support such operations. If and when needed to extend our cash availability or to conduct any such currently unplanned development activities, we would seek any such necessary funding through the licensing or sale of certain of our product candidates, executing a partnership or collaboration agreement, or through private or public offerings of our equity securities or debt financings.

Our future capital requirements will depend on many factors including:

- maintaining Teva relationship and Teva’s ongoing level of focus and efforts to develop OGX-011;
- our ability to obtain additional funding through a partnership or collaboration agreement with a third party or licenses of certain of our product candidates, or through private or public offerings of our equity securities or debt financings;
- timing and costs of clinical trials, preclinical development and regulatory approvals;
- timing and cost of drug discovery and research and development;
- entering into new collaborative or product license agreements for products in our pipeline; and
- costs related to obtaining, defending and enforcing patents.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2009:

Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Bothell office operating lease (1)	$ 17,743,000	$ 1,995,000	$ 4,172,000	$ 4,426,000	$ 7,150,000
Vancouver office operating lease (2)	$ 226,000	$ 181,000	$ 45,000	—	—
Bayer license maintenance fees (3)	$ 875,000	$ 125,000	$ 325,000	$ 425,000	—
UBC license maintenance fees (4)	$ 38,200	$ 7,600	$ 15,300	$ 15,300	—
Leased equipment	$ 67,300	$ 41,800	$ 20,200	5,300	—
Total	$ 18,949,500	$ 2,350,400	$ 4,577,500	$ 4,871,600	$ 7,150,000

(1) This operating lease, which commenced in 2007, is for a term of ten years and contains a provision for two additional five-year renewals.

(2) This operating lease expires in 2011.

(3) Under the terms of our agreement with Bayer, OncoGenex will make annual payments to Bayer on June 27 of each year ("Anniversary Payments"), with an initial payment of $100,000 in 2008. The payments will increase annually by $25,000 until the initiation of the first phase 3 clinical trial related relating to CSP-9222, at which point the Anniversary Payments reset to $100,000 and increase by $25,000, until such time as the Company achieves either the first NDA filing in the United States or the European Union related to CSP-9222. For the purposes of this table we assume no reset in pricing resulting from initiation of phase 3 trials. OncoGenex has the option to terminate this contract upon 60 days written notice to Bayer.

(4) The Company is obligated to pay an annual license maintenance fee of CAD $8,000 to UBC, which has been translated based on the December 31, 2009 exchange rate of US$1.00 = CAD$1.224, and rounded to the nearest $100.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financing arrangements at December 31, 2009.

Inflation

We not believe that inflation has had a material impact on our business and operating results during the periods presented.

Contingencies and Commitments

Teva Pharmaceutical Industries Ltd.

Under the Collaboration Agreement, the Company is required to contribute $30 million in direct and indirect costs towards the Clinical Development Plan. $3.5 million of these costs were incurred by OncoGenex during 2009, resulting in a remaining funding responsibility of $26.5 million which has been recorded on the Company's balance sheet as Deferred Collaboration Revenue. Teva will fund all other expenses under the Clinical Development Plan.

In addition to the development costs noted above, Teva is also responsible for all costs relating to product commercialization including costs incurred in relation to the Company's co-promotion option, except for start-up costs in advance of commercialization.

Isis Pharmaceuticals Inc. and University of British Columbia

Pursuant to license agreements the Company has with the UBC and Isis, the Company is obligated to pay royalties on future product sales and milestone payments of up to $10.1 million upon the achievement of specified product development milestones related to OGX-427 and OGX-225.

In addition, we are required to pay to Isis 30% of all Non-Royalty Revenue we receive. Isis has disclosed in its SEC filings that it is entitled to receive 30% of the up to $370 million in milestone payments we may receive from Teva as part of the Collaboration Agreement; however, we believe that certain of the milestone payments related to sales targets may qualify as Royalty Revenue, and therefore be subject to the lesser payment obligations. No assurance can be provided that we will be entitled to receive these milestone payments or, if we are, that the applicable amount payable to Isis will be less than 30%.

We are also obligated to pay to UBC certain patent costs and annual license maintenance fees for the extent of the patent life of CAD $8,000 per year. We anticipate paying Isis $750,000 in 2010 upon the initiation of a phase 2 clinical trial of OGX-427 in patients with CRPC. We do not anticipate making any royalty payments to Isis in 2010.

The UBC agreements have effective dates ranging from November 1, 2001 to April 5, 2005 and each agreement expires upon the later of 20 years from its effective date or the expiry of the last patent licensed thereunder, unless otherwise terminated.

Unless otherwise terminated, the Isis agreements for OGX-011 and OGX-427 will continue for each product until the later of 10 years after the date of the first commercial product sale, or the expiration of the last to expire of any patents required to be licensed in order to use or sell the product, unless OncoGenex Technologies abandons either OGX-011 or OGX-427 and Isis does not elect to unilaterally continue development. The Isis agreement for OGX-225 will continue into perpetuity unless OncoGenex Technologies abandons the product and Isis does not elect to unilaterally continue development.

Under the Second Isis Amendment, the Company is the subject of a change of control with a third party, where the surviving company immediately following such change of control has the right to develop and sell the product, then (i) a milestone payment of $20 million will be due and payable to Isis 21 days following the first commercial sale of the product in the United States; and (ii) unless such surviving entity had previously sublicensed the product and a royalty rate payable to Isis by the Company has been established, the applicable royalty rate payable to Isis will thereafter be the maximum amount payable under the Company's agreement with Isis. Any non-royalty milestone amounts previously paid will be credited toward the $20 million milestone if not already paid. As a result of the $10 million milestone payment payable to Isis in relation to the Collaboration Agreement, the remaining amount owing in the event of change of control discussed above is a maximum of $10 million. As the Company has now licensed the product to Teva and established a royalty rate payable to Isis, no royalty rate adjustments would apply if Teva acquires the Company and is the surviving company.

Bayer HealthCare LLC

On August 7, 2008, Sonus completed an exclusive in-licensing agreement with Bayer for the right to develop, commercialize or sublicense a family of compounds known as caspase activators presently in preclinical research. Under terms of the agreement, Sonus was granted exclusive rights to develop two core compounds for all prophylactic and therapeutic uses in humans. Additionally, Sonus was granted rights to all other non-core compounds covered under the patents for use in oncology.

Under the terms of the agreement, Bayer received an upfront license fee of $450,000. OncoGenex will make Anniversary Payments, with an initial payment of $100,000. The payments will increase by $25,000 each year until the initiation of the first phase 3 clinical trial, at which point the Anniversary Payments reset to $100,000 each year and increase by $25,000 until the Company achieves either the first New Drug Application filing in the United States or the European Union. OncoGenex is obligated to pay royalties on net future product sales in addition to aggregate milestone payments of up to $14,000,000 for clinical development and regulatory milestones. No milestone payments are triggered prior to the initiation of a phase 3 clinical trial. OncoGenex has the option to terminate this contract upon 60 days written notice to Bayer.

Lease Arrangements

The Company has an operating lease agreement for office space in Vancouver, Canada, which expires in March 2011.

Future minimum annual lease payments under the Vancouver lease are as follows (in thousands):

2010	$	181
2011		45
Total	$	226

In November 2006, prior to the Arrangement, Sonus entered into a non-cancellable operating lease agreement for office space in Bothell, Washington, expiring in 2017. In connection with the new lease, Sonus was required to provide a cash security deposit of approximately $497,000, which is included in Other Long Term Assets. In addition, the lease stipulates the Company must issue a standby letter of credit for approximately $500,000 which is expected to be issued during 2010. The Company is currently in the process of evaluating opportunities to exit or sublet portions of the leased space and has recorded a liability in the excess facilities lease charge of $4,645,000 as at December 31, 2009.

If the Company is unable to exit or sublet portions of this leased space, the future minimum annual lease payments are as follows (in thousands):

2010	$	1,995
2011		2,055
2012		2,117
2013		2,180
2014		2,245
remainder		7,150
Total	$	17,742

Consolidated rent expense relating to both the Vancouver, Canada and Bothell, Washington offices for years ended December 31, 2009, 2008, and 2007 was $2,408,000, $801,000, and $220,000 respectively.

Guarantees and Indemnifications

OncoGenex indemnifies its officers and directors for certain events or occurrences, subject to certain limits, while the officer or director is or was serving at our request in such capacity. The term of the indemnification period is equal to the officer's or director's lifetime.

The maximum amount of potential future indemnification is unlimited; however, we have obtained director and officer insurance that limits our exposure and may enable it to recover a portion of any future amounts paid. We believe that the fair value of these indemnification obligations is minimal. Accordingly, we have not recognized any liabilities relating to these obligations as of December 31, 2009.

We have certain agreements with certain organizations with which we do business that contain indemnification provisions pursuant to which we typically agree to indemnify the party against certain types of third-party claims. We accrue for known indemnification issues when a loss is probable and can be reasonably estimated. There were no accruals for or expenses related to indemnification issues for any period presented.

Material Changes in Financial Condition

(in thousands)	December 31, 2009	December 31, 2008
Total Assets	$ 68,980	$ 14,790
Total Liabilities	$ 46,021	$ 4,083
Total Equity	$ 22,959	$ 10,707

The increase in assets from December 31, 2008 primarily relates to increase in cash, cash equivalents and marketable securities following the Collaboration Agreement with Teva. The increase in liabilities from December 31, 2008 relates to deferred collaboration revenue and milestone payments owing to Isis and UBC resulting from our Collaboration Agreement with Teva. The increase in equity relates predominantly to the issuance of shares through private placements of our common stock and shares sold to Teva.

Critical Accounting Policies and Estimates

Significant Accounting Policies

Revenue Recognition

Revenue recognized to date is attributable solely to the upfront payment the Company received in the fourth quarter of 2009 pursuant to its Collaboration Agreement with Teva. For a description of the Collaboration Agreement, see note 4 in the Notes to Financial Statements for further details on our collaboration with Teva.

The Collaboration Agreement contains multiple elements and deliverables, and requires evaluation pursuant to ASC 605-25, *Multiple-Element Arrangements* ("ASC 605-25"). The Company evaluated the facts and circumstances of the Collaboration Agreement to determine whether it had obligations constituting deliverables under ASC 605-25. The Company concluded that it had multiple deliverables under the Collaboration Agreement, including deliverables relating to the grant of a technology license, and performance of manufacturing, regulatory and clinical development services in the U.S. and Canada, and estimated that the period in which the Company would perform those deliverables began in the fourth quarter of 2009 and will be completed in 2013. Because the Company was able to establish vendor specific objective evidence ("VSOE") of the fair value of the maintenance, regulatory, and clinical services, the Company concluded that these deliverables should be accounted as separate units of accounting under ASC 605-25. In establishing VSOE for the manufacturing, regulatory, and clinical development services, management relied on rates charged by other service providers providing similar development services.

The Company will recognize $30 million allocated to the manufacturing, regulatory and clinical development services element as revenue over the estimated performance period, using the proportional performance model. Estimation of the performance period of the Company's deliverables required the use of management's judgement. Significant factors considered in management's evaluation of the estimated performance period include, but are not limited to its experience, along with Teva's experience, in conducting clinical development activities. The Company will review the estimated duration of its performance period on a quarterly basis and make any appropriate adjustments on a prospective basis. Future changes in estimates of the performance period may materially impact the timing of the future revenue recognized under the Collaboration Agreement.

Because management is not able to reliably estimate the fair value of the technology license, it used the residual value approach to determine the amount of revenue to recognize. Based on this approach, the Company recognized $22 million in 2009 relating to this element.

Under the Collaboration Agreement, the Company is entitled to receive up to $370 million upon the achievement of developmental and commercial milestones. Management evaluated the nature of the events triggering these contingent payments and concluded that these events constituted substantive milestones. This conclusion was based primarily on the facts that each triggering event represents a specific outcome that can be achieved only through successful performance by the Company of one or more of its deliverables, and that achievement of each triggering event was subject to inherent risk and uncertainty and would result in additional payments becoming due to the Company. Management concluded that each of these milestones was substantive, based primarily on the facts that the payments they trigger are non-refundable, that achievement of the milestone entails risk and was not reasonably assured at inception of the Collaboration Agreement, that substantial effort is required to complete each milestone, that the amount of each milestone payment is reasonable in relation to the value created in achieving the milestone, that a substantial amount of time is expected to pass between the upfront payment and the potential milestone payments, and that the milestone payments, once received, relate solely to past performance. Based on the foregoing, the Company will recognize any revenue from these milestone payments under the substantive milestone method in the period in which the underlying triggering event occurs.

Under the Collaboration Agreement, the Company is also entitled to receive royalties on sales of OGX-011 ranging from the mid-teens to the mid-twenties. The Company will recognize any revenue from these events based on the revenue recognition criteria set forth in ASC 605, *Revenue Recognition*. Based on those criteria, the Company considers these potential payments to be contingent revenues, and will recognize them as revenue in the period in which the applicable contingency is resolved.

Under the Collaboration Agreement, the Company and Teva share certain OGX-011-related development costs. The Company will be required to spend $30 million in direct and indirect development costs such as full-time equivalent (“FTE”) reimbursement for time incurred by OncoGenex personnel for the benefit of the OGX-011 development plan, such contribution to be funded by the upfront payment provided by Teva as an advanced reimbursement for the Company Development Expenses. Teva will fund all other expenses under the Clinical Development Plan (“Clinical Development Plan”). Once the Company has fulfilled its requirement to spend $30 million in direct and indirect development costs, including FTEs, Teva will, on a quarterly basis, reimburse all development expenses incurred in accordance with the Clinical Development Plan. The Company’s policy is to account for these reimbursements as Collaboration Revenue.

Income Taxes

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are recognized for the differences between the carrying values of assets and liabilities and their respective income tax bases and for operating losses and tax credit carry forwards. A valuation allowance is provided for the portion of deferred tax assets that is more likely than not to be unrealized. Deferred tax assets and liabilities are measured using the enacted tax rates and laws.

Research and Development Costs

Research and development costs are expensed as incurred, net of related refundable investment tax credits, with the exception of non-refundable advanced payments for goods or services to be used in future research and development, which are capitalized in accordance with ASC 730, “Research and Development” and included within Other Assets.

Clinical trial expenses are a component of research and development costs. These expenses include fees paid to contract research organizations and investigators and other service providers, which conduct certain product development activities on our behalf. The Company uses an accrual basis of accounting, based upon estimates of the amount of service completed. In the event payments differ from the amount of service completed, prepaid expense or accrued liabilities amounts are adjusted on the balance sheet. These expenses are based on estimates of the work performed under service agreements, milestones achieved, patient Enrollment and experience with similar contracts. The Company monitors each of these factors to the extent possible and adjusts estimates accordingly.

Stock-Based Compensation

Effective January 1, 2006, the Company adopted the fair value recognition provisions of the ASC 718, "Stock Compensation", using the modified prospective method with respect to options granted to employees and directors. Under this transition method, compensation cost is recognized in the financial statements beginning with the effective date for all share-based payments granted after January 1, 2006 and for all awards granted prior to but not yet vested as of January 1, 2006. The expense is amortized on a straight-line basis over the graded vesting period. *Short-Term Investments*

Short-term investments consist of financial instruments purchased with an original maturity of greater than three months and less than one year. The Company considers its short-term investments as available-for-sale and they are carried at market value with unrealized gains and losses, if any, reported as accumulated other comprehensive income or loss, which is a separate component of shareholders' equity. Realized gains and losses on the sale of these securities are recognized in net loss. The cost of investments sold is based on the specific identification method.

Fair value of financial instruments

The fair value of the Company's cash equivalents and marketable securities is based on quoted market prices and trade data for comparable securities. Other financial instruments including amounts receivable, accounts payable and accrued liabilities, are carried at cost, which the Company believes approximates fair value because of the short-term maturities of these instruments.

Recent accounting pronouncements

There were no recent accounting pronouncements which the Company expects would have any impact on the consolidated financial position, results of operations or cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We invest our cash in a variety of financial instruments, primarily in short-term bank deposits, money market funds, and domestic and foreign commercial paper and government securities. These investments are denominated in U.S. dollars and are subject to interest rate risk, and could decline in value if interest rates fluctuate. Our investment portfolio includes only marketable securities with active secondary or resale markets to help ensure portfolio liquidity. Due to the conservative nature of these instruments, we do not believe that we have a material exposure to interest rate risk. For example, if market rates hypothetically increase immediately and uniformly by 100 basis points from levels at December 31, 2009, the decline in the fair value of our investment portfolio would not be material.

Foreign Currency Exchange Risk

We are exposed to risks associated with foreign currency transactions on certain contracts and payroll expenses related to our Canadian subsidiary, OncoGenex Technologies, denominated in Canadian dollars and we have not hedged these amounts. As our unhedged foreign currency transactions fluctuate, our earnings might be negatively affected. Accordingly, changes in the value of the U.S. dollar relative to the Canadian dollar might have an adverse effect on our reported results of operations and financial condition, and fluctuations in exchange rates might harm our reported results and accounts from period to period.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS:

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
OncoGenex Pharmaceuticals, Inc.

We have audited the accompanying consolidated balance sheets of **OncoGenex Pharmaceuticals, Inc.** (the "Company") as of December 31, 2009 and 2008, and the related consolidated statements of loss, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of OncoGenex Pharmaceuticals, Inc. at December 31, 2009 and 2008, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), OncoGenex Pharmaceuticals, Inc.'s internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 8, 2010 expressed an unqualified opinion thereon.

Vancouver, Canada,
March 8, 2010

/s/ ERNST & YOUNG LLP

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
OncoGenex Pharmaceuticals, Inc.

We have audited **OncoGenex Pharmaceuticals, Inc.'s** (the "Company") internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO" criteria). The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2009 and 2008, and the related consolidated statements of loss, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2009 and our report dated March 8, 2010 expressed an unqualified opinion thereon.

Vancouver, Canada
March 8, 2010

/s/ ERNST & YOUNG LLP

OncoGenex Pharmaceuticals, Inc.

Consolidated Balance Sheets

(In thousands of U.S. dollars)

	December 31, 2009 $	December 31, 2008 $
ASSETS		
Current		
Cash and cash equivalents	62,051	7,618
Short-term investments *[note 6]*	2,517	4,801
Amounts receivable *[note 4]*	3,109	153
Investment tax credit recoverable	—	1,090
Prepaid expenses	722	587
Total current assets	**68,399**	**14,249**
Property and equipment, net *[note 7]*	72	44
Other assets	509	497
Total assets	**68,980**	**14,790**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	14,453	2,252
Deferred Collaboration Revenue	10,000	—
Current portion of long-term obligations *[note 8]*	1,328	632
Total current liabilities	**25,781**	**2,884**
Deferred Collaboration Revenue, net of current	16,528	—
Long-term obligation, less current portion *[note 8]*	3,712	1,199
Total liabilities	**46,021**	**4,083**
Commitments and contingencies *[note 13]*		
Shareholders' equity:		
Common shares:		
$0.001 par value 11,019,930 shares authorized and 6,324,033 issued and outstanding at December 31, 2009	6	6
Additional paid-in capital	73,798	56,070
Accumulated deficit	(53,485)	(48,009)
Accumulated other comprehensive income	2,640	2,640
Total shareholders' equity	**22,959**	**10,707**
Total liabilities and shareholders' equity	**68,980**	**14,790**
Subsequent events [note 16]		

OncoGenex Pharmaceuticals, Inc.

Consolidated Statements of Loss

(In thousands of U.S. dollars, except share and per share amounts)

	Years Ended December 31,		
	2009	**2008**	**2007**
	$	**$**	**$**
COLLABORATION REVENUE	25,539	—	—
EXPENSES			
Research and development	24,160	7,819	4,135
General and administrative	3,961	3,293	3,540
Total expenses	28,121	11,112	7,675
OTHER INCOME (EXPENSE)			
Interest income	47	210	177
Other	70	211	(325)
Total other income (expense)	117	421	(148)
Loss for the period before taxes and extraordinary gain	**(2,465)**	**(10,691)**	**(7,823)**
Income tax expense (recovery) *[note 10]*	3,011	(2,059)	713
Loss before extraordinary gain	**(5,476)**	**(8,632)**	**(8,536)**
Extraordinary gain *[note 5]*	—	4,428	—
Net loss	**(5,476)**	**(4,204)**	**(8,536)**
Redeemable convertible preferred share accretion	—	1,973	2,944
Loss attributable to common shareholders	**(5,476)**	**(6,177)**	**(11,480)**
Basic and diluted loss per common share *[note 11[h]]*	(.95)	(3.38)	(96.63)
Weighted average number of common shares *[note 11[h]]*	5,766,850	1,829,276	118,801

See accompanying notes.

OncoGenex Pharmaceuticals, Inc.

Consolidated Statements of Shareholders' Equity

(In thousands of U.S. dollars, except share amounts)

	Common Shares	Amount	Accumulated Other Comprehensive Income (Loss)	Comprehensive Income (Loss)	Accumulated deficit	Total Shareholders' Equity (Deficiency)
			(in thousands of U.S. dollars, except share amounts)			
Balance, December 31, 2006	**118,801**	**703**	**2,083**		**(30,352)**	**(27,566)**
Stock-based compensation expense		263				263
Cumulative translation adjustment from application of US dollar reporting			557	557		557
Reclassification of unrealized loss on marketable securities			2	2		2
Unrealized gain on marketable securities			1	1		1
Redeemable convertible preferred share accretion					(2,944)	(2,944)
Loss for the year				(8,536)	(8,536)	(8,536)
Comprehensive loss for the year				(7,976)		
Balance, December 31, 2007	**118,801**	**966**	**2,643**		**(41,832)**	**(38,223)**
Stock-based compensation expense		174				174
Shares held by Sonus shareholders	2,059,898	10,456				10,456
Shares issued in exchange for convertible debentures	1,036,586	5,012				5,012
Shares issued in exchange for preferred shares	905,131	39,345				39,345
Escrow shares released on achievement of milestones	1,388,875					
Stock option exercises	34,601	122				122
Issuance of common stock under employee benefit plans	222	1				1
Cumulative translation adjustment from application of US dollar reporting			(3)	(3)		(3)
Redeemable convertible preferred share accretion					(1,973)	(1,973)
Loss for the period				(4,204)	(4,204)	(4,204)
Comprehensive loss for the period				(4,207)		
Balance, December 31, 2008	**5,544,114**	**56,076**	**2,640**		**(48,009)**	**10,707**
Stock-based compensation expense		380				380
Shares issued in July 2009 financing	475,000	9,304				9,304
Shares issued in Teva share purchase agreement	267,531	7,903				7,903
Stock option exercises	37,388	141				141
Loss for the period				(5,476)	(5,476)	(5,476)
Comprehensive loss for the period				(5,476)		
Balance, December 31, 2009	**6,324,033**	**73,804**	**2,640**		**(53,485)**	**22,959**

OncoGenex Pharmaceuticals, Inc.

Consolidated Statements of Cash Flows

(In thousands of U.S. dollars)

	Years ended December 31,		
	2009	**2008**	**2007**
	$	**$**	**$**
OPERATING ACTIVITIES			
Loss for the period	5,476	4,204	8,536
Add items not involving cash			
Extraordinary gain	—	(4,428)	—
Depreciation and amortization	50	89	83
Stock-based compensation *[note 11[c]]*	380	174	263
Accrued interest on convertible debenture *[note 11]*	—	313	193
Changes in non-cash working capital items			
Amounts receivable	(2,955)	204	181
Investment tax credit recoverable	1,090	646	(993)
Prepaid expenses	(136)	—	(68)
Other assets	(12)	(117)	(1)
Accounts payable and accrued liabilities	12,200	(2,244)	(2)
Lease obligation	3,210	(253)	—
Deferred collaboration revenue	26,527	—	—
Taxes payable on preferred shares	—	(2,487)	1,001
Cash provided by (used in) operating activities	**34,878**	**(12,307)**	**(7,879)**
FINANCING ACTIVITIES			
Cash paid on fractional shares eliminated on reverse share split	—	(3)	—
Proceeds from issuance of common stock under stock option and employee purchase plans	141	124	—
Issuance of common shares, net of share issue costs	17,206	—	—
Issuance of convertible debentures net of issue costs	—	—	4,442
Cash provided by financing activities	**17,347**	**121**	**4,442**
INVESTING ACTIVITIES			
Purchase of investments	(4,036)	(4,843)	(6,763)
Proceeds from sale of investments	6,280	15,276	13,058
Purchase of property and equipment	(15)	(3)	(17)
Cash received on reverse takeover of Sonus	—	5,464	—
Transaction fees on reverse takeover of Sonus	—	(807)	—
Cash provided by investing activities	**2,229**	**15,087**	**6,278**
Effect of exchange rate changes on cash	(21)	90	(68)
Increase in cash and cash equivalents during the period	54,433	2,992	2,773
Cash and cash equivalents, beginning of the period	7,618	4,626	1,853
Cash and cash equivalents, end of the period	**62,051**	**7,618**	**4,626**
Supplemental cash flow information			
Property and equipment acquired under lease obligation	65	—	—

See accompanying notes.

OncoGenex Pharmaceuticals, Inc.

Notes to Consolidated Financial Statements

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

OncoGenex Pharmaceuticals, Inc. (the "Company" or "OncoGenex") is committed to the development and commercialization of new therapies that address treatment resistance in cancer patients. The Company was incorporated in the state of Delaware and, together with its subsidiaries, has a facility in Bothell, Washington for administrative, clinical and regulatory operations and an office in Vancouver, British Columbia (Canada) for administrative, pre-clinical and manufacturing-related operations.

On August 21, 2008, Sonus Pharmaceuticals, Inc. ("Sonus") completed a transaction ("the Arrangement") with OncoGenex Technologies Inc., ("OncoGenex Technologies") whereby Sonus acquired all of the outstanding preferred shares, common shares and convertible debentures of OncoGenex Technologies. Sonus changed its name to OncoGenex Pharmaceuticals, Inc. and was listed on the Nasdaq Capital Market under the ticker symbol OGXI. These consolidated financial statements account for the Arrangement between Sonus and OncoGenex Technologies as a reverse acquisition, whereby OncoGenex Technologies is deemed to be the acquiring entity from an accounting perspective.

During the year ended December 31, 2009, the Company exited the development stage. Previously from its inception, the Company was a development stage company in accordance with Accounting Standards Codification ("ASC") 915, Accounting and Reporting by Development Stage Enterprises.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the financial position and results of operations of OncoGenex have been included. The consolidated financial statements include the accounts of OncoGenex Pharmaceuticals, Inc. and our wholly owned subsidiaries, OncoGenex Technologies and OncoGenex, Inc. OncoGenex, Inc. ceased operations in 2009 and was subsequently dissolved. All intercompany balances and transactions have been eliminated.

Liquidity

The Company has historically experienced recurring losses from operations that have generated an accumulated deficit of $53.5 million through December 31, 2009. At December 31, 2009, the Company had cash, cash equivalents and short-term investments of $64.6 million, and working capital of $42.6 million.

Based on the current forecasted cash needs for the Company, management believes that existing cash, cash equivalents and short-term investments will be sufficient to fund expected operations into 2012.

2. ACCOUNTING POLICIES

Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes thereto. Actual results could differ from those estimates. Estimates and assumptions principally relate to the performance period of the Company's deliverables under its Collaboration Agreement with Teva Pharmaceutical Industries Ltd. ("Teva"), estimates of the fair value and forfeiture rates of stock options issued to employees and consultants, the resolution of uncertain tax positions and estimates of the fair value of our excess lease facility liability.

Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents, which the Company considers as available for sale and are carried at market value with unrealized gains and losses, if any, reported as accumulated other comprehensive income or loss, which is a separate component of shareholders' equity.

Short-Term Investments

Short-term investments consist of financial instruments purchased with an original maturity of greater than three months and less than one year. The Company considers its short-term investments as available-for-sale and they are carried at market value with unrealized gains and losses, if any, reported as accumulated other comprehensive income or loss, which is a separate component of shareholders' equity (deficiency). Realized gains and losses on the sale of these securities are recognized in net income or loss. The cost of investments sold is based on the specific identification method.

Fair value of financial instruments

The fair value of the Company's cash equivalents and marketable securities is based on quoted market prices and trade data for comparable securities. Other financial instruments including amounts receivable, accounts payable and accrued liabilities, are carried at cost, which the Company believes approximates fair value because of the short-term maturities of these instruments.

Intellectual Property

The costs of acquiring intellectual property rights to be used in the research and development process, including licensing fees and milestone payments, are charged to research and development expense as incurred in situations where the Company has not identified an alternative future use for the acquired rights, and are capitalized in situations where it has identified an alternative future use. No costs associated with acquiring intellectual property rights have been capitalized to date. Legal and other costs of prosecuting and maintaining intellectual property rights are expensed as incurred.

Revenue Recognition

Revenue recognized to date is attributable solely to the upfront payment the Company received in the fourth quarter of 2009 pursuant to its Collaboration Agreement with Teva. For a description of the Collaboration Agreement, see Note 4.

The Collaboration Agreement contains multiple elements and deliverables, and requires evaluation pursuant to ASC 605-25, *Multiple-Element Arrangements* ("ASC 605-25"). The Company evaluated the facts and circumstances of the Collaboration Agreement to determine whether it had obligations constituting deliverables under ASC 605-25. The Company concluded that it had multiple deliverables under the Collaboration Agreement, including deliverables relating to the grant of a technology license, and performance of manufacturing, regulatory and clinical development services in the U.S. and Canada, and estimated that the period in which the Company would perform those deliverables began in the fourth quarter of 2009 and will be completed in 2013. Because the Company was able to establish vendor specific objective evidence ("VSOE") of the fair value of the maintenance, regulatory, and clinical services, the Company concluded that these deliverables should be accounted as separate units of accounting under ASC 605-25. In establishing VSOE for the manufacturing, regulatory, and clinical development services, management relied on rates charged by other service providers providing similar development services.

The Company will recognize $30 million allocated to the manufacturing, regulatory and clinical development services element as revenue over the estimated performance period, using the proportional performance model. Estimation of the performance period of the Company's deliverables required the use of management's judgement. Significant factors considered in management's evaluation of the estimated performance period include, but are not limited to its experience, along with Teva's experience, in conducting clinical development activities. The Company will review the estimated duration of its performance period on a quarterly basis and make any appropriate adjustments on a prospective basis. Future changes in estimates of the performance period may materially impact the timing of the future revenue recognized under the Collaboration Agreement.

Because management is not able to reliably estimate the fair value of the technology license, it used the residual value approach to determine the amount of revenue to recognize. Based on this approach, the Company recognized $22 million in 2009 relating to this element.

Under the Collaboration Agreement, the Company is entitled to receive up to $370 million upon the achievement of developmental and commercial milestones. Management evaluated the nature of the events triggering these contingent payments and concluded that these events constituted substantive milestones. This conclusion was based primarily on the facts that each triggering event represents a specific outcome that can be achieved only through successful performance by the Company of one or more of its deliverables, and that achievement of each triggering event was subject to inherent risk and uncertainty and would result in additional payments becoming due to the Company. Management concluded that each of these milestones was substantive, based primarily on the facts that the payments they trigger are non-refundable, that achievement of the milestone entails risk and was not reasonably assured at inception of the Collaboration Agreement, that substantial effort is required to complete each milestone, that the amount of each milestone payment is reasonable in relation to the value created in achieving the milestone, that a substantial amount of time is expected to pass between the upfront payment and the potential milestone payments, and that the milestone payments, once received, relate solely to past performance. Based on the foregoing, the Company will recognize any revenue from these milestone payments under the substantive milestone method in the period in which the underlying triggering event occurs.

Under the Collaboration Agreement, the Company is also entitled to receive royalties on sales of OGX-011 ranging from the mid-teens to the mid-twenties. The Company will recognize any revenue from these events based on the revenue recognition criteria set forth in ASC 605, *Revenue Recognition*. Based on those criteria, the Company considers these potential payments to be contingent revenues, and will recognize them as revenue in the period in which the applicable contingency is resolved.

Under the Collaboration Agreement, the Company and Teva share certain OGX-011-related development costs. The Company will be required to spend $30 million in direct and indirect development costs such as full-time equivalent ("FTE") reimbursement for time incurred by OncoGenex personnel for the benefit of the OGX-011 development plan, such contribution to be funded by the upfront payment provided by Teva as an advanced reimbursement for the Company Development Expenses. Teva will fund all other expenses under the Clinical Development Plan ("Clinical Development Plan"). Once the Company has fulfilled its requirement to spend $30 million in direct and indirect development costs, including FTEs, Teva will, on a quarterly basis, reimburse all development expenses incurred in accordance with the Clinical Development Plan. The Company's policy is to account for these reimbursements as Collaboration Revenue.

Property and Equipment

Property and equipment assets are recorded at cost less accumulated amortization. Depreciation expense on assets acquired under capital lease is recorded within depreciation expense. Amortization is provided on a straight-line basis over the following periods:

Computer equipment	3 years
Computer software	3 years
Furniture and fixtures	5 years
Leasehold improvements	Over the term of the lease

Reporting Currency and Foreign Currency Translation

Effective August 21, 2008, the Company changed its functional currency from the Canadian dollar to the U.S. dollar. The Company's primary economic environment changed from Canada to the United States following the acquisition of Sonus (note 5). This resulted in significant changes in economic facts and circumstances that indicated that the functional currency had changed. The Company accounted for the change in functional currency prospectively.

The consolidated financial statements of the Company for the year ended December 31, 2007 and for the period of January 1, 2008 to August 20, 2008, which is based on the Canadian functional currency, has been translated into the U.S. reporting currency using the current rate method as required by ASC 830, "Foreign Currency Matters", ("ASC 830") as follows: assets and liabilities using the rate of exchange prevailing at the balance sheet date; shareholders' equity using the applicable historic rate; and revenue and expenses using the monthly average rate of exchange. Translation adjustments have been included as part of the accumulated other comprehensive income.

Income Taxes

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are recognized for the differences between the carrying values of assets and liabilities and their respective income tax bases and for operating losses and tax credit carry forwards. A valuation allowance is provided for the portion of deferred tax assets that is more likely than not to be unrealized. Deferred tax assets and liabilities are measured using the enacted tax rates and laws.

Scientific Research and Development Tax Credits

The benefits of tax credits for scientific research and development expenditures are recognized in the year the qualifying expenditure is made provided there is reasonable assurance of recoverability. The tax credits recorded are based on management's estimates of amounts expected to be recovered and are subject to audit by taxation authorities. The refundable tax credit reduces the carrying cost of expenditures for research and development expenses to which it relates. The non-refundable tax credit reduces the tax provision. Following the completion of the Arrangement (note 5) all qualifying expenditures are eligible for non-refundable tax credits only.

Research and Development Costs

Research and development costs are expensed as incurred, net of related refundable investment tax credits, with the exception of non-refundable advanced payments for goods or services to be used in future research and development, which are capitalized in accordance with ASC 730, "Research and Development" and included within Other Assets.

Clinical trial expenses are a component of research and development costs. These expenses include fees paid to contract research organizations and investigators and other service providers, which conduct certain product development activities on our behalf. The Company uses an accrual basis of accounting, based upon estimates of the amount of service completed. In the event payments differ from the amount of service completed, prepaid expense or accrued liabilities amounts are adjusted on the balance sheet. These expenses are based on estimates of the work performed under service agreements, milestones achieved, patient Enrollment and experience with similar contracts. The Company monitors each of these factors to the extent possible and adjusts estimates accordingly.

Stock-Based Compensation

Effective January 1, 2006, the Company adopted the fair value recognition provisions of the ASC 718, "Stock Compensation", using the modified prospective method with respect to options granted to employees and directors. Under this transition method, compensation cost is recognized in the financial statements beginning with the effective date for all share-based payments granted after January 1, 2006 and for all awards granted prior to but not yet vested as of January 1, 2006. The expense is amortized on a straight-line basis over the graded vesting period.

Segment Information

The Company follows the requirements of ASC 280, "Segment Reporting." The Company has one operating segment, dedicated to the development and commercialization of new cancer therapies, with operations located in Canada and the United States.

Comprehensive Income (Loss)

Comprehensive income (loss) is comprised of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) consists of translation adjustments from the application of U.S. dollar reporting until August 21, 2008 and unrealized gains and losses on the Company's available-for-sale marketable securities. The Company has reported the components of comprehensive loss in the statement of shareholders' equity.

Loss per Common Share

Basic loss per common share is computed using the weighted average number of common shares outstanding during the period adjusted to reflect the equivalent OncoGenex Pharmaceuticals shares and equity structure. Prior to the completion of the Arrangement on August 21, 2008 the weighted average number of common shares represents OncoGenex Technologies only. Diluted loss per common share is computed in accordance with the treasury stock method which uses the weighted average number of common shares outstanding during the period. The effect of potentially issuable common shares from outstanding stock options and convertible preferred shares and debentures is anti-dilutive for all periods presented.

Recently Adopted Accounting Policies

In November 2007, the FASB issued ASC 808, "Collaborative Arrangements". ASC 808 requires collaborators to present the results of activities for which they act as the principal on a gross basis and report any payments received from (made to) other collaborators based on other applicable GAAP or, in the absence of other applicable GAAP, based on analogy to authoritative accounting literature or a reasonable, rational, and consistently applied accounting policy election.

Further, ASC 808 clarified that the determination of whether transactions within a collaborative arrangement are part of a vendor-customer (or analogous) relationship. ASC 808 is effective for fiscal years beginning after December 15, 2008. The Company implemented ASC 808 for the first time for the Teva Collaboration Agreement.

In April 2009, the FASB issued amendments to ASC 320-10, "Investment — Debt and Equity Securities", which modify the other-than-temporary impairment guidance for debt securities through increased consistency in the timing of impairment recognition and enhanced disclosures related to the credit and noncredit components of impaired debt securities that are not expected to be sold. In addition, increased disclosures are required for both debt and equity securities regarding expected cash flows, credit losses, and an aging of securities with unrealized losses. The amendments to ASC 320-10 become effective for interim and annual reporting periods that end after June 15, 2009, and were adopted in our second quarter of 2009. The adoption of the amendments to ASC 320-10 has not had a material impact on the consolidated financial position, results of operations or cash flows.

In April 2009, the FASB issued amendments to ASC 825-10, "Financial Instruments", which require fair value disclosures for financial instruments that are not reflected in the consolidated balance sheets at fair value. Prior to the issuance these amendments to ASC 825-10, the fair values of those assets and liabilities were disclosed only once each year. With the issuance the amendments to ASC 825-10, are now required to disclose this information on a quarterly basis, providing quantitative and qualitative information about fair value estimates for all financial instruments not measured in the consolidated balance sheets at fair value. The amendments to ASC 825-10 become effective for interim reporting periods that end after June 15, 2009, and were adopted in our second quarter of 2009. The adoption of the amendments to ASC 825-10 has not had a material impact on the consolidated financial position, results of operations or cash flows.

In April 2009, the FASB issued amendments to ASC 820-10, “Fair Value Measurement and Disclosure”, which clarifies the methodology used to determine fair value when there is no active market or where the price inputs being used represent distressed sales. The amendments to ASC 820-10 also reaffirm the objective of fair value measurement, which is to reflect how much an asset would be sold for in an orderly transaction. They also reaffirm the need to use judgment to determine if a formerly active market has become inactive, as well as to determine fair values when markets have become inactive. The amendments to ASC 820-10 which are applied prospectively, is effective for interim and annual reporting periods ending after June 15, 2009, and was adopted in our second quarter of 2009. The adoption of the amendments to ASC 820-10 has not had a material impact on the consolidated financial position, results of operations or cash flows.

In May 2009, the FASB issued ASC 855, “Subsequent Events”. ASC 855 was issued in order to establish principles and requirements for reviewing and reporting subsequent events and requires disclosure of the date through which subsequent events are evaluated and whether the date corresponds with the time at which the financial statements were available for issue (as defined) or were issued. ASC 855 is effective for interim reporting periods ending after June 15, 2009, and was adopted in our second quarter of 2009. In accordance with ASC 855 it is the Company’s policy to review and report subsequent events up to the day prior to the issuance of the financial statements. The adoption of ASC 855 has not had a material impact on the consolidated financial position, results of operations or cash flows.

In June 2009, the FASB issued ASC 105, “Generally Accepted Accounting Principles”. ASC 105 establishes the FASB Accounting Standards Codification TM (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The FASB will no longer issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead the FASB will issue Accounting Standards Updates. Accounting Standards Updates will not be authoritative in their own right as they will only serve to update the Codification. The issuance of ASC 105 and the Codification does not change GAAP. ASC 105 became effective for the Company in the period ending December 31, 2009. The adoption of ASC 105 has not had a material impact on our disclosure to the financial statements.

In October 2009, the FASB issued ASU 2009-13, which amends ASC Topic 605, Revenue Recognition. Under this standard, management is no longer required to obtain vendor-specific objective evidence or third party evidence of fair value for each deliverable in an arrangement with multiple elements, and where evidence is not available we may now estimate the proportion of the selling price attributable to each deliverable. The final consensus is effective for fiscal years beginning on or after June 15, 2010. Entities can elect to apply Issue 08-1 prospectively to new or materially modified arrangements after the effective date or retrospectively for all periods presented. The Company does not anticipate that ASU 2009-13 will have any impact on the Company’s financial position or results of operations.

Recent Accounting Pronouncements

There were no recent accounting pronouncements which the Company expects would have any impact on the consolidated financial position, results of operations or cash flows.

3. FINANCIAL INSTRUMENTS AND RISK

For certain of the company’s financial instruments including cash, amounts receivable, and accounts payable carrying values approximate fair value due to their short-term nature. The Company’s cash equivalents and short-term investments are recorded at fair value.

Financial risk is the risk to the Company's results of operations that arises from fluctuations in interest rates and foreign exchange rates and the degree of volatility of these rates as well as credit risk associated with the financial stability of the issuers of the financial instruments. Foreign exchange rate risk arises as a portion of the Company's investments which finance operations and a portion of the Company's expenses are denominated in other than U.S. dollars.

The Company invests its excess cash in accordance with investment guidelines, which limit the credit exposure to any one financial institution or corporation other than securities issued by the U.S. government. The guidelines also specify that the financial instruments are issued by institutions with strong credit ratings. These securities generally mature within one year or less and in some cases are not collateralized. At December 31, 2009 the average days to maturity of the Company's portfolio of cash equivalents and marketable securities was 54 days. The Company does not use derivative instruments to hedge against any of these financial risks.

4. COLLABORATION AGREEMENT

On December 20, 2009, the Company, through its wholly-owned subsidiary, OncoGenex Technologies Inc., entered into a Collaboration Agreement with Teva for the development and global commercialization of OGX-011 (and related compounds), a pharmaceutical compound designed to inhibit the production of clusterin, a protein we believe associated with cancer treatment resistance. Under the Collaboration Agreement, Teva paid the Company upfront payments in the aggregate amount of $50 million, will pay up to $370 million upon the achievement of developmental and commercial milestones and will pay royalties at percentage rates ranging from the mid-teens to mid-twenties on net sales, depending on aggregate annual net sales of the Licensed Product. $3 million of the upfront payments was paid to us subsequent to year end and is included in Amounts Receivable as of December 31, 2009. The Company may be required to remit withholdings taxes to the Israeli Tax Authority of up to $3 million. As a result, we have a recorded an Income Tax Expense of $3 million, which is also included within Accounts Payable and Accrued Liabilities as at December 31, 2009.

On the same date, the Company and Teva also entered into a stock purchase agreement (the "Stock Purchase Agreement") pursuant to which Teva made an additional $10 million equity investment in the Company at a 20% premium to a thirty-day average closing price, resulting in 267,531 shares purchased at a price of $37.38 per Share. The 20% share premium is included as consideration for the OGX-011 license and has been included in collaboration revenue.

In connection with the Collaboration Agreement and pursuant to the terms of agreements between the Company and Isis relating to OGX-011, the Company will pay Isis $10 million which has been recorded as research and development expense. The Company will also pay approximately $333,333 to the University of British Columbia ("UBC") pursuant to the terms of their license agreement relating to OGX-011, which has been recorded as research and development expense. Pursuant to the terms of the third-party agreements, the Company anticipates that it would be required to pay third-parties 31% of any milestone payments that are not based on a percentage of net sales of the Licensed Product. Pursuant to the terms of third-party agreements, the Company anticipates it will pay royalties to third-parties of 4.88% to 8.00% of net sales, unless the Company's royalties are adjusted for competition from generic compounds, in which case royalties to third-parties will also be subject to adjustment on a country-by-country basis. Certain third-party royalties are tiered based on the royalty rate received by the Company. Minimum royalty rates payable by the Company assume certain third-party royalties are not paid at the time that the Licensed Product is marketed due to the expiration of patents held by such third-parties. Maximum royalty rates assume all third-party royalty rates currently in effect continue in effect at the time the Licensed Product is marketed.

Teva will receive the exclusive worldwide right and license to develop and commercialize products containing OGX-011 and related compounds. The Company has an option to co-promote any Licensed Product in the United States and Canada.

Teva is responsible for all costs relating to product commercialization including costs incurred in relation to the Company's co-promotion option, except for start-up costs in advance of commercialization.

Teva and the Company have developed a Clinical Development Plan under which three phase 3 clinical trials will be initiated:

- a phase 3 clinical trial of the Licensed Product for second-line castrate resistant prostate cancer, expected to initiate in the second quarter of 2010 subject to institutional review board approval and patient screening. The Company will have primary responsibility for the oversight of this trial;
- a phase 3 clinical trial of the Licensed Product for first-line castrate resistant prostate cancer, expected to initiate in the third quarter of 2010; and
- a phase 3 clinical trial of the Licensed Product for first-line NSCLC, expected to initiate by early 2011.

Teva will be responsible for conducting any other studies and development work necessary to obtain required regulatory approvals. The Company may assume some of these activities if assigned by the Joint Steering Committee. Teva will be responsible for all such costs. The Joint Steering Committee will oversee the development and regulatory approval of any Licensed Product. The Company may terminate its participation in the Joint Steering Committee at any time.

Funding responsibilities for the Clinical Development Plan will be allocated as follows:

- the Company will be required to spend $30 million in direct and indirect development costs, and
- Teva will fund all other expenses under the Clinical Development Plan.

The Collaboration Agreement will remain in effect, on a country-by-country basis, until the expiration of the obligation of Teva to pay royalties on sales of the Licensed Product in such country (or earlier termination under its terms). Commencing after the completion of all three phase 3 clinical trials set forth in the Clinical Development Plan, or upon early termination due to a material adverse change in the Company's patent rights related to OGX-011 or safety issues or "futility" as defined in the Collaboration Agreement, Teva may terminate the Collaboration Agreement in its sole discretion upon three months' notice if notice is given prior to regulatory approval of a Licensed Product and upon six months' notice if notice is given after such regulatory approval. If Teva terminates the Collaboration for any reasons other than an adverse change in OGX-011 patent rights, safety issues or "futility" determination as previously described, it will remain responsible for paying for any remaining costs of all three phase 3 clinical trials, except for Company Development Expenses. Either party may terminate the Collaboration Agreement for an uncured material breach by the other party or upon the bankruptcy of either party. If the Collaboration Agreement is terminated by the Company for other than an uncured material breach by Teva, the Company will pay Teva a royalty on sales of Licensed Products. The percentage rates of such royalties (which are in the single digits) depend if termination occurs prior to the first regulatory approval in the United States or a primary European Market or after one of these approvals. These royalties would expire on a country-by-country basis on the earlier of ten years after the first commercial sale of a Licensed Product or certain thresholds related to generic competition.

In the event of a change of control of the Company, within 90 days of the change of control, Teva may terminate the joint steering committee in its sole discretion, terminate the co-promotion option in its sole discretion if not then exercised by the Company or if exercised but not yet executed by the Company, or terminate the co-promotion option if in its commercially reasonable opinion co-promotion with the Company's successor would be materially detrimental to Teva's interests.

Amendment to Isis and UBC License Agreements

To facilitate the execution and performance of the Collaboration Agreement, the Company and Isis agreed to amend the Isis License Agreement and the Company and UBC agreed to amend the UBC License Agreement, in each case, effective December 19 and December 20, 2009, respectively.

The amendment to the Isis License Agreement provides, among other things, that if the Company is the subject of a change of control with a third party, where the surviving company immediately following such change of control has the right to develop and sell the product, then (i) a milestone payment of $20 million will be due and payable to Isis 21 days following the first commercial sale of the product in the United States; and (ii) unless such surviving entity had previously sublicensed the product and a royalty rate payable to Isis by the Company has been established, the applicable royalty rate payable to Isis will thereafter be the maximum amount payable under the Isis License Agreement. Any non-royalty milestone amounts previously paid will be credited toward the $20 million milestone if not already paid. As a result of the $10 million milestone payment payable to Isis in relation to the Collaboration Agreement, the remaining amount owing in the event of change of control discussed above is a maximum of $10 million. As the Company has now licensed the product to Teva and established a royalty rate payable to Isis, no royalty rate adjustments would apply if Teva acquires the Company and is the surviving company. If the $30 million in advanced reimbursement of development activities has not been spent by OncoGenex prior to the third anniversary of the Collaboration Agreement between OncoGenex and Teva, OncoGenex will pay Isis an amount equal to 30% of any un-spent portion less $3.5 million.

5. REVERSE TAKEOVER

The consolidated financial statements account for the Arrangement between Sonus and OncoGenex Technologies, whereby Sonus acquired all of the outstanding preferred shares, common shares and convertible debentures of OncoGenex Technologies, as a reverse takeover wherein OncoGenex Technologies is deemed to be the acquiring entity from an accounting perspective. The consolidated results of operations of the Company include the results of operations of the combined company for year ended December 31, 2009. The consolidated results of operations of the Company include the results of operations of OncoGenex Technologies for the full year ended December 31, 2008 and the results of OncoGenex Pharmaceuticals, Inc. following the completion of the Arrangement on August 21, 2008. The consolidated results of operations for year ended December 31, 2007 include only the consolidated results of operations of OncoGenex Technologies and do not include historical results of Sonus.

On August 12, 2008, OncoGenex Technologies' shareholders approved the Arrangement described above and on August 19, 2008, Sonus shareholders approved the Arrangement, an one-for-eighteen reverse stock split of its common stock, and a reduction of Sonus' authorized capital from 75,000,000 common shares to 11,019,930 common shares. The reverse stock split occurred immediately prior to the closing of the Arrangement. Resulting fractional shares were eliminated. All information in the financial statements and the notes thereto relating to the number of shares, price per share, and per share amounts of common stock are presented on a post-split basis.

Under the purchase method of accounting, Sonus' outstanding shares of common stock were valued using the average closing price on Nasdaq of $5.04 for the two days prior through to the two days subsequent to the announcement of the Arrangement on May 27, 2008. There were 2,059,898 shares of common stock outstanding, as adjusted for the reverse stock split, on August 20, 2008, immediately prior to closing. The fair value of the Sonus outstanding stock options were determined using the Black-Scholes option pricing model with the following assumptions: stock price of $4.86, volatility of 57.67% to 89.48%, risk-free interest rate of 1.73% to 3.89%, and expected lives ranging from 0.05 to 4.79 years. The fair value of the Sonus outstanding warrants were determined using the Black-Scholes option pricing model with the following assumptions: stock price of $4.86, volatility of 58.71%, risk-free interest rate 3.89%, and expected lives ranging from 0.99 to 1.08 years.

The final purchase price is summarized as follows (in thousands):

Sonus common stock	$	10,385
Fair value of options and warrants assumed		71
Transaction costs of OncoGenex		807
Total purchase price	$	11,263

Under the purchase method of accounting, the total purchase price as shown in the table above is allocated to the Sonus net tangible and identifiable intangible assets acquired and liabilities assumed based on their fair values as of the date of the completion of the Arrangement. The final purchase price allocation is as follows (in thousands):

Cash	$	5,464
Marketable securities		14,808
Accounts receivable		6
Interest receivable		273
Other current assets		175
Furniture and equipment		1,186
Other long term assets		497
Intangible assets		280
Accounts payable		(35)
Accrued expenses excluding severance payable		(652)
Severance payable to employees as part of restructuring		(1,322)
Severance payable to senior executives		(1,440)
Excess facility loss		(2,083)
Negative goodwill		(5,894)
Total purchase price	$	11,263

In accordance with SFAS 141, “Business Combinations” any excess of fair value of acquired net assets over purchase price (negative goodwill) has been recognized as an extraordinary gain in the period the Arrangement was completed. The excess has been allocated as a pro rata reduction of the amounts that otherwise would have been assigned to the non-current acquired assets. Prior to allocation of the excess negative goodwill OncoGenex has reassessed whether all acquired assets and assumed liabilities have been identified and recognized and performed remeasurements to verify that the consideration paid, assets acquired, and liabilities assumed have been properly valued. The remaining excess has been recognized as an extraordinary gain. There was no other impact to other comprehensive income.

The final pro rata reduction of non-current and intangible assets acquired is as follows (in thousands):

Negative goodwill	$	(5,894)
Furniture and equipment		1,186
Intangible assets		280
Excess negative goodwill	$	(4,428)

Pro Forma Results of Operations

The results of operations the combined Company are reflected in the consolidated financial statements from the date of the completion of the Arrangement on August 21, 2008. The following table presents pro forma results of operations and gives effect to the business combination transaction as if it were consummated at the beginning of the period presented. The pro forma results of operations are not necessarily indicative of what would have occurred had the business combination been completed at the beginning of the retrospective periods or of the results that may occur in the future.

(in thousands except shareholder and per share amounts)		For the year ended December 31, 2008
Revenue		—
Net loss applicable to common shareholders	$	(28,102)
Net loss per share — basic and diluted	$	(15.36)
Weighted average shares		1,829,276

6. FAIR VALUE MEASUREMENTS

With the adoption of ASC 820 "Fair Value Measurements and Disclosures", beginning January 1, 2008, assets and liabilities recorded at fair value in the balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. For certain of the Company's financial instruments including cash and cash equivalents, amounts receivable, and accounts payable the carrying values approximate fair value due to their short-term nature.

ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. In accordance with ASC 820, these inputs are summarized in the three broad level listed below:

- Level 1 — Quoted prices in active markets for identical securities;
- Level 2 — Other significant observable inputs that are observable through corroboration with market data (including quoted prices in active markets for similar securities);
- Level 3 — Significant unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability.

As quoted prices in active markets are not readily available, the Company obtains estimates for the fair value of financial instruments through independent pricing service providers.

In determining the appropriate levels, the Company performed a detailed analysis of the assets and liabilities that are subject to ASC 820.

The Company invests its excess cash in accordance with investment guidelines that limit the credit exposure to any one financial institution other than securities issued by the U.S. Government. The guidelines also specify that the financial instruments be issued by institutions with strong credit ratings. These securities are generally not collateralized and mature within one year.

A description of the valuation techniques applied to the Company's marketable securities measured at fair value on a recurring basis follows.

Financial Instruments

Cash

Significant amounts of cash are held on deposit with a large well established Canadian financial institution.

U.S. Government and Agency Securities

U.S. Government Securities U.S. government securities are valued using quoted market prices. Valuation adjustments are not applied. Accordingly, U.S. government securities are categorized in Level 1 of the fair value hierarchy.

U.S. Agency Securities U.S. agency securities are comprised of two main categories consisting of callable and non-callable agency issued debt securities. Non-callable agency issued debt securities are generally valued using quoted market prices. Callable agency issued debt securities are valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. Actively traded non-callable agency issued debt securities are categorized in Level 1 of the fair value hierarchy. Callable agency issued debt securities are categorized in Level 2 of the fair value hierarchy.

Corporate and Other Debt

Corporate Bonds and Commercial Paper The fair value of corporate bonds and commercial paper is estimated using recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads adjusted for any basis difference between cash and derivative instruments. The spread data used are for the same maturity as the bond. If the spread data does not reference the issuer, then data that reference a comparable issuer are used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond or single name credit default swap spreads and recovery rates based on collateral values as significant inputs. Corporate bonds and commercial paper are generally categorized in Level 2 of the fair value hierarchy; in instances where prices, spreads or any of the other aforementioned key inputs are unobservable, they are categorized in Level 3 of the hierarchy.

The following table presents information about our assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2009, and indicates the fair value hierarchy of the valuation techniques we utilized to determine such fair value:

(in thousands)	Level 1	Level 2	Level 3	2009
Marketable Securities				
Money market securities	$ 5,941	$ —	$ —	$ 5,941
U.S. treasury securities	6,033	—	—	6,033
Other government debt securities	401	1,103	—	1,504
Corporate bonds and commercial paper	—	3,500	—	3,500
	$ 12,375	**$ 4,603**	**$**	**$ 16,978**

(in thousands)	Level 1	Level 2	Level 3	2008
Marketable Securities				
Money market securities	$ 4,667	$ —	$ —	$ 4,667
Corporate bonds and commercial paper	—	5,594	—	5,594
Other government debt securities	—	1,009	—	1,009
	$ 4,667	**$** 6,603	**$**	**$** 11,270

Marketable securities consist of the following:

(in thousands)	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
2009				
Money market securities	$ 5,941	$ —	$ —	$ 5,941
U.S. treasury securities	6,033	1	(2)	6,032
Other government debt securities	1,504	1		1,505
Corporate bonds and commercial paper	3,500	—	—	3,500
	$ 16,978	$ 2	$ (2)	$ 16,978
2008				
Money market securities	$ 4,667	$ —	$ —	$ 4,667
Corporate bonds and commercial paper	5,599	2	(7)	5,594
Other government debt securities	1,007	2	—	1,009
	$ 11,273	$ 4	$ (7)	$ 11,270

At December 31, 2009 $5,941,000 of money market securities, $5,019,000 of Government debt securities and $3,500,000 of Commercial paper in the above tables are included in cash equivalents as the securities have maturities of 90 days or less at the time of purchase. At December 31, 2008 $4,667,000 of money market securities, $1,802,000 of Corporate bonds in the above tables are included in cash equivalents as the securities have maturities of 90 days or less at the time of purchase. The remaining securities all mature within one year of the balance sheet date and are included in short-term investments.

There were no significant realized or unrealized gains or losses on the sales of marketable securities in the periods ended December 31, 2009 or December 31, 2008, and no significant unrealized gains or losses are included in accumulated other comprehensive income as at December 31, 2009. Realized gains and losses are transferred out of accumulated other comprehensive income into interest income using the specific identification method.

All of the marketable securities held as of December 31, 2009 had maturities of one year or less. The Company only invests in A (or equivalent) rated securities with maturities of one year or less. The Company does not believe that there are any other than temporary impairments related to its investment in marketable securities at December 31, 2009 given the quality of the investment portfolio, its short-term nature, and subsequent proceeds collected on sale of securities that reached maturity.

7. PROPERTY AND EQUIPMENT

(In thousands)	Cost	Accumulated Amortization	Net Book Value
	$	$	$
December 31, 2009			
Computer equipment	276	271	5
Furniture and fixtures	113	90	23
Leasehold improvements	42	42	—
Equipment under capital lease	66	22	44
	497	425	72
December 31, 2008			
Computer equipment	268	248	20
Furniture and fixtures	94	70	23
Leasehold improvements	38	38	—
	400	356	44

8. SEVERANCE CHARGES AND OTHER RESTRUCTURING ACTIVITIES

On August 21, 2008, immediately following the completion of the Arrangement (Note 5), the Company reduced its workforce by approximately 49%. Severance payable at the date of the restructuring in connection with former employees of Sonus was $1,322,000 and has been accounted for in accordance with EITF No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination" as part of the purchase price allocation (Note 5). During 2008 the Company made payments totalling $1,186,000 and the amount owing at December 31, 2008 was $137,000. All remaining severance liabilities relating to transaction-related workforce reductions were paid out during 2009, and the amount owing at December 31, 2009 was nil.

Prior to the Arrangement, Sonus entered into a non-cancellable lease arrangement for office space located in Bothell, Washington, which is considered to be in excess of the Company's current requirements. The Company is currently in the process of evaluating opportunities to exit or sublet portions of the leased space and recorded an initial restructuring charge of $2,084,000 on August 21, 2008 as part of the purchase price allocation (Note 5). The liability is computed as the present value of the difference between the remaining lease payments due less the estimate of net sublease income and expenses and has been accounted for in accordance with EITF No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination". This represents the Company's best estimate of the fair value of the liability. Subsequent changes in the liability due to accretion, or changes in estimates of sublease assumptions will be recognized as adjustments to restructuring charges in future periods. During 2008, $362,000 was amortized into income, resulting in a remaining liability at December 31, 2008 of $1,722,000.

In June 2009 the Company revised its sublease income assumptions used to estimate the fair value of the excess lease facility liability. These assumptions were subsequently revised again in December 2009. These changes in estimate resulted in increases in the fair value of the excess lease liability and $494,000 and $3,457,000 in charges to research and development expense recorded in June 2009 and December 2009, respectively, to reflect these changes in estimate. These changes in estimate had a $0.69 impact on loss per common share for year ended December 31, 2009. The estimated carrying value of the liability remaining at December 31, 2009 with respect to excess facilities is $4,645,000.

(in thousands)	Remaining Liability at December 31, 2008	Payments made	Amortization of excess lease facility	Additional Liability Recorded	Remaining Liability at December 31, 2009
Employee severance	$ 137	$ 137			0
Current portion of excess lease facility	$ 632		(884)	$ 1,549	$ 1,297
Long-term portion of excess lease facility	$ 1,090		(144)	$ 2,402	$ 3,348

9. OTHER ASSETS

Other assets include deposits paid for office space in accordance with the terms of the operating lease agreements.

10. INCOME TAX

[a] The reconciliation of income tax attributable to operations computed at the statutory tax rate to income tax expense, using a statutory tax rate of 34% for the years ended December 31, 2009 and December 31, 2008, and 34.12% for the year ended December 31, 2007 is as follows. 2007 balances have been derived from the audited financial statements of OncoGenex Technologies Inc., a Canadian corporation ("OncoGenex Technologies"), which is subject to combined Canadian federal and provincial statutory tax rates for December 31, 2009, 2008, and 2007 of 30%, 31%, and 34.12%, respectively. Following the reverse takeover by OncoGenex Technologies of Sonus Pharmaceuticals, Inc. (which subsequently changed its name to OncoGenex Pharmaceuticals, Inc.) in 2008, OncoGenex Technologies became a wholly owned subsidiary of the Company, which is a Delaware incorporated company subject to US Federal Statutory rates of 34% for all three years presented.

For the purposes of estimating the tax rate in effect at the time that deferred tax assets and liabilities are expected to reverse, management uses the furthest out available future tax rate in the applicable jurisdictions. For the years ended December 31, 2009, 2008, and 2007 the future Canadian enacted rates we used were 25%, 26%, and 27%, respectively, while for the US the future enacted rate we used was 34% for all three periods presented.

(In thousands)	2009	2008	2007
Income taxes at statutory rates	(838)	(3,635)	(2,669)
Expenses not deducted for tax purposes(1)	151	3,991	389
Effect of tax rate changes on deferred tax assets and liabilities	—	—	—
Effect of foreign tax (Canadian) rate changes on deferred tax assets and liabilities	(130)	974	1,721
Reduction in benefit of operating losses	542	339	—
Reduction in the benefit of other tax attributes	367	—	—
Impact of Withholding Tax	3,000	—	—
Foreign exchange effect on valuation allowance	(1,437)	2,244	(1,643)
Investment tax credits	(180)	(180)	—
Research and development tax credits	(32)	—	(96)
Change in valuation allowance	1,628	1,643	2,685
Reversal of tax effect of income of Sonus prior to the Arrangement (2)	—	(5,310)	—
Canadian Part VI.1 tax on redeemable convertible preferred shares (3)	—	(2,125)	676
Part VI.I tax deduction	—	—	(519)
Book to tax return adjustments	(60)	—	—
Other	—	—	169
Income tax expense	3,011	(2,059)	713

(1) The increase in 2008 from 2007 was primarily attributable to amounts recognized in connection with the reverse takeover by OncoGenex Technologies Inc. of Sonus Pharmaceuticals, Inc. (which subsequently changed its name to OncoGenex Pharmaceuticals, Inc.) (“Sonus”) during 2008 (the “Arrangement”), including facility-related charges and the conversion of redeemable convertible preferred shares into equity following the Arrangement.

(2) This line item represents the adjustment required to the 2008 tax provision for amounts associated with Sonus during the portion of the year prior to the Arrangement. The amount of $5,310 represents the pre-arrangement loss of Sonus of $15,617 multiplied by the US Federal Statutory tax rate of 34%. Offsetting the $5,310 was $5,310 included in line item “Change in valuation allowance”.

(3) Canadian Part VI.1 tax on redeemable convertible preferred shares was accrued during each year such shares were outstanding. This tax would have been payable upon retraction of redeemable convertible preferred shares. These shares would have been retractable at any time after August 10. 2010. In 2008, subsequent to the completion of the Arrangement, all convertible redeemable preferred shares were converted into equity and as a result the associated aggregate tax liability was reversed.

[b] At December 31, 2009, the Company has investment tax credits of $509,000 (2008—$268,000) available to reduce future Canadian income taxes otherwise payable. The Company also has non-capital loss carry forwards for financial statement purposes of $21,057,000 (2008—$25,623,000) available to offset future taxable income in Canada and federal net operating loss carryforwards of $127,424,000 (2008- 124,298,000) to offset future taxable income in the United States.

The initial public offering of common stock by the Company in 1995 caused an ownership change pursuant to applicable regulations in effect under the Internal Revenue Code of 1986. Therefore, the Company’s use of losses incurred through the date of ownership change will be limited during the carryforward period and may result in the expiration of net operating loss carryforwards in the United States before utilization.

The investment tax credits and non-capital losses and net operating losses for income tax purposes expire as follows (in thousands):

	Investment Tax Credits	Non-capital and Net Operating Losses
	$	$
2010	—	5,702
2011	—	47
2012	—	44
2013	—	10,795
2014	—	1,624
2015	—	—
2016	—	—
2017	—	—
2018	7	—
2019	64	32
2020	—	2,745
2021	2	400
2022	2	11,766
2023	1	10,785
2024	—	16,814
2025	232	9,101
2026	67	31,713
2027	—	27,440
2028	23	14,938
2029	111	4,535
	509	148,481

In addition, the Company has unclaimed tax deductions of approximately $8,484,000 related to scientific research and experimental development expenditures available to carry forward indefinitely to reduce Canadian taxable income of future years. The Company also has research and development tax credits of $1,682,000 available to reduce future taxes payable in the United States. The research and development tax credits expire between 2010 and 2029.

[c] Significant components of the Company's deferred tax assets as of December 31 are shown below (in thousands):

	2009	2008
	$	$
Deferred tax assets:		
Tax basis in excess of book value of assets	1,202	692
Non-capital loss carryforwards	48,588	48,923
Research and development deductions and credits	4,210	3,777
Part VI.1 tax deduction	—	—
Share issue costs	119	144
Stock options	1,689	1,560
Capital loss carryforward	51	268
Deferred rent	1,697	494
Foreign tax credit	3,273	—
Other	27	—
Total deferred tax assets	60,856	55,858
Valuation allowance	(60,856)	(55,858)

The potential income tax benefits relating to these deferred tax assets have not been recognized in the accounts as their realization did not meet the requirements of "more likely than not" under the liability method of tax allocation. Accordingly, a valuation allowance has been recorded and no deferred tax assets have been recognized as at December 31, 2009 and 2008. The change in valuation allowance is due to a decrease in deferred tax assets from OncoGenex Technologies Inc. and the addition of deferred tax assets from OncoGenex Pharmaceuticals, Inc.

[d] Under FIN 48, the benefit of an uncertain tax position that is more likely than not of being sustained upon audit by the relevant taxing authority must be recognized at the largest amount that is more likely than not to be sustained. No portion of the benefit of an uncertain tax position may be recognized if the position has less than a 50% likelihood of being sustained.

A reconciliation of the unrecognized tax benefits of uncertain tax positions for the year ended December 31, 2009 is as follows:

(in thousands)	$
Balance as of December 31, 2007	614
Additions based on the reverse takeover of Sonus	1,355
Additions based on tax positions related to the current year	342
Deductions based on tax positions related to the current year	(355)
Balance as of December 31, 2008	1,956
Additions based on tax positions related to the current year	143
Deductions based on tax positions related to the current year	(90)
Balance as of December 31, 2009	2,009

As of December 31, 2009, unrecognized benefits of approximately $2,009,000, if recognized, would affect the Company's effective tax rate.

The Company's accounting policy is to treat interest and penalties relating to unrecognized tax benefits as a component of income taxes. As of December 31, 2009 and December 31, 2008 the Company had no accrued interest and penalties related to income taxes.

The Company is subject to taxes in Canada and the U.S. until the applicable statute of limitations expires. Tax audits by their very nature are often complex and can require several years to complete.

Tax Jurisdiction	**Years open to examination**
Canada	2003 to 2009
US	2003 to 2009

11. COMMON STOCK

[a] Authorized

11,019,930 authorized common voting shares, par value of $0.001

[b] Issued and outstanding shares

As at August 20, 2008, there were 118,801 common shares of OncoGenex Technologies (on a post-conversion basis) and 2,059,898 shares of common stock of Sonus outstanding. As part of the arrangement (note 5), Sonus agreed to issue 3,449,393 shares of common stock, after accounting for the elimination of resulting fractional shares, in exchange for all the common shares, preferred shares and convertible debentures of OncoGenex Technologies. As a result, all common shares of OncoGenex Technologies are now held by the Company and have been eliminated on consolidation.

During the year ended December 31, 2009, the Company issued 37,388 common shares upon exercise of stock options (year ended December 31, 2008 — 34,601, year ended December 31, 2007 — nil). The Company issues new shares to satisfy stock option exercises.

Escrow shares

As part of the Arrangement (note 5), 1,388,875 of the shares of common stock issuable to the holders of OncoGenex Technologies securities were placed into escrow at the closing of the Arrangement and were to be released from escrow upon the achievement of certain agreed-upon milestones relating to OncoGenex product candidates OGX-011, OGX-427 and OGX-225 and the future price of our common stock. The milestone shares were issued and placed into escrow at the closing of the Arrangement.

On July 24, 2008, the Company announced the completion of a Special Protocol Assessment on the patient population, trial design, trial endpoints, statistical analyses and size of a registration clinical trial with OGX-011. The achievement of this milestone resulted in the release of 25% (347,237) of the shares held in escrow.

On October 7, 2008 the Company concluded a meeting with the U.S. Food and Drug Administration (FDA), at which the FDA agreed that “durable pain palliation is an acceptable and desirable trial endpoint” to support product marketing approval for OGX-011 as a treatment for CRPC. In addition, OncoGenex reported that the FDA provided guidance on the submitted protocol including recommendations on trial endpoints, the appropriate patient population, entry criteria and trial conduct. Based on the results of this meeting, the Board of Directors of OncoGenex approved the release of 25% (347,207) of the shares held in escrow. The escrow agreements provided for the release of 25% of the shares held in escrow following the occurrence of a meeting with the FDA to confirm that pain palliation is an appropriate primary endpoint to support a product marketing approval in prostate cancer.

On December 3, 2008, the Company announced positive survival results from a randomized phase 2 clinical trial of OGX-011 in combination with docetaxel and prednisone (“the OGX-011 arm”) compared to docetaxel and prednisone alone (“the control arm”) for first-line treatment of metastatic castrate resistant prostate cancer. The OGX-011 arm demonstrated a 10.6 month median overall survival advantage over the median survival observed in the control arm. The escrow agreements provided for the release of 50% (694,431) of the original number of shares held in escrow following the demonstration of at least a two-month improvement in survival in the OGX-011 arm as compared to the control arm. Based on the median overall survival advantage of the OGX-011 arm, the Board of Directors of OncoGenex Pharmaceuticals approved the release of all of the remaining shares held in escrow pursuant to agreements related to the Arrangement.

As at December 31, 2008 all milestone shares had been released from escrow.

July 2009 Financing

On July 24, 2009, the Company completed a registered direct offering with certain institutional investors covering the sale of 475,000 shares of common stock at a price of $20 per share under a shelf registration statement on Form S-3 (No. 333-160251) that was declared effective by the SEC on July 17, 2009. The transaction provided net proceeds of approximately $9.3 million after deducting costs associated with the offering.

2009 Teva Share Purchase Agreement

On December 20, 2009 the Company and Teva also entered into a stock purchase agreement (the "Stock Purchase Agreement"). Pursuant to the terms of the Stock Purchase Agreement, Teva made a $10 million equity investment in the Company through its purchase of 267,531 shares of the common shares at a price of $37.38 per Share, which was a 20% premium to a thirty-day average closing price prior to the announcement. The transaction provided net proceeds of approximately $9,970,000 after deducting costs associated with the offering. The 20% share premium has been allocated to revenue, resulting in a net amount of $7,930,000 included in equity.

[c] Stock options

OncoGenex Technologies Inc. Stock Option Plan

In September 2003, the Board of Directors of OncoGenex Technologies approved an amended stock option plan (the "OncoGenex Technologies Plan"), which was an amendment of the stock option plan first established in October 2001. The OncoGenex Technologies Plan was subsequently approved by shareholders on August 12, 2008. Under this plan, the Company may grant options to purchase common shares in the Company to employees, directors, officers, and consultants of the Company. The exercise price of the options is determined by the Board but generally will be at least equal to the fair value of the common shares at the grant date.

The options vest in accordance with terms as determined by the Board, typically over three or four years for options issued to employees. The expiry date for each option is set by the Board with a maximum expiry date of seven years and a minimum expiry of five years from the date of grant.

On August 21, 2008, under the Arrangement (note 5), each option to purchase shares of OncoGenex Technologies common stock ("OncoGenex Technologies Option") was exchanged for an option to purchase shares of OncoGenex common stock. Specifically, each OncoGenex Technologies Option was exchanged for an option to purchase the amount of shares of common stock of OncoGenex equal to the product of (a) the share exchange ratio of the Arrangement ("Share Exchange Ratio"), as adjusted by the one-for-eighteen reverse stock split, (b) multiplied by the number of OncoGenex Technologies shares of common stock subject to each OncoGenex Technologies Option. The exercise price of each OncoGenex Technologies Option was also adjusted to an amount equal to the product of (x) the exercise price per share of each OncoGenex Technologies Option immediately prior to the effective time of the arrangement, (y) divided by the Share Exchange Ratio, as adjusted by the one-for-eighteen reverse stock split, (z) multiplied by the noon buying rate of exchange for one U.S. dollar in Canadian dollars as published by the Federal Reserve Bank of New York on the date immediately prior to the Arrangement.

Sonus Option Plans

Prior to the Arrangement, Sonus had options outstanding under a number of share option plans that had been approved by shareholders as follows: (a) the Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan — 1991 ("1991 Plan''), (b) the 1999 Nonqualified Stock Incentive Plan ("1999 Plan''), (c) the 2000 Stock Incentive Plan ("2000 Plan''), and (d) the 2007 Performance Incentive Plan ("2007 Plan") (collectively referred to as the "Sonus Plans'').

Pursuant to certain change of control provisions in the 1999 Plan and the 2000 Plan, all outstanding options granted under those plans were cancelled immediately prior to the Arrangement. Pursuant to the change of control provision in the 2007 Plan, vesting of options granted under the 2007 Plan was accelerated and all outstanding options granted under that plan became fully vested immediately prior to the Arrangement. No changes were made to the 1991 Plan. All outstanding options issued under the 1991 Plan were fully vested prior to the Arrangement.

All outstanding options to purchase common shares under the Sonus Plans have been adjusted to reflect the one-for-eighteen reverse stock split. Because this modification was designed to equalize the fair value of an award before and after an equity restructuring, no incremental compensation cost is recognized.

ASC 718 Compensation — Stock Compensation

The Company recognizes expense related to the fair value of our stock-based compensation awards using the provisions of ASC 718. The Company uses the Black-Scholes option pricing model as the most appropriate fair value method for its awards and recognizes compensation expense for stock options on a straight-line basis over the requisite service period. In valuing its options using the Black-Scholes option pricing model, the Company makes assumptions about risk-free interest rates, dividend yields, volatility and weighted average expected lives, including estimated forfeiture rates of the options.

The expected life was calculated based on the simplified method as permitted by the SEC's Staff Accounting Bulletin 110,*Share-Based Payment.* The Company considers the use of the simplified method appropriate because of the lack of sufficient historical exercise data following the reverse takeover of Sonus. The computation of expected volatility was based on the historical volatility of comparable companies from a representative peer group selected based on industry and market capitalization. The risk-free interest rate was based on a U.S. Treasury instrument whose term is consistent with the expected life of the stock options. In addition to the assumptions above, as required under ASC 718, management made an estimate of expected forfeitures and is recognizing compensation costs only for those equity awards expected to vest. Forfeiture rates are estimated using historical actual forfeiture rate that resulted over the estimated life of the option grant for options granted as of the beginning of the forfeiture measurement period. These rates are adjusted on a quarterly basis and any change in compensation expense is recognized in the period of the change. The Company has never paid or declared dividends on our common stock and do not expect to pay cash dividends in the foreseeable future.

The estimated fair value of stock options granted in the respective periods was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	Years ended December 31,		
	2009	**2008**	**2007**
Risk-free interest rates	2.85%	1.71%	4.63%
Expected dividend yield	0%	0%	0%
Expected life	6.1 years	5.2 years	5 years
Expected volatility	74%	77%	100%

The weighted average fair value of stock options granted during the year ended December 31, 2009 was $12.03 per share (December 31, 2008 — $1.86 and December 31, 2007 — $14.50).

Total stock-based compensation expense included in the Company's statements of operations for the years ended December 31, 2009, 2008 and 2007 was $380,000, $174,000 and $263,000 respectively.

The results for the periods set forth below included share-based compensation expense in the following expense categories of the consolidated statements of operations:

	Years ended December 31,		
(in thousands)	**2009**	**2008**	**2007**
	$	$	$
Research and development	88	65	93
General and administrative	292	109	170
Total share-based compensation	380	174	263

Options vest in accordance with terms as determined by the Board, typically over three or four years for employee grants and one year for Board of Director option grants. The expiry date for each option is set by the Board with, which is typically seven to ten years. The exercise price of the options is determined by the Board but generally will be at least equal to the fair value of the share at the grant date. As at December 31, 2009 the Company has reserved 856,555 common shares for issuance of stock options to employees, directors, officers and consultants of the Company, under its various equity compensation plans, of which 53,684 (December 31, 2008 — 170,911) are available for future issuance.

Stock option transactions and the number of stock options outstanding, after giving effect to the adjustments made to the OncoGenex Technologies Plan options and Sonus Plans options described above, are summarized below:

	Number of Optioned Common Shares	Weighted Average Exercise Price
	#	$
Balance, December 31, 2006	**309,919**	**3.95**
Option grants	15,984	18.93
Option cancellations	(1,672)	18.93
Balance, December 31, 2007	**324,231**	**4.61**
Additions from Sonus Option Plans	98,249	27.89
Option grants	397,150	2.93
Option exercises	(34,601)	3.57
Option cancellations	(61,886)	28.08
Balance, December 31, 2008	**723,143**	**4.88**
Option grants	130,400	17.52
Option cancellations	(8,154)	7.04
Option exercises	(37,388)	3.79
Option forfeited	(5,130)	6.42
Balance, December 31, 2009	**802,871**	**6.95**

The following table summarizes information about stock options outstanding at December 31, 2009:

Exercise Prices	Options Outstanding Number of Shares Outstanding	Weighted-Average Remaining Contractual Life (in years)	Options Exercisable Number of Shares Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)
2.69	68,000	5.8	68,000	2.69	5.8
3.00	311,150	6.0	77,787	3.00	6.0
3.89	99,891	0.9	99,891	3.89	0.9
4.11	153,264	2.8	153,264	4.11	2.8
6.66	28,608	8.2	28,608	6.66	8.2
7.25	33,040	6.4	16,520	7.25	6.4
18.94	12,169	4.5	11,080	18.94	4.5
22.28	89,100	10	—	—	—
68.25	555	1.8	555	68.25	1.8
108.00	7,094	0.1	7,094	108.00	0.1
	802,871	5.19	462,799	3.44	3.82

As at December 31, 2009 and December 31, 2008 the total unrecognized compensation expense related to stock options granted is $1,910,000 and $740,000 respectively, which is expected to be recognized into expense over a period of approximately 4 years.

The estimated grant date fair value of stock options vested during the years ended December 31, 2009, 2008, and 2007 was $399,000, $160,000 and $189,000 respectively.

The aggregate intrinsic value of options exercised was calculated as the difference between the exercise price of the stock options and the fair value of the underlying common stock as of the date of exercise. The aggregate intrinsic value of options exercised for the years ended December 31, 2009 and 2008 was $697,000 and $39,000, respectively. No options were exercised in 2007. At December 31, 2009, the aggregate intrinsic value of the outstanding options was $12,304,000 and the aggregate intrinsic value of the exercisable options was $8,721,000.

[d] Stock Warrants

At December 31, 2009, there were warrants outstanding to purchase 183,385 shares of common stock at exercise prices ranging from $74.70 to $79.56 per share and expiration dates ranging from August 2010 to October 2010.

[e] Sonus Employee Stock Purchase Plan

Prior to January 2009, the Company had an employee stock purchase plan whereby employees were permitted to contribute up to 15% of their compensation to purchase shares of the Company's common stock at 85% of the stock's share price at the lower of the beginning or end of each six-month offering period. Shares purchased under the plan were 222 and 2,600 in 2008 and 2007, respectively. The plan was terminated in January 2009 and no shares were purchased under the plan in 2009.

[f] Shareholder Rights Plan

The Company has a Shareholder Rights Plan which was adopted in July 1996 and subsequently amended in July 2002, October 2005 and August 2006 (the "Rights Plan"). Under the Plan the Company's Board of Directors declared a dividend of one Preferred Stock Purchase Right ("Right") for each outstanding common share of the Company. Subject to the Rights Plan, each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Series A Junior Participating Preferred Stock at a exercise price of $140, subject to adjustment. These Rights provide the holders with the right to purchase, in the event a person or group acquires 15% or more of the Company's common stock, additional shares of the Company's common stock having a market value equal to two times the exercise price of the Right. Pursuant to the Rights Plan, the one-for-eighteen reverse stock split caused a proportionate adjustment of the number of Rights associated with each share of common stock. Currently, eighteen (18) Rights are associated with each share of common stock.

[g] 401(k) Plan

The Company maintains a 401(k) plan in which it provided a specified percentage match on employee contributions. Following the Arrangement, the Board of Directors of OncoGenex amended and restated the 401(k) plan whereas securities of the Company are no longer offered as an investment option. This amendment prohibits the inclusion of OncoGenex shares in the 401(k) plan, as well as any match of Company shares to employee contributions. No shares of the Company were issued subsequent to the Arrangement, and as such no related expense was incurred.

[h] Loss per common share

Weighted average common shares outstanding for prior periods have been restated to reflect the change in capital structure resulting from the transaction with Sonus. The following table presents the computation of basic and diluted net loss per share:

	Years ended December 31,		
(in thousands except shares and per share amounts)	2009	2008	2007
Numerator			
Income (loss) attributable to common shareholders as reported	$ (5,476)	$ (6,177)	$ (11,480)
Denominator			
Weighted average number of common shares outstanding	5,766,850	1,829,276	118,801
Basic and diluted income (loss) per common share	**$ (.95)**	**$ (3.38)**	**$ (96.63)**
Earnings per share associated with $4,428 extraordinary gain	$	2.42	
Basic and diluted income (loss) per common share excluding extraordinary gain	**$ (.95)**	**$ (5.80)**	**$ (96.63)**

As of December 31, 2009, 2008 and 2007 a total of 986,256, 906,528 and 324,231 options and warrants, respectively, have not been included in the calculation of potential common shares as their effect on diluted per share amounts would have been anti-dilutive.

12. RELATED PARTY TRANSACTIONS

Upon incorporation of OncoGenex Technologies, a former director assigned certain intellectual property to the Company in exchange for 178,564 common shares (820,000 OncoGenex Technologies shares). These common shares were recorded at a nominal amount representing the director's original cost of the intellectual property.

The Company incurred consulting fees to a director of $163,000 and $123,000 for the years ended December 31, 2008 and 2007. There were no related party transactions during the period ended December 31, 2009, and no amounts were included in accounts payable and accrued liabilities as at December 31, 2009 and 2008. All transactions were recorded at their exchange amounts.

13. COMMITMENTS AND CONTINGENCIES

Teva Pharmaceutical Industries Ltd.

In December 2009, OncoGenex Pharmaceuticals, Inc., through its wholly-owned subsidiary, OncoGenex Technologies, entered into a Collaboration Agreement with Teva for the development and global commercialization of OGX-011 (and related compounds). Under the Collaboration Agreement, Teva made upfront payments in the aggregate amount of $50 million, will pay up to $370 million upon the achievement of developmental and commercial milestones and will pay royalties at percentage rates ranging from the mid-teens to mid-twenties on net sales. The Company is required to contribute $30 million in direct and indirect costs towards the Clinical Development Plan. $3.5 million of these costs were incurred by OncoGenex during 2009, resulting in a remaining funding responsibility of $26.5 million which has been recorded as Deferred Collaboration Revenue. Teva will fund all other expenses under the Clinical Development Plan.

Pursuant to the Collaboration Agreement, OncoGenex and Teva agreed to collaborate in the development and global commercialization of OGX-011. Teva received the exclusive worldwide right and license to develop and commercialize products containing OGX-011 and related compounds (the "Licensed Products"). OncoGenex has an option to co-promote OGX-011 in the United States and Canada.

In addition to the development costs noted above, Teva is also responsible for all costs relating to product commercialization including costs incurred in relation to the Company's co-promotion option, except for start-up costs in advance of commercialization.

Isis Pharmaceuticals Inc. and University of British Columbia

Pursuant to license agreements the Company has with the University of British Columbia ("UBC") and Isis Pharmaceuticals Inc., the Company is obligated to pay royalties on future product sales and milestone payments of up to $10.1 million upon the achievement of specified product development milestones related to OGX-427 and OGX-225.

In addition, we are required to pay to Isis 30% of all Non-Royalty Revenue we receive. Isis has disclosed in its SEC filings that it is entitled to receive 30% of the up to $370 million in milestone payments we may receive from Teva as part of the Collaboration Agreement; however, we believe that certain of the milestone payments related to sales targets may qualify as Royalty Revenue, and therefore be subject to the lesser payment obligations. No assurance can be provided that we will be entitled to receive these milestone payments or, if we are, that the applicable amount payable to Isis will be less than 30%. We are also obligated to pay to UBC certain patent costs and annual license maintenance fees for the extent of the patent life of CAD $8,000 per year. We anticipate paying Isis $750,000 in 2010 upon the initiation of a phase 2 clinical trial of OGX-427 in patients with CRPC. We do not anticipate making any royalty payments to Isis in 2010.

The UBC agreements have effective dates ranging from November 1, 2001 to April 5, 2005 and each agreement expires upon the later of 20 years from its effective date or the expiry of the last patent licensed thereunder, unless otherwise terminated.

Unless otherwise terminated, the Isis agreements for OGX-011 and OGX-427 will continue for each product until the later of 10 years after the date of the first commercial product sale, or the expiration of the last to expire of any patents required to be licensed in order to use or sell the product, unless OncoGenex Technologies abandons either OGX-011 or OGX-427 and Isis does not elect to unilaterally continue development. The Isis agreement for OGX-225 will continue into perpetuity unless OncoGenex Technologies abandons the product and Isis does not elect to unilaterally continue development.

To facilitate the execution and performance of the Collaboration Agreement with Teva, OncoGenex and Isis agreed to amend the Isis License Agreement and the Company and UBC agreed to amend the UBC License Agreement, in each case, effective December 19 and December 20, 2009, respectively.

The amendment to the Isis License Agreement provides, among other things, that if the Company is the subject of a change of control with a third party, where the surviving company immediately following such change of control has the right to develop and sell the product, then (i) a milestone payment of $20 million will be due and payable to Isis 21 days following the first commercial sale of the product in the United States; and (ii) unless such surviving entity had previously sublicensed the product and a royalty rate payable to Isis by the Company has been established, the applicable royalty rate payable to Isis will thereafter be the maximum amount payable under the Isis License Agreement. Any non-royalty milestone amounts previously paid will be credited toward the $20 million milestone if not already paid. As a result of the $10 million milestone payment payable to Isis in relation to the Collaboration Agreement, the remaining amount owing in the event of change of control discussed above is a maximum of $10 million. As the Company has now licensed the product to Teva and established a royalty rate payable to Isis, no royalty rate adjustments would apply if Teva acquires the Company and is the surviving company. If the $30 million in advanced reimbursement of development activities has not been spent by OncoGenex prior to the third anniversary of the Collaboration Agreement between OncoGenex and Teva, OncoGenex will pay Isis an amount equal to 30% of any un-spent portion less $3.5 million.

Bayer HealthCare LLC

On August 7, 2008, Sonus completed an exclusive in-licensing agreement with Bayer HealthCare LLC for the right to develop, commercialize or sublicense a family of compounds known as caspase activators presently in preclinical research. Under terms of the agreement, Sonus was granted exclusive rights to develop two core compounds for all prophylactic and therapeutic uses in humans. Additionally, Sonus was granted rights to all other non-core compounds covered under the patents for use in oncology.

Under the terms of the agreement, Bayer received an upfront license fee of $450,000. OncoGenex will make annual payments to Bayer on the anniversary date ("Anniversary Payments"), with an initial payment of $100,000. The payments will increase by $25,000 each year until the initiation of the first phase 3 clinical trial, at which point the Anniversary Payments reset to $100,000 each year and increase by $25,000 until the Company achieves either the first New Drug Application filing in the United States or the European Union. OncoGenex is obligated to pay royalties on net future product sales in addition to aggregate milestone payments of up to $14,000,000 for clinical development and regulatory milestones. No milestone payments are triggered prior to the initiation of a phase 3 clinical trial. OncoGenex has the option to terminate this contract upon 60 days written notice to Bayer.

Lease Arrangements

The Company has an operating lease agreement for office space in Vancouver, Canada, which expires in March 2011.

Future minimum annual lease payments under the Vancouver lease are as follows (in thousands):

2010	$	181
2011		45
Total	$	226

In November 2006, prior to the Arrangement (note 5), Sonus entered into a non-cancellable operating lease agreement for office space in Bothell, Washington, expiring in 2017. In connection with the new lease, Sonus was required to provide a cash security deposit of approximately $497,000, which is included in Other Long Term Assets. In addition, the lease stipulates the Company must issue a standby letter of credit for approximately $500,000 which is expected to be issued during 2010. The Company is currently in the process of evaluating opportunities to exit or sublet portions of the leased space and has recorded a liability in the excess facilities lease charge of $4,645,000 as at December 31, 2009 (note 8).

If the Company is unable to exit or sublet portions of this leased space, the future minimum annual lease payments are as follows (in thousands):

2010	$ 1,995
2011	2,055
2012	2,117
2013	2,180
2014	2,245
remainder	7,150
Total	$ 17,742

Consolidated rent expense relating to both the Vancouver, Canada and Bothell, Washington offices for years ended December 31, 2009, 2008, and 2007 was $2,408,000, $801,000, and $220,000 respectively.

Guarantees and Indemnifications

OncoGenex indemnifies its officers and directors for certain events or occurrences, subject to certain limits, while the officer or director is or was serving at our request in such capacity. The term of the indemnification period is equal to the officer's or director's lifetime.

The maximum amount of potential future indemnification is unlimited; however, we have obtained director and officer insurance that limits our exposure and may enable it to recover a portion of any future amounts paid. We believe that the fair value of these indemnification obligations is minimal. Accordingly, we have not recognized any liabilities relating to these obligations as of December 31, 2009.

We have certain agreements with certain organizations with which we do business that contain indemnification provisions pursuant to which we typically agree to indemnify the party against certain types of third-party claims. We accrue for known indemnification issues when a loss is probable and can be reasonably estimated. There were no accruals for or expenses related to indemnification issues for any period presented.

14. COMPREHENSIVE INCOME (LOSS)

	Year ended December 31,		
(in thousands)	**2009**	**2008**	**2007**
	$	$	$
Loss for the period	5,476	4,204	8,536
Unrealized gain (loss) on cash equivalents and marketable securities			3
Unrealized gain (loss) on foreign exchange	—	(3)	557
	5,476	4,207	7,976

15. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	Quarter Ended			
	Dec. 31	Sept. 30	Jun. 30	Mar. 31
	(in thousands, except per share amounts)			
2009				
Collaboration revenue	$ 25,539	$ —	$ —	$ —
Research and development	$ 17,365	$ 1,513	$ 3,588	$ 1,694
General and administrative	$ 1,291	$ 885	$ 1,003	$ 782
Total expenses	$ 18,656	$ 2,398	$ 4,591	$ 2,476
Other income (expense)	$ (3)	$ 29	$ 34	$ 57
Tax expense (recovery)	$ 2,999	$ 16	$ 6	$ (10)
Net loss (income) attributable to common shareholders	$ (3,881)	$ 2,385	$ 4,563	$ 2,409
Net loss (income) per share*:				
Basic and diluted	$ (0.64)	$ 0.40	$ 0.82	$ 0.43
2008				
Research and development	$ 4,198	$ 1,639	$ 1,108	$ 874
General and administrative	$ 1,050	$ 1,024	$ 646	$ 573
Total expenses	$ 5,248	$ 2,663	$ 1,754	$ 1,447
Other income (expense)	$ 334	$ 297	$ (213)	$ 4
Tax expense (recovery)	$ 41	$ (2,515)	$ 201	$ 214
Redeemable preferred share accretion	$ —	$ 417	$ 780	$ 776
Extraordinary gain	$ —	$ 4,428	$ —	$ —
Net loss (income) attributable to common shareholders	$ 4,955	$ (4,160)	$ 2,949	$ 2,433
Net income (loss) per share*:				
Basic and diluted	$ (0.99)	$ 2.02	$ (24.81)	$ (20.48)

* Quarterly EPS may not add to annual figure due to rounding.

16. SUBSEQUENT EVENTS

The Company has performed an evaluation of events occurring subsequent to year end. Based on our evaluation, no material events have occurred requiring financial statement disclosure.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that material information required to be disclosed in the Company's periodic reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Company's disclosure controls and procedures are also designed to ensure that information required to be disclosed in the reports the Company files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer as appropriate, to allow timely decisions regarding required disclosure.

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the principal executive officer and the principal financial officer, of the effectiveness of the design and operation of the disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective, as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

The Company has not made any changes to our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed under the supervision of the Company's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

As of December 31, 2009, management assessed the effectiveness of the Company's internal control over financial reporting based on the framework established in "Internal Control—Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management has determined that the Company's internal control over financial reporting was effective as of December 31, 2009.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The effectiveness of our internal control over financial reporting as of December 31, 2009 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included above.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required hereunder is incorporated by reference from our definitive Proxy Statement to be filed within 120 days of December 31, 2009 and delivered to shareholders in connection with our 2010 Annual Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

The information required hereunder is incorporated by reference from our definitive Proxy Statement to be filed within 120 days of December 31, 2009 and delivered to shareholders in connection with our 2010 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding our equity compensation plans as of December 31, 2009:

	(a)	(b)	(c)
Plan category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Equity compensation plans approved by security holders	781,452(1)	$ 7.98(1)	53,684(1)
Equity compensation plans not approved by security holders(2)	21,419	2.69	0
Total	802,871	$ 6.95	53,684

(1) As at December 31, 2009, the Company maintained the following equity compensation plans, which were adopted by Sonus prior to the Arrangement: (a) the Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan — 1991, (b) the 1999 Nonqualified Stock Incentive Plan (the "1999 Plan"), (c) the 2000 Stock Incentive Plan, (d) the 2007 Performance Incentive Plan, and (e) the OncoGenex Technologies Amended and Restated Stock Option Plan.

(2) The 1999 Plan is a broad-based plan for which shareholder approval was not required or obtained. On February 11, 2009, the 1999 Plan terminated in accordance with its terms. All stock options outstanding as of such time will continue in effect in accordance with their respective terms. Stock options granted under the 1999 Plan were generally granted with an exercise price equal to fair market value on the date of grant.

The remaining information required hereunder is incorporated by reference from our definitive Proxy Statement to be filed within 120 days of December 31, 2009 and delivered to shareholders in connection with its 2010 Annual Meeting of Shareholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required hereunder is incorporated by reference from our definitive Proxy Statement to be filed within 120 days of December 31, 2009 and delivered to shareholders in connection with its 2010 Annual Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required hereunder is incorporated by reference from our definitive Proxy Statement to be filed within 120 days of December 31, 2009 and delivered to shareholders in connection with its 2010 Annual Meeting of Shareholders.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)

(1) Financial Statements

(2)

All schedules are omitted because they are not required or the required information is included in the financial statements or notes thereto.

(3)

Exhibits

Exhibit Number	Description
2.1(1)	Arrangement Agreement between the Company and OncoGenex Technologies Inc. dated May 27, 2008†
2.2(2)	First Amendment to Arrangement Agreement between the Company and OncoGenex Technologies Inc. dated August 11, 2008
2.3(2)	Second Amendment to Arrangement Agreement between the Company and OncoGenex Technologies Inc. dated August 15, 2008
3.1(3)	Amended and Restated Certificate of Incorporation (As Amended Through October 17, 1995)
3.2(4)	Certificate of Amendment to Certificate of Incorporation filed on May 6, 1999
3.3(5)	Certificate of Correction filed on March 9, 2009 to Certificate of Amendment filed on May 6, 1999
3.4(6)	Certificate of Amendment to Certificate of Incorporation filed on May 7, 2004
3.5(5)	Certificate of Correction filed on March 9, 2009 to Certificate of Amendment filed on May 7, 2004
3.6(2)	Certificate of Amendment to Certificate of Incorporation of Sonus Pharmaceuticals Inc., effective August 20, 2008
3.7(7)	Third Amended and Restated Bylaws of Oncogenex Pharmaceuticals, Inc.
4.1(2)	Specimen Certificate of Common Stock
4.2(8)	Amended and Restated Rights Agreement dated as of July 24, 2002 between Sonus Pharmaceuticals Inc. and U.S. Stock Transfer Corporation
4.3(9)	First Amendment to Amended and Restated Rights Agreement dated as of October 17, 2005 between Sonus Pharmaceuticals Inc. and U.S. Stock Transfer Corporation
4.4(10)	Second Amendment to Amended and Restated Rights Agreement dated as of August 10, 2006 between Sonus Pharmaceuticals Inc. and U.S. Stock Transfer Corporation
4.5(11)	Third Amendment to Amended and Restated Rights Agreement dated May 27, 2008 between Sonus Pharmaceuticals Inc. and Computershare Trust Company, N.A.
4.6(1)	Form of Escrow Agreement between the Company, Computershare Trust Company of Canada and former shareholders and debentureholders of OncoGenex Technologies Inc.
4.7(1)	Form of OncoGenex Voting Agreement
4.8(1)	Form of Sonus Voting Agreement
10.1(3)	Sonus Pharmaceuticals, Inc. Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan — 1991 (the “1991 Plan”), as amended

Exhibit Number	Description
10.2(3)	Form of Incentive Option Agreement (pertaining to the 1991 Plan)
10.3(3)	Form of Sonus Pharmaceuticals, Inc. Nonqualified Stock Option Agreement under the 1991 Plan
10.4(4)	Sonus Pharmaceuticals, Inc. 1999 Nonqualified Stock Incentive Plan (the "1999 Plan")
10.5(4)	Form of Sonus Pharmaceuticals, Inc. Nonqualified Stock Option Agreement under the 1999 Plan
10.6(4)	Form of Sonus Pharmaceuticals, Inc. Restricted Stock Purchase Agreement under the 1999 Plan
10.7(12)	Sonus Pharmaceuticals, Inc. 2000 Stock Incentive Plan (the "2000 Plan")
10.8(13)	First Amendment to Sonus Pharmaceuticals, Inc. 2000 Plan
10.9(12)	Form of Sonus Pharmaceuticals, Inc. Stock Option Agreement (pertaining to the 2000 Plan)
10.10(14)	Sonus Pharmaceuticals, Inc. 2007 Performance Incentive Plan (the "2007 Plan")
10.11(15)	Form of Sonus Pharmaceuticals, Inc. Stock Option Agreement (pertaining to the 2007 Plan)
10.12(15)	Form of Sonus Pharmaceuticals, Inc. Restricted Stock Purchase Agreement under the 2007 Plan
10.13(16)	OncoGenex Technologies Inc. Amended and Restated Stock Option Plan
10.14(17)	Stock Option Assumption, Amending and Confirmation Agreement dated as of August 21, 2008 between the Company and OncoGenex Technologies Inc.
10.15(18)	OncoGenex Pharmaceuticals, Inc. Short Term Incentive Awards Program
10.16(18)	Agreement and Consent Form (related to the Short Term Incentive Awards Program)
10.17(3)	Form of Indemnification Agreement for Officers and Directors of the Company
10.18(16)	Form of Indemnification Agreement between OncoGenex Technologies Inc. and each of Scott Cormack, Stephen Anderson and Cindy Jacobs
10.19(16)	Form of Indemnification Agreement between OncoGenex Technologies Inc. and Neil Clendeninn
10.20(2)	Executive Termination Agreement and General Release dated August 21, 2008 between the Company and Michael Martino
10.21(2)	Executive Termination Agreement and General Release dated August 21, 2008 between the Company and Alan Fuhrman

Exhibit Number	Description
10.22(19)	Employment Agreement between OncoGenex Technologies Inc. and the Company and Scott Cormack dated as of November 4, 2009
10.23(19)	Employment Agreement between OncoGenex Technologies Inc. and the Company and Stephen Anderson dated as of November 4, 2009
10.24(20)	Amendment dated February 24, 2010 to the Employment Agreement between OncoGenex Technologies Inc. and Stephen Anderson
10.25(19)	Employment Agreement between the Company and Cindy Jacobs dated as of November 3, 2009
10.26(21)	Employment Agreement dated October 14, 2008 between OncoGenex Technologies Inc. and Cameron Lawrence
10.27(21)	Employment Amending Agreement dated January 1, 2009 between OncoGenex Technologies Inc. and Cameron Lawrence
10.28(22)	Securities Purchase Agreement dated as of August 15, 2005 by and among Sonus Pharmaceuticals Inc. and the investors named therein
10.29(22)	Form of Purchase Warrant related to the Securities Purchase Agreement
10.30(23)	Form of Purchase Warrant issued to Schering AG
10.31(22)	Registration Rights Agreement dated as of August 15, 2005 by and among Sonus Pharmaceuticals Inc. and the investors named therein
10.32(24)	Lease by and between BMR-217th Place LLC and the Company dated as of November 21, 2006
10.33(25)	First Amendment to Lease by and between BMR-217th Place LLC and the Company dated as of August 17, 2007
10.34(26)	Second Amendment to Lease by and between BMR-217th Place LLC and the Company dated as of January 28, 2008
10.35(6)	Amended and Restated License Agreement effective as of July 2, 2008 by and between OncoGenex Technologies Inc. and Isis Pharmaceuticals, Inc. (OGX-011)*
10.36	Letter Agreement Regarding Certain Sublicense Consideration for OGX-011 between OncoGenex Technologies Inc. and Isis Pharmaceuticals, Inc. dated December 18, 2009
10.37	Amendment No. 1 to Amended and Restated License Agreement between OncoGenex Technologies Inc. and Isis Pharmaceuticals, Inc. dated December 19, 2009 (OGX-011)*
10.38(27)	License Agreement between OncoGenex Technologies Inc. and the University of British Columbia effective as of November 1, 2001, and Amending Agreement dated as of August 30, 2006 (OGX-011)*
10.39(2)	Second Amending Agreement and Consent as of August 7, 2008 between the University of British Columbia and OncoGenex Technologies Inc. (OGX-011)
10.40	Third Amending Agreement to the License Agreement between OncoGenex Technologies Inc and the University of British Columbia dated as of December 20, 2009 (OGX-011)*

Exhibit Number	Description
10.41(27)	Collaboration and License Agreement between OncoGenex Technologies Inc. and Isis Pharmaceuticals, Inc. effective as of January 5, 2005 (OGX-427)*
10.42(27)	License Agreement between OncoGenex Technologies Inc. and the University of British Columbia effective as of April 5, 2005, and Amending Agreement dated as of August 30, 2006 (OGX-427)*
10.43(2)	Second Amending Agreement as of August 7, 2008 between the University of British Columbia and OncoGenex Technologies Inc. (OGX-427)
10.44	Collaboration and License Agreement between OncoGenex Technologies Inc. and Teva Pharmaceutical Industries Ltd. dated as of December 20, 2009 (OGX-011)*
21.1	Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP
31.1	Certification of President and Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

† Schedules and similar attachments to the Arrangement Agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Registrant will furnish supplementally a copy of any omitted schedule or similar attachment to the SEC upon request.

* Confidential portions of this exhibit have been omitted and filed separately with the Commission pursuant to an application for Confidential Treatment under Rule 24b-2 promulgated under the Securities Exchange Act of 1934, as amended.

(1) Incorporated by reference to the Company's proxy statement on Schedule 14A filed on July 3, 2008.

(2) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2008.

(3) Incorporated by reference to the Company's Registration Statement on Form S-1, Reg. No. 33-96112.

(4) Incorporated by reference to Company's quarterly report on Form 10-Q for the quarter ended March 31, 1999.

(5) Incorporated by reference to the Company's current report on Form 8-K filed on March 11, 2009.

(6) Incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2008.

(7) Incorporated by reference to the Company's current report on Form 8-K filed on October 30, 2008.
(8) Incorporated by reference to the Company's amended Form 8-A filed on July 25, 2002.
(9) Incorporated by reference to the Company's amended Form 8-A filed on October 18, 2005.
(10) Incorporated by reference to the Company's amended Form 8-A filed on August 14, 2006.
(11) Incorporated by reference to the Company's current report on Form 8-K filed on May 30, 2008.
(12) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2000.
(13) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2006.
(14) Incorporated by reference to the Company's proxy statement on Schedule 14A filed on April 3, 2007.
(15) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2007.
(16) Incorporated by reference to the OncoGenex Technologies Inc. registration statement on Form F-1 filed on December 13, 2006.
(17) Incorporated by reference to the Company's registration statement on Form S-8 filed on August 26, 2008.
(18) Incorporated by reference to the Company's current report on Form 8-K filed on April 2, 2009.
(19) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2009.
(20) Incorporated by reference to the Company's current report on Form 8-K filed February 25, 2010.
(21) Incorporated by reference to the Company's current report on Form 8-K filed March 1, 2010.
(22) Incorporated by reference to the Company's current report on Form 8-K filed on August 18, 2005.
(23) Incorporated by reference to the Schedule 13D filed by Schering Berlin Venture Corporation on October 31, 2005.
(24) Incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2006.
(25) Incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2007.
(26) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2008.
(27) Incorporated by reference to the OncoGenex Technologies Inc. registration statement on Form F-1, Amendment No. 1, filed on January 29, 2007.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ONCOGENEX PHARMACEUTICALS, INC.
(Registrant)

Date: March 8, 2010

By: /s/ SCOTT CORMACK
Scott Cormack
Chief Executive Officer and President (principal executive officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ SCOTT CORMACK Scott Cormack	Chief Executive Officer, President and Director (principal executive officer)	Date: March 8, 2010
By: /s/ CAMERON LAWRENCE Cameron Lawrence	Principal financial officer and principal accounting officer	Date: March 8, 2010
By: /s/ MICHAEL MARTINO Michael Martino	Director	Date: March 8, 2010
By: /s/ MICHELLE BURRIS Michelle Burris	Director	Date: March 8, 2010
By: /s/ DWIGHT WINSTEAD Dwight Winstead	Director	Date: March 8, 2010
By: /s/ NEIL CLENDENINN Neil Clendeninn	Director	Date: March 8, 2010

(3)

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21.1	Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP
31.1	Certification of President and Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

† Schedules and similar attachments to the Arrangement Agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Registrant will furnish supplementally a copy of any omitted schedule or similar attachment to the SEC upon request.

* Confidential portions of this exhibit have been omitted and filed separately with the Commission pursuant to an application for Confidential Treatment under Rule 24b-2 promulgated under the Securities Exchange Act of 1934, as amended.

(1) Incorporated by reference to the Company's proxy statement on Schedule 14A filed on July 3, 2008.

(2) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2008.

(3) Incorporated by reference to the Company's Registration Statement on Form S-1, Reg. No. 33-96112.

(4) Incorporated by reference to Company's quarterly report on Form 10-Q for the quarter ended March 31, 1999.

(5) Incorporated by reference to the Company's current report on Form 8-K filed on March 11, 2009.

(6) Incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2008.

(7) Incorporated by reference to the Company's current report on Form 8-K filed on October 30, 2008.
(8) Incorporated by reference to the Company's amended Form 8-A filed on July 25, 2002.
(9) Incorporated by reference to the Company's amended Form 8-A filed on October 18, 2005.
(10) Incorporated by reference to the Company's amended Form 8-A filed on August 14, 2006.
(11) Incorporated by reference to the Company's current report on Form 8-K filed on May 30, 2008.
(12) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2000.
(13) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2006.
(14) Incorporated by reference to the Company's proxy statement on Schedule 14A filed on April 3, 2007.
(15) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2007.
(16) Incorporated by reference to the OncoGenex Technologies Inc. registration statement on Form F-1 filed on December 13, 2006.
(17) Incorporated by reference to the Company's registration statement on Form S-8 filed on August 26, 2008.
(18) Incorporated by reference to the Company's current report on Form 8-K filed on April 2, 2009.
(19) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2009.
(20) Incorporated by reference to the Company's current report on Form 8-K filed February 25, 2010.
(21) Incorporated by reference to the Company's current report on Form 8-K filed March 1, 2010.
(22) Incorporated by reference to the Company's current report on Form 8-K filed on August 18, 2005.
(23) Incorporated by reference to the Schedule 13D filed by Schering Berlin Venture Corporation on October 31, 2005.
(24) Incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2006.
(25) Incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2007.
(26) Incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2008.
(27) Incorporated by reference to the OncoGenex Technologies Inc. registration statement on Form F-1, Amendment No. 1, filed on January 29, 2007.

December 18, 2009

Scott Cormack
President & CEO
OncoGenex Technologies Inc.
Suite 400 — 1001 West Broadway
Vancouver, BC, Canada
V6H 4B1

Re: Letter Agreement Regarding Certain Sublicense Consideration for OGX-011

Dear Scott,

In connection with the transaction OncoGenex Technologies Inc. ("***OncoGenex***") intends to consummate with Teva Pharmaceuticals Industries, Ltd. ("***Teva***") involving the sublicense to Teva of rights to develop and commercialize OGX-011 (the "***Sublicense Agreement***"), we understand that $30 million of the consideration to be paid by Teva to OncoGenex is characterized as a reimbursement for research and development activities.

This letter serves to confirm that if the entire sum of such $30 million has not been spent by OncoGenex on such OGX-011 research and development activities by the third anniversary of the date the Sublicense Agreement is executed by Teva and OncoGenex, then, within 15 days thereafter, OncoGenex will pay Isis an amount equal to 30% of any un-spent portion of such $30 million *minus* $3.5 million. For the avoidance of doubt, if, after calculating any payment to Isis in the immediately preceding sentence the result is an amount that is less than zero, Isis will have no obligation to return any funds previously paid by OncoGenex to Isis related to such $30 million.

This letter also serves to confirm that OncoGenex will pay Isis $10 million within 21 days after execution of the Sublicense Agreement, such amount hereby confirmed to be Isis' share of the $60 million upfront payment (which includes a $10 million equity investment by Teva in OncoGenex common stock at a price of $37.38 per share) OncoGenex will receive from Teva upon execution of the Sublicense Agreement. Except as otherwise expressly stated above, Isis reserves all of its rights to receive Non-Royalty Revenue under the Amended and Restated License Agreement dated July 2, 2008 entered into between Isis and OncoGenex (the "***A&R License***"). In addition, OncoGenex confirms it will pay Isis an amount equal to 30% of the up to $370 million in Non-Royalty Revenue OncoGenex will be eligible to receive from Teva under the Sublicense Agreement upon achievement of various milestones, including sales targets hereunder.

Following the closing of the Sublicense Agreement, the parties further agree to execute an amendment to the A&R License, to the extent reasonably necessary to memorialize the agreements contained in this letter agreement.

Except as expressly amended herein, the A&R License remains in full force and effect in accordance with its terms. Defined terms used but not defined herein have the meanings set forth in the A&R License.

Please acknowledge your agreement with the terms of this letter by countersigning below.

Sincerely,

/s/ B. LYNNE PARSHALL

B. Lynne Parshall
Chief Operating Officer,
Chief Financial Officer & Director
Isis Pharmaceuticals, Inc.

Acknowledged and Agreed:

/s/ SCOTT CORMACK

OncoGenex Technologies Inc.
Scott Cormack
President & CEO

Exhibit 10.37

AMENDMENT NO. 1 TO
AMENDED AND RESTATED LICENSE AGREEMENT

THIS AMENDMENT NO. 1 TO AMENDED AND RESTATED LICENSE AGREEMENT (the "Amendment") is made and entered into effective as of December 19, 2009 (the "Amendment No. 1 Effective Date"), by and between ONCOGENEX TECHNOLOGIES INC., having offices at #400 — 1001 West Broadway, Vancouver, B.C. V6H 4B1 ("OncoGenex"), and ISIS PHARMACEUTICALS, INC., having principal offices at 1896 Rutherford Road, Carlsbad CA 92008-7208 ("Isis"). OncoGenex and Isis each may be referred to herein individually as a "Party," or collectively as the "Parties."

WHEREAS, the Parties entered into an Amended and Restated License Agreement dated as of July 2, 2008 (the "Restated Agreement") under which Isis granted to OncoGenex the unilateral rights to continue the development and commercialization of OGX-011, a second generation antisense inhibitor of Clusterin;

AND WHEREAS, the Parties now wish to amend certain provisions of the Restated Agreement, as provided herein.

NOW, THEREFORE, the Parties do hereby agree as follows:

ARTICLE 1
DEFINITIONS

Capitalized terms used in this Amendment and not otherwise defined herein have the meanings ascribed to such terms as set forth in the Restated Agreement.

ARTICLE 2
AMENDMENT OF RESTATED AGREEMENT

2.1 Amendment re Section 5.3.2. Section 5.3.2 of the Restated Agreement is hereby amended to read in its entirety as follows:

> "**5.3.2** To the extent that [***] OncoGenex under this Agreement collects safety and tolerability data or information specifically regarding a Product, OncoGenex will obtain from such sublicensee (a) the right to provide to Isis (whether through OncoGenex or its Affiliate, or directly from such sublicensee) the [***] described in [***], and (b) the right of Isis to [***] for the purposes described in [***]. Only sublicensees that actually provide such [***] and grant Isis the right to use such [***] as set forth herein, will have the right to access the results of any queries requested by OncoGenex. If and when Isis identifies safety, pharmacokinetic or other related issues that may be relevant to a Product [***] Isis will promptly inform OncoGenex of such issues, and if requested, provide the data and information supporting Isis' conclusions regarding such issues. In addition, at OncoGenex' or its sublicensee's (provided that such sublicensee provides the data, information and rights described above in this Section 5.3.2) reasonable request and at no cost to OncoGenex or its sublicensee, Isis will [***] the Isis Database to provide OncoGenex or its sublicensee information regarding [***] or other related issues."

* Certain information in this exhibit has been omitted as confidential, as indicated by [***]. This information has been filed separately with the Commission.

2.2 Amendment re Section 6.5. Cell (a) of the first column in the table set forth in Section 6.5 of the Restated Agreement is hereby amended to read in its entirety as follows:

"**(a)** Prior to the initiation [***] of a first Registration Clinical Trial for a Product"

2.3 Addition of Section 6.11. A new Section 6.11 is hereby added to the Restated Agreement as follows:

"If after the Amendment No. 1 Effective Date, OncoGenex is the subject of a change of control with a Third Party, where the surviving company immediately following such change of control has the right to develop and sell the Product, then (i) a milestone payment of $20,000,000 will be due and payable to Isis 21 days following the first commercial sale of the Product in the United States; and (ii) the royalty rate payable under Section 6.2.1 will thereafter be [***] payable under such Section; *provided*, any Non-Royalty Revenue payments made to Isis under Section 6.5 prior to the payment of the $20,000,000 milestone under this Section 6.11 will be creditable against such milestone payment. If (a) OncoGenex grants a sublicense under this Agreement and the corresponding royalty rate is established under Section 6.2.1, and (b) such sub-licensee later acquires OncoGenex in a change of control, then notwithstanding subsection (ii) of this Section 6.11, the royalty rate payable under Section 6.2.1 in connection with such sublicense immediately prior to such change of control will apply to the surviving company after such change of control."

2.4 Amendment re Section 7.2.2(b). Section 7.2.2(b) of the Restated Agreement is hereby amended to read in its entirety as follows:

"**(b)** In addition, each Party will use reasonable efforts to notify (and provide as much advance notice as possible to) the other of any event materially related to Product (including any regulatory approval) of which the Party becomes aware so that the Parties may analyze the need to or desirability of publicly disclosing or reporting such event."

2.5 Addition of Section 7.2.2(c). A new Section 7.2.2(c) is hereby added to the Restated Agreement as follows:

"(b) Notwithstanding the foregoing, upon Isis' written request, OncoGenex or its sublicensees will include in press releases or oral public presentations that contain new material clinical data, regulatory approvals or other material information regarding a Product or this Agreement, a statement acknowledging the Parties' joint discovery and initial development of OGX-011, substantially in the form as OncoGenex has used immediately prior to the Amendment #1 Effective Date, the fact that intellectual property related to antisense technology embodied in such Product was licensed from Isis, and Isis' ticker symbol (e.g., Nasdaq: ISIS)."

2.6 Amendment re Section 8.3.1(a). The last sentence of Section 8.3.1(a) of the Restated Agreement is amended to state: "In any case, Isis may not settle, or otherwise consent to an adverse judgment in, any action or proceeding with respect to such infringement in a manner that diminishes the rights or interests of OncoGenex or OncoGenex's sublicensee, without the prior written consent of both OncoGenex and OncoGenex's sub-licensee, such consent not to be unreasonably withheld or delayed."

2.7 Amendment re Section 9.3.1. Section 9.3.1 of the Restated Agreement is hereby amended to read in its entirety as follows: "Upon expiration of the Term of this Agreement in accordance with Section 9.1 and payment of all amounts owed pursuant to this Agreement, the licenses granted by Isis to OncoGenex under this Agreement will automatically become perpetual, irrevocable, fully-paid non-exclusive licenses."

2.8 Amendment re Section 12.2.1. Section 12.2.1 of the Restated Agreement is hereby amended to read in its entirety as follows:

> **"12.2.1 Failure to Pay.** If OncoGenex is in material breach of OncoGenex' obligation to make a payment to Isis under Article 6, then Isis may deliver written notice of such breach to OncoGenex, with a required copy of such notice to OncoGenex's sub-licensee. OncoGenex will have thirty (30) days following such notice to cure such breach (and provided further that OncoGenex's sub-licensee may cure such breach by making payment to Isis of any amounts owed by OncoGenex, and Isis agrees to accept all such payments made by OncoGenex's sub-licensee). If OncoGenex and its sub-licensee have received written notice of such a payment breach from Isis, and such breach is not cured within the 30 day period, Isis may declare an uncured material breach hereunder upon thirty (30) days advance written notice to OncoGenex and such notice will effectively terminate this Agreement upon expiration of such thirty (30) day period."

2.9 Amendment re Section 12.2.2. Section 12.2.2 of the Restated Agreement is hereby amended to read in its entirety as follows:

> **"12.2.2 Discontinued Development.**
>
> **(a)** If OncoGenex materially breaches its diligence obligations under Section 4.4, then Isis shall have the right to give OncoGenex written notice of such breach describing such material breach in reasonably specific detail, and Isis must provide at the same time a copy of such notice to OncoGenex's sub-licensee. OncoGenex, or its sub-licensee, shall have the right to cure such breach within ninety (90) days after receipt of written notice from Isis (or longer if such breach is not reasonably curable with such 90 days), and Isis agrees to accept any performance by such sub-licensee in seeking to cure the breach. In the event of a Discontinuance or if OncoGenex materially breaches its diligence obligations under Section 4.4 and such material breach is not cured by OncoGenex and/or its sub-licensee within ninety (90) days after receipt of written notice from Isis (as provided above), then in any such case, as Isis' sole and exclusive remedy therefor, Isis will have the right to terminate the [***] under [***] upon thirty (30) days prior written notice to OncoGenex; *provided that*, if such breach is not reasonably curable within such 90 days, then as long as OncoGenex and/or its sub-licensee continues to take substantial steps toward curing such material breach until such breach is cured, Isis may not exercise its termination rights under this Section 12.2.2.

(b) Upon any such termination under subclause (a) above, OncoGenex will [***] Isis a [***], as the case may be, to the OncoGenex Product-Specific Technology, OncoGenex Patents, OncoGenex Technology and any Product-Specific Technology Patents assigned to OncoGenex under Section 4.2.1 (in the case of OncoGenex Patents and OncoGenex Technology that are the subject of one or more Third Party agreements, such license or sublicense shall be subject to all restrictions and obligations (including financial obligations) under such Third Party agreements) existing as of such date solely to develop, make, have made, use, sell, offer for sale, have sold and import Nonexclusive Clusterin ASOs (and any products containing such Nonexclusive Clusterin ASOs). For purposes of this Section 12.2.2, "Nonexclusive Clusterin ASOs" means ASOs that act predominantly by [***] Clusterin [***] or that are [***] to Clusterin [***], *provided, however* that the term "Nonexclusive Clusterin ASOs" expressly excludes: (a) OGX-011 and any other ASO that has the [***]; and (b) any other ASO that (i) acts to modulate [***] Clusterin and (ii) for which, at the time of such Discontinuance or uncured material breach, OncoGenex, its Affiliates or sublicensees have [***]. Within ninety (90) days following the effectiveness of any termination by Isis, pursuant to this Section 12.2.2, of the [***], OncoGenex shall provide Isis with a [***].

(c) OncoGenex covenants and agrees that any [***] granted by OncoGenex under the OncoGenex Product-Specific Technology, OncoGenex Patents, OncoGenex Technology and any Product-Specific Technology Patents assigned to OncoGenex under Section 4.2.1 will be expressly subject to the [***] that OncoGenex [***] Isis under subclause (b) above (if applicable) under such Patents under this Section 12.2.2, and such [***] by OncoGenex will automatically be limited by such [***] to Isis, [***] as above."

2.10 Addition of Section 12.2.3. A new Section 12.2.3 is hereby added to the Restated Agreement as follows:

"**12.2.3** Notwithstanding the foregoing, if Isis terminates the [***], and prior to such termination OncoGenex [***], then, provided [***], Isis shall [***]."

2.11 Amendment re Section 13.15. Section 13.15 of the Restated Agreement is hereby amended to add a new Section 13.15.7 that reads in its entirety as follows:

"**13.15.7** All notices that may or are given by Isis under this Section 13.15 to OncoGenex shall [***]"

2.12 Amendment re Appendix A. The definition of "Discontinuance" in Appendix A of the Restated Agreement is hereby amended to read in its entirety as follows:

> "**'Discontinuance'** means OncoGenex voluntarily elects to abandon [***] all development and commercialization of Products, as evidenced by a written communication from an authorized officer of OncoGenex to Isis."

2.13 Amendment re Appendix A. The definition of "Revenue" in Appendix A of the Restated Agreement is hereby amended to read in its entirety as follows:

> "**"Revenue"** means all revenues, receipts, monies, and the fair market value of all other consideration directly or indirectly collected or received whether by way of cash or credit or any barter, benefit, advantage, or concession received OncoGenex relating to the sale, license or any other commercial transaction involving OGX-011 and/or the Product, with the exception of the following: (i) any consideration received for the reimbursement for research and development activities and (ii) any consideration received for the fair market portion of any sale of equity or quasi-equity securities including, without limitation, common shares and preferred shares."

2.14 Based on the fact that OncoGenex has an obligation to disclose to Isis, under the Restated Agreement, certain confidential information that OncoGenex may receive from its sublicensees under the Restated Agreement, Isis agrees that, promptly after OncoGenex enters into such a sublicense agreement, Isis, OncoGenex and such sublicensee will enter into a mutual confidentiality agreement under which Isis will agree to protect the confidentiality of any such information disclosed by OncoGenex or OncoGenex's sublicensee to Isis pursuant to the Restated Agreement or the sublicense agreement on terms that are consistent with the confidentiality provisions of the Restated Agreement.

ARTICLE 3
REPRESENTATIONS AND COVENANTS RELATING TO AMENDMENT OF RESTATED AGREEMENT

3.1 Representations and Covenants Regarding Improvements and Technology. Isis hereby represents and warrants to OncoGenex that: (a) Isis has assigned to OncoGenex all rights, title, and interests in and to the Product-Specific Technology and the Product-Specific Technology Patents existing as of the Amendment No.1 Effective Date; and (b) to Isis' knowledge, Isis has transferred to OncoGenex all Information and technology required to be transferred under the first sentence of Section 4.2.2 of the Restated Agreement. Isis shall use reasonable efforts to determine whether any Information and technology required to be transferred under the first sentence of Section 4.2.2 has not been transferred to OncoGenex and, if so, shall promptly transfer such Information and technology to OncoGenex (such transfer to be at Isis' expense if the [***] set forth in Section 4.2.2 has not yet been reached, and otherwise at OncoGenex' expense).

3.2 Representations and Covenants Regarding Agreements. Isis hereby represents and warrants to OncoGenex that: (a) as of the Amendment No.1 Effective Date, Isis does not believe that OncoGenex is in breach of any of its obligations under the Restated Agreement; (b) the Restated Agreement is in good standing and in full force and effect; and (c) Isis' agreements with [***] are all in good standing and in full force and effect. Isis shall use good faith efforts not to breach any of the terms of any such agreements.

ARTICLE 4
MISCELLANEOUS

4.1 Integration. This Amendment is deemed integrated into and made part of the Restated Agreement, and is governed by all applicable terms of the Restated Agreement. This Amendment modifies the applicable terms of the Restated Agreement solely as provided above. All other terms, obligations, and conditions of the Restated Agreement are and shall remain in full force and effect. To the extent this Amendment is in conflict with any terms of the Restated Agreement, this Amendment shall control.

4.2 This Amendment automatically terminates upon termination of the Restated Agreement.

4.3 This Amendment may be executed in one or more counterparts by the parties by signature of a person having authority to bind the party, which may be by facsimile signature, each of which when executed and delivered, by facsimile transmission or by mail delivery, will be an original and all of which will constitute but one and the same Amendment.

****

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their duly authorized representatives as of the date first above written.

OncoGenex Technologies Inc.	**ISIS Pharmaceuticals, Inc.**
Per: /s/ Scott Cormack	Per: /s/ B. Lynne Parshall
Scott D. Cormack, President & CEO	B. Lynne Parshall COO and CFO

Exhibit 10.40

THIRD AMENDING AGREEMENT

Between:

THE UNIVERSITY OF BRITISH COLUMBIA, a corporation continued under the *University Act* of British Columbia and having its Industry Liaison offices at #103 — 6190 Agronomy Road, Vancouver, British Columbia, V6T 1Z3

(the "**University**")

- and -

ONCOGENEX TECHNOLOGIES INC., a corporation incorporated under the laws of Canada, and having offices at Suite 400, 1001 West Broadway, Vancouver, British Columbia, V6H 4B1

(the "**Licensee**")

WHEREAS:

A. The University and the Licensee entered into a license agreement with a Date of Commencement of November 1, 2001 with respect to TRPM-2 (the "**Original Clusterin License Agreement**") pursuant to which the University granted the Licensee an exclusive worldwide license to the Technology;

B. The University and the Licensee entered into an amending agreement effective as of August 30, 2006 with respect to the Original Clusterin License Agreement (the "**First Amending Agreement**") and a second amending agreement and consent effective as of August 7, 2008 with respect to the Original Clusterin License Agreement as amended by the First Amending Agreement (the "**Second Amending Agreement**" and together with the First Amending Agreement, the "**Amendments**"); and

C. In connection with a proposed sublicense in respect of the Original Clusterin License Agreement as amended by the Amendments (the "**Clusterin License Agreement**"), pursuant to a proposed Collaboration and License Agreement (the **"Teva Agreement"**) by and between the Licensee and Teva Pharmaceutical Industries Ltd. ("**Teva**"), the University and the Licensee now wish to further amend the Clusterin License Agreement, as set out below.

Terms used but not defined herein shall have the meaning ascribed to them in the Clusterin License Agreement.

Now therefore, in consideration of the premises and the mutual covenants contained in this Third Amending Agreement (this "**Amending Agreement**"), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree with each other as follows:

1. Article 3.4 of the Clusterin License Agreement is hereby amended by replacing it with the following:

"Notwithstanding Article 3.1 but subject to Article 10.6, the parties acknowledge and agree that the University may use the Technology and any Improvements without charge in any manner whatsoever for research, scholarly publication, educational or other non-commercial uses."

* Certain information in this exhibit has been omitted as confidential, as indicated by [***]. This information has been filed separately with the Commission.

2. Article 4.1 of the Clusterin License Agreement is hereby amended by replacing it with the following:

"The Licensee shall have the right to grant sublicenses and a sublicensee shall have the right to grant sub-sublicenses (consistent with the terms applicable to sublicenses) to Affiliated Companies and other third parties with respect to the Technology and any University Improvements with the prior written consent of the University, which consent shall not be unreasonably refused. The Licensee or a sublicensee shall not be obligated to obtain the University's consent to the granting of a sublicense or sub-sublicense if the proposed sublicensee or sub-sublicensee has a market capitalization in excess of CAN. $500,000,000 at the time of the granting of the sublicense or sub-sublicense, as the case may be, provided always that such sublicense or sub-sublicense shall be in full compliance with the terms of this Agreement. The Licensee will furnish the University with a copy of each sublicense and each sub-sublicense granted within 30 days after execution. Such sublicenses and sub-sublicenses will be considered to be Confidential Information of the Licensee, and will be subject to the Confidentiality provisions of Article 10."

3. Article 4.2 of the Clusterin License Agreement is hereby amended by replacing it with the following:

"Any sublicense granted by the Licensee and any sub-sublicense granted by a sublicensee shall be personal to the sublicensee or sub-sublicensee, as the case may be, and shall not be assignable without the prior written consent of the University, such consent not to be unreasonably withheld. Such sublicenses and sub-sublicenses shall contain covenants by the sublicensee or sub-sublicensee, as the case may be, to observe and perform similar terms and conditions to those contained in this Agreement and in particular the Licensee shall cause each sublicensee and sub-sublicensee to indemnify the University on the same terms and conditions as are contained in Article 9.1 of this Agreement."

4. Article 6.6 of the Clusterin License Agreement is hereby deleted.

5. Article 7.1 of the Clusterin License Agreement is hereby amended by replacing it with the following:

"7.1(a) The Licensee shall have the right to identify any process, use or products arising out of the Technology and any University Improvements that may be patentable and may seek patent protection with respect thereto, in which case the Licensee shall take all reasonable steps to apply for a patent in the name of the University provided that the Licensee pays all costs of applying for, registering and maintaining the patent in those jurisdictions in which the Licensee might designate that a patent is desirable or reasonably required. The patent counsel shall be selected by Licensee with the consent of the University, such consent not to be unreasonably withheld or delayed. The University shall remain the client of such patent counsel, however, the Licensee will provide direct instructions to the patent counsel on all patent matters relating to the Technology including filing, prosecution, management, maintenance, including renewals and term extensions thereof, and the scope and content of patent applications and to request countries for foreign filings. The Licensee will pay patent counsel for all costs incurred with respect to any and all patents relating to the Technology. The Licensee will supply or instruct the patent counsel to supply the University with copies of all material documents and correspondence received and filed in connection with the prosecution of patents hereunder. The Licensee will keep the University advised as to all material developments with respect to such applications with sufficient time for the University to review and respond, and generally not less than 30 days prior to an applicable patent deadline, unless circumstances reasonably require the Licensee to act sooner to protect the patents, in which case the Licensee may act sooner. The University shall, as required and at the Licensee's cost for the University's reasonable out-of-pocket expenses, reasonably cooperate with the Licensee, its lawyers and agents in the filing, prosecution, management and maintenance of the patents.

7.1(b) Licensee shall have the right to fulfill its obligations or practice its rights under Section 7.1(a) through Teva, provided that Licensee shall remain primarily liable for any acts or omissions by Teva with respect to such rights and obligations."

6. Article 10.5 of the Clusterin License Agreement is hereby amended by replacing it with the following:

> "Notwithstanding any termination or expiration of this Agreement, the obligations created in this Article 10 shall survive and be binding upon the Licensee, the University and their respective successors and assigns."

7. Article 10.6 of the Clusterin License Agreement is hereby amended by replacing the words "three months" with the words "[***] months" and by replacing the words "six month period has elapsed" with the words "[***] month period has elapsed after the date the Licensee received the proposed publication or presentation,".

8. Article 11.4 of the Clusterin License Agreement is hereby amended by adding the following as the last sentence of said Article:

> "As used in this Article 11.4, the term "commercially reasonable efforts" means, with respect to a task or obligation under this Agreement, exerting such efforts and employing such resources as would normally be exerted or employed by Licensee, if at such time there is no sublicensee in respect of this Agreement with respect to such task or obligation, or by the respective sublicensee, if at such time there is a sublicensee in respect of this Agreement with respect to such task or obligation, in conducting such tasks or obligations for its other drug candidates and pharmaceutical products of a comparable stage of development and commercial potential, taking into account the cost effectiveness of efforts or resources, the competitiveness of alternative compounds or products that are or are expected to be in the marketplace, the patent and other proprietary position of the compound or product, the likelihood of regulatory approval, the profitability of the compound or product and alternative compounds or products and any other factors reasonably relevant to assessing the commercial reasonableness of expending amounts of efforts and resources."

9. Article 12.1 of the Clusterin License Agreement is hereby amended by adding the following sentence as the last sentence of said Article:

> "Notwithstanding the foregoing, Licensee shall be deemed to satisfy its obligations under this Article 12.1 with respect to Teva, as a sublicensee in respect of this Agreement, if Teva maintains the accounts and records as required under the sublicense agreement between Licensee and Teva (the "**Teva Sublicense Agreement**")."

10. Article 13.3 of the Clusterin License Agreement is hereby amended by adding the following sentences as the last two sentences of said Article:

> "Notwithstanding the foregoing, Licensee shall be deemed to satisfy its obligations under this Article 13.3 with respect to Teva, as a sublicensee in respect of this Agreement, if (a) Teva procures and maintains, at all times during the effectiveness of the Teva Sublicense Agreement, the insurance required under such Teva Sublicense Agreement, which may be satisfied through self-insurance, to the extent Teva self-insures for other liabilities relating to the development and commercialization of other pharmaceutical products and (b) the Licensee uses reasonable efforts to ensure that such insurance contains a waiver of subrogation against the University, its Board of Governors, faculty, officers, employees, students, and agents."

11. The first paragraph of Article 18.3 of the Clusterin License Agreement is hereby amended by replacing it with the following:

> "If any one of more of the following events has occurred and the Licensee or its sublicensee has not cured these events within 30 days of receiving written notice from the University, the University may, at its option, terminate this Agreement; provided that the Licensee's sublicensee may (but is not obligated to) cure any such event under Articles 18.3(a), (h) or (j) within such 30-day period, and the University shall not have the right to terminate this Agreement following any such cure by the Licensee's sublicensee. The University shall provide written notice to the Licensee's sublicensee of any event under Article 18.3 at the same time as it provides written notice to the Licensee:"

12. Article 18.5 of the Clusterin License Agreement is hereby amended by adding the following as the last sentence of said Article:

> "The Licensee's sublicensee may (but is not obligated to) cure any such default under this Article 18.5, and the University shall provide written notice to the Licensee's sublicensee of any such default at the same time as it provides written notice to the Licensee."

13. Article 18.9 of the Clusterin License Agreement is hereby amended by adding the following as the last sentence of said Article:

> UBC hereby acknowledges that the Teva Sublicense Agreement is consistent with the terms of this Agreement. Notwithstanding Section 18.7, Teva (as Licensee's sublicensee) may continue to [***] UBC to [***] in the manner set forth in this Clusterin License Agreement [***] for [***] UBC will [***] pursuant to this Article 18.9.

14. The Licensee agrees that "Revenue" as that term is defined in the Clusterin License Agreement shall include all revenues, receipts, monies and the fair market value of all other consideration received from the sale of "Authorized Generic Products" as that term is defined in the Teva Agreement.

15. The University represents that the Licensee is in good standing under the Clusterin License Agreement as of the Effective Date of this Agreement.

16. Any notices or other documents that any of the parties hereto are required or may desire to deliver to Teva under the Clusterin License Agreement, as amended by this Amending Agreement, shall be delivered in accordance with the notice provisions set forth in Article 16.1 of the Clusterin License Agreement to the following address or to such other address as Teva may hereinafter designate in writing:

> Teva Pharmaceutical Industries, Ltd.
> c/o Teva Neuroscience, Inc.
> 901 E. 104th Street
> Kansas City, MO 64131
> Attention: General Counsel, NA Brand Pharmaceuticals

17. Teva is not a party to this Amending Agreement or the Clusterin License Agreement but is an intended third-party beneficiary of this Amending Agreement; *provided, however*, that all rights of Teva provided for hereunder shall terminate upon the termination of the Teva Sublicense Agreement.

18. Except as modified herein, the University and the Licensee confirm that the Clusterin License Agreement remains unmodified and in full force and effect. The Clusterin License Agreement as modified by this Amending Agreement constitutes the entire agreement between the parties relating to the subject matter hereof.

This Amending Agreement may be executed by the parties in separate counterparts, including by electronic transmission via facsimile or e-mail, each of which such counterparts when so executed and delivered shall be deemed to constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF the parties have executed this Amending Agreement on December 20, 2009, which Amending Agreement shall be deemed effective immediately prior to, but on the same date as, the effectiveness of the Teva Sublicense Agreement (the "**Effective Date**").

SIGNED FOR AND ON BEHALF OF
THE UNIVERSITY OF BRITISH COLUMBIA
by its duly authorized officers:

/s/ Brad Wheeler
Authorized Signatory

Authorized Signatory

SIGNED FOR AND ON BEHALF OF
ONCOGENEX TECHNOLOGIES INC.
By its duly authorized officer:

/s/ Scott Cormack
Authorized Signatory

Exhibit 10.44

COLLABORATION AND LICENSE AGREEMENT

by and between

ONCOGENEX TECHNOLOGIES INC.

and

TEVA PHARMACEUTICAL INDUSTRIES LTD.

* Certain information in this exhibit has been omitted as confidential, as indicated by [***]. This information has been filed separately with the Commission.

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THIS COLLABORATION AND LICENSE AGREEMENT (the "Agreement") is made as of December 20, 2009 ("Effective Date"), by and between **ONCOGENEX TECHNOLOGIES INC.**, a corporation incorporated under the laws of Canada and having its principal office at 400 — 1001 West Broadway, Vancouver, British Columbia, Canada V6H 4B1 ("OGX"), and **TEVA PHARMACEUTICAL INDUSTRIES LTD.** , a limited liability company organized and existing under the laws of Israel and having its principal office at Petah Tiqva 49131, Israel ("Teva").

B A C K G R O U N D:

OGX is engaged in the development and commercialization of new cancer therapies that address treatment resistance in patients with cancer, and Controls the OGX Intellectual Property and is currently developing a Licensed Compound (as such terms are hereinafter defined) for the treatment of patients with cancer;

Teva and its Affiliates have experience in the development and commercialization of pharmaceutical products; the Parties wish to collaborate to develop and commercialize Licensed Compounds and Licensed Products; Teva desires to obtain the exclusive worldwide right and license to further develop and thereafter commercialize Licensed Compounds and Licensed Products in the Field (as such terms are hereinafter defined) and to grant OGX an option to co-promote Licensed Products in the United States and Canada; and OGX desires to grant to Teva such exclusive worldwide right and license and to obtain such option, all on the terms and conditions set forth below;

Concurrently with the execution of this Agreement, OGX's parent, OncoGenex Pharmaceuticals Inc. ("Parent"), and Teva are executing (a) a stock purchase agreement, and (b) a guaranty by Parent of OGX's obligations hereunder; and

OGX and Teva intend to execute after the Effective Date a pharmacovigilance agreement in connection with development activities under this Agreement.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

Unless specifically set forth to the contrary herein, the following terms, whether used in the singular or plural, shall have the respective meanings set forth below:

1.1 "Act" means the United States Food, Drug, and Cosmetic Act of 1938, as amended, and the rules and regulations promulgated thereunder, or any successor act, as the same shall be in effect from time to time.

1.2 "Advanced Reimbursement" means the payment by Teva to OGX for actual Development Expenses, as provided in Section 4.1(a) and Schedules 4.1 and 4.3.

1.3 "Affiliate" means with respect to a Party: (a) any corporation or business entity of which more than fifty percent (50%) of the securities or other ownership interests representing the equity, the voting stock or general partnership interest entitled to elect management of the entity (a "Controlling Interest") are owned, controlled or held, directly or indirectly, by the Party; (b) any corporation or business entity which, directly or indirectly, owns, controls or holds a Controlling Interest of the Party; or (c) any corporation or business entity of which, directly or indirectly, an entity described in the immediately preceding subsection (b) controls or holds a Controlling Interest.

1.4 "Agreement Term" has the meaning set forth in Section 8.1(b).

1.5 "Anniversary Date" means an anniversary of the Effective Date.

1.6 "ASO" means an antisense oligonucleotide compound (reverse of/complementary to the sense strand messenger RNA), or analog, mimic or mimetic thereof, having a sequence that is at least 6 bases long and that modulates expression of a gene target via the binding, partially or wholly, of such compound to a mRNA or pre-mRNA of such gene target.

1.7 "Authorized Generic Product" has the meaning set forth in Section 2.6.

1.8 "Authorized Generic Royalty Term" means, with respect to a particular Licensed Product on a country by country basis, the period commencing on the date of the first commercial sale of an Authorized Generic Product of such Licensed Product in the applicable country and expiring on the date of the first commercial sale of the [***] of such Licensed Product commercialized by Third Parties (for clarity, not including the Authorized Generic Product) in such country.

1.9 "Bankruptcy Code" has the meaning set forth in Section 8.3.

1.10 "Breaching Party" has the meaning set forth in Section 8.2(b)(i).

1.11 "Business Day" means any calendar day, except that if an activity to be performed or an event to occur falls on a Friday, Saturday, Sunday or a day which is recognized as a national holiday in the place of performance of an applicable activity or occurrence of an applicable event, then the activity may be performed or the event may occur on the next day that is not a Friday, Saturday, Sunday or such nationally recognized holiday.

1.12 "Calendar Quarter" means for each Calendar Year, each of the three (3) consecutive month periods ending March 31, June 30, September 30 and December 31; provided, however, that the (a) first Calendar Quarter of any period specified under this Agreement shall extend from the commencement of such period to the end of the first complete Calendar Quarter thereafter; and (b) last Calendar Quarter shall end upon the expiration or termination of this Agreement.

1.13 "Calendar Year" means each successive period of twelve (12) months commencing on January 1 and ending on December 31; provided, however, that the (i) first Calendar Year shall commence on the Effective Date and end on December 31, 2009, and (ii) last Calendar Year shall end upon expiration or termination of this Agreement.

1.14 "C.F.R." means the United States Code of Federal Regulations.

1.15 "Change of Control" means with respect to a Party, the occurrence of any related transactions that results in any of the following:

(a) any Third Party that was not, as of just prior to the transaction, the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the voting equity of the Party becomes (after such transaction) the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the voting equity of the Party whether as a result of issuances, redemptions, repurchases or transfers of voting equity or otherwise; or

(b) the Party consolidates with, or merges with or into, a Third Party or sells, assigns, conveys, transfers, leases or otherwise disposes of all, or substantially all, of its assets to a Third Party, or a Third Party consolidates with, or merges with or into, the Party, in any such event pursuant to a transaction in which the outstanding voting equity of the Party is converted into or exchanged for cash, securities, equity interests or other property and immediately after such transaction the persons who were the beneficial owners of the outstanding voting equity of the Party immediately prior to the transaction are not the beneficial owners, directly or indirectly, of at least fifty percent (50%) of the total voting equity of the surviving or transferee entity.

1.16 "Clinical Development Plan" or "CDP" has the meaning set forth in Section 3.5(a).

1.17 "Clinical Study" or "Clinical Studies" means any studies of a Licensed Compound or a Licensed Product conducted on humans.

1.18 "Clusterin" means (a) the protein commonly known as clusterin, having the official symbol CLU, and which is also referred to as Testosterone Repressed Prostatic Message-2 (TRPM-2) and Sulphated Glycoprotein-2 (SGP-2), (b) the gene target, including its [***], that codes for such protein known as clusterin, or (c) any form of RNA that codes for the protein known as clusterin or is transcribed from the clusterin gene.

1.19 "CMC" means chemistry, manufacturing and controls as specified by the FDA, EMEA or other Regulatory Authorities.

1.20 "Combination Product" means a Product in final form containing at least one Licensed Compound as a pharmacologically active ingredient and one or more other active pharmaceutical ingredients in all dosage forms, formulations, presentations, line extensions and package configurations. For clarity, a Combination Product is considered a Licensed Product. As used herein, the term "active pharmaceutical ingredient" means a pharmacologically active ingredient and does not include excipients, controlled-release compositions, materials to increase bioavailability, formulation compositions, and delivery means.

1.21 "Commercialize" or "Commercialization" means to undertake activities, or those activities undertaken, with respect to the promotion, marketing, sale, supply, commercial manufacture, import, export, distribution and other commercialization of a Licensed Compound or Licensed Product, and including any necessary educational, post-approval Clinical Studies and pre-launch activities related to such commercial activities for the Licensed Compound or Licensed Product.

1.22 "Commercially Reasonable Efforts" means:

(a) with respect to a task or obligation of Teva under this Agreement, exerting such efforts and employing such resources as would normally be exerted or employed by Teva in conducting such tasks or obligations for its other drug candidates and pharmaceutical products of a comparable stage of development and commercial potential, taking into account the cost effectiveness of efforts or resources, the competitiveness of alternative compounds or products that are or are expected to be in the marketplace, the patent and other proprietary position of the compound or product, the likelihood of regulatory approval, the profitability of the compound or product and alternative compounds or products and any other factors reasonably relevant to assessing the commercial reasonableness of expending efforts and resources;

(b) with respect to a task or obligation of OGX under this Agreement, exerting such efforts and employing such resources as would normally be exerted or employed by biotechnology companies of reasonably similar size and resources in conducting such tasks or obligations for other drug candidates and pharmaceutical products owned by such companies that are of a comparable stage of development and commercial potential, taking into account the cost effectiveness of efforts or resources, the competitiveness of alternative compounds or products that are or are expected to be in the marketplace, the patent and other proprietary position of the compound or product, the likelihood of regulatory approval, the profitability of the compound or product and alternative compounds or products and any other factors reasonably relevant to assessing the commercial reasonableness of expending efforts and resources.

1.23 "Control" means, with respect to particular Know-How or Intellectual Property rights, that the applicable Party (or its Affiliate) owns or has a license (or sublicense) to such Know-How or Intellectual Property and has the ability to grant to the other Party the rights and licenses under such Know-How or Intellectual Property as provided for in this Agreement without violating the terms of any agreement or other binding arrangement the granting Party has with any Third Party.

1.24 "Co-Promotion Activities" means those activities undertaken by OGX pursuant to the Co-Promotion Agreement in conducting or in support of the promotion of Licensed Products in the United States and Canada, as contemplated and set forth in Section 3.7 and Schedule 3.7.

1.25 "Co-Promotion Agreement" shall have the meaning set forth in Section 3.7(e).

1.26 "Co-Promotion Option" shall have the meaning set forth in Section 3.7(b).

1.27 "Co-Promotion Option Term" shall have the meaning set forth in Section 3.7(b).

1.28 "CRPC" means castrate resistant prostate cancer.

1.29 "Data" means any and all research data, pharmacology data, preclinical data, clinical data, and CMC data generated with respect to the Licensed Compound or Licensed Product.

1.30 "Data and Safety Monitoring Board" or "DSMB" means an independent board set up specifically to review and monitor data throughout the duration of a Clinical Study and for making recommendations concerning the continuation, modification and termination of the study as it is being conducted.

1.31 "Develop" or "Development" means to undertake activities, or those activities undertaken, which are devoted to Clinical Studies of a Licensed Compound or Licensed Product or are directed toward the research, quality issues, pre-clinical issues, toxicology issues, publication, Regulatory Approval, formulation, production of clinical trial materials or CMC of such Licensed Compound or Licensed Product, all with the goal of seeking and obtaining Regulatory Approval of the Licensed Compound or Licensed Product.

1.32 "Development Expenses" means (a) those out-of-pocket Development costs and expenses paid by OGX to Third Parties pursuant to the Clinical Development Plan (including any budgets promulgated thereunder and approved by the JSC), to the extent such costs and expenses are approved by the JSC, (b) the direct costs incurred by OGX, measured at the FTE Rate based on the FTEs actually applied by OGX for the OGX employees who perform those activities related to the conduct of the Clinical Studies specified in the Clinical Development Plan, in all cases in accordance with the budget approved by the JSC therefor, or related to terminating a Clinical Study for safety or futility in accordance with Section 3.5(c)(iii), to the extent such costs are approved by the JSC, and (c) the actual costs incurred by OGX prior to the Effective Date as set forth on Schedule 4.3, with all of the foregoing (under subsections (a), (b) & (c) above) subject to receipt of appropriate supporting documentation in form and substance reasonably acceptable to Teva.

1.33 "Disputed Claim" has the meaning set forth in Section 9.4(b).

1.34 "Dollar" or "$" means the lawful currency of the United States.

1.35 "Drug Approval Application" means an application for Regulatory Approval in a regulatory jurisdiction, together with all subsequent submissions, supplements and amendments thereto (which, for clarity, includes NDAs and MAAs).

1.36 "Effective Date" has the meaning set forth in the Preamble of this Agreement.

1.37 "EMEA" means the European Medicines Agency and any successor agency having substantially the same functions or, if the mutual recognition procedure is used for the Licensed Product in the EU, any governmental authority having the authority to regulate the sale of medicinal or pharmaceutical products in any country in the EU.

1.38 "EMEA Approval" means all authorizations by the EMEA which are required for the marketing of a Licensed Product in the EU.

1.39 "Estimated Launch Date" means the date, as estimated by Teva acting reasonably and in good faith, that the First Commercial Sale in the U.S. of a Licensed Product is predicted to occur.

1.40 "EU" means the European Union and all countries that are member states of the European Union at any time during the Agreement Term.

1.41 "EU Market Payment Event" means on an indication-by-indication basis, the earlier of (a) the date that is [***] after a First Commercial Sale of a Licensed Product for the given indication in a Primary EU Market, provided Teva is still selling the Licensed Product in the Primary EU Market at the end of such [***] period; or (b) the date on which aggregate Net Sales of a Licensed Product for the given indication in the Primary EU Markets exceeds [***] dollars [***].

1.42 "EU [***]Approval" means, for a particular Licensed Product in a given Primary EU Market, [***] and [***] approval for such Licensed Product by the appropriate Regulatory Authority in such Primary EU Market.

1.43 "Existing IND" shall have the meaning set forth in Section 3.6(b).

1.44 "Expense Report" shall have the meaning set forth in Section 4.3.

1.45 "FDA" means the Food and Drug Administration of the United States Department of Health and Human Services and any successor agency thereto having substantially the same functions and authority.

1.46 "FDA Approval" means all authorizations by the FDA which are required for the marketing of a Licensed Product in the United States as defined in 21 C.F.R. Section 314.105.

1.47 "Field" means the prevention, diagnosis or treatment of any disease or medical condition in humans.

1.48 "First Commercial Sale" means, on a country by country and Licensed Product by Licensed Product basis, the first sale to a Third Party, for end use or consumption by a patient, of the applicable Licensed Product in the subject country for which payment is received by Teva, its Affiliates or sublicensees after receipt of all Regulatory Approvals in such country, excluding for purposes of clarity, registration samples, transfers (without compensation) for compassionate use, use in Clinical Studies and so called "treatment IND sales" and "named patient sales."

1.49 "FTE" means the actual work time of the particular individual applied to the particular task.

1.50 "FTE Rate" means the FTE personnel cost on an hourly basis, by functional area, incurred by OGX in connection with the Development activities as set forth on Schedule 1.50 and the Co-Promotion Activities as set forth in Schedule 3.7. Commencing January 1, 2011, the FTE Rate shall be changed annually by the JSC to reflect any year-to-year percentage increase or decrease (as the case may be) in the Consumer Price Index for the US City Average (all times) (the "CPI"), based on the change in the CPI from the most recent index available as of the most recent such adjustment (or the Effective Date with respect to the first such adjustment) to the most recent index available as of the date of the calculation of such revised FTE Rate.

1.51 "GAAP" means generally accepted accounting principles in the United States, consistently applied.

1.52 "Generic Competition" shall be deemed to exist, with respect to a particular Licensed Product being sold in a particular country, if after the Generic Launch Date in such country with respect to such Licensed Product the aggregate total Net Sales of such Licensed Product in such country in any [***] after such Generic Launch Date are at least [***] less than the aggregate total Net Sales of such Licensed Product in the [***] completed just prior to the Generic Launch Date.

1.53 "Generic Competition Event" means the occurrence of Generic Competition.

1.54 "Generic Competition [***]" means, with respect to a Generic Competition Event, any one of [***] beginning on the first day of the [***] after the [***] in which the Generic Competition Event occurred.

1.55 "Generic Launch Date" means, with respect to any Generic Product of a particular Licensed Product, on a country-by-country basis, the date of the first sale by a Third Party, for end use or consumption by a patient, of the applicable Generic Product in the subject country.

1.56 "Generic Product" means, with respect to a Licensed Product in a country, a Product sold by a Third Party (excluding, for clarity, sublicensees of Teva or its Affiliate) in such country containing as an active pharmaceutical ingredient the same chemical compound as the Licensed Compound that is an active pharmaceutical ingredient in such Licensed Product, and that has been approved for sale or introduction into interstate commerce by reference to such Licensed Compound or Licensed Product pursuant to (a) [***] or [***] of the Act; (b) [***] or [***] of [***]; or (c) any similar approval in any other country, which approval is based on reference to the Regulatory Approval for such Licensed Product in such country (or, if applicable and permitted by Applicable Law in the country, such Regulatory Approval(s) in another country), *but excluding* all Authorized Generic Products.

1.57 "[***]" means [***], a biotechnology company with a head office in [***].

1.58 "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

1.59 "HSR Rules" means the Premerger Notification Rules to the HSR Act.

1.60 "[***]" means [***], a biotechnology company with a head office in [***].

1.61 "Improvement" means any idea, invention, discovery, improvement and other Know-How, patentable or otherwise, made, created, developed, conceived or reduced to practice by a Party's or its Affiliates' employees, agents, contractors or other persons acting under or pursuant to its or their authority, pursuant to activities relating to or contemplated by this Agreement during the Agreement Term (including under or pursuant to the Clinical Development Plan), that are based on, relate to, or result from access to OGX Intellectual Property, Licensed Compounds and Licensed Products, including all Intellectual Property therein. "Improvements" may include developments in the manufacture, formulation, ingredients, preparation, presentation, means of delivery or administration, dosage, indication, methods of use or packaging or sale relating to the Licensed Compounds or Licensed Products, but shall exclude any such Know-How to the extent related solely to any other proprietary compounds of OGX that are not Licensed Compounds or Licensed Products.

1.62 "IND" means an Investigational New Drug application, as described in 21 C.F.R. Section 312.23, filed for purposes of conducting Clinical Studies on a Licensed Compound or Licensed Product in the Field in accordance with the requirements of the Act and the regulations promulgated thereunder, including all supplements and amendments thereto, and any analogous application and process required by a Regulatory Authority in a country or regulatory jurisdiction elsewhere in the Territory in order to conduct Clinical Studies on a Licensed Compound or Licensed Product in the Field in such country or regulatory jurisdiction.

1.63 “Insurance” has the meaning set forth in Section 9.6(a).

1.64 “Intellectual Property” means Patent Rights, Know-How and Trademarks collectively, or any part thereof.

1.65 “Isis” means Isis Pharmaceuticals, Inc., a biotechnology company with a head office in Carlsbad, California.

1.66 “Joint Improvement” has the meaning set forth in Section 6.1(a)(ii).

1.67 “Joint Steering Committee” or “JSC” has the meaning set forth in Section 3.5(d)(i).

1.68 “Know-How” means all know-how, proprietary information and technology, including trade secrets, inventions, developments, discoveries, methods, techniques, formulations, data, results, reports, improvements and other information, whether or not patentable.

1.69 “Knowledge” means, as attributed to a particular Party, the actual knowledge of the senior executives of such Party or its Affiliates or of the management employees of a Party or its Affiliates having principal direct responsibility for the activities of the Party or its Affiliates to which the knowledge relates.

1.70 "Label(ing)" shall have the same meaning as defined in the Act and as interpreted by the FDA, and any analogous Laws as interpreted by the applicable Regulatory Authorities elsewhere in the Territory.

1.71 "Laws" means all laws, statutes, rules, regulations, ordinances and other pronouncements having the binding effect of law of any governmental authority and applicable to the specific circumstance or situation.

1.72 "Licensed Compound" means (a) OGX-011, or (b) any other ASO that targets Clusterin, in a manner that modulates the expression of Clusterin, and is claimed or covered by (i) OGX Patent Rights listed on Schedule 1.88, or (ii) any additional Patent Rights that are Controlled by OGX during the Agreement Term, and [***], *but excluding,* for clarity, the OGX molecules referred to as OGX-427 and OGX-225.

1.73 "Licensed Product" means a Product containing a Licensed Compound as an active pharmaceutical ingredient.

1.74 "Losses" means any and all damages, awards, settlement amounts, assessments, fines, dues, penalties (including penalties imposed by any governmental authority), costs, fees, liabilities, obligations, taxes, liens, losses, and expenses (including court costs, interest and reasonable fees of attorneys, accountants and other experts) awarded or otherwise paid or payable to Third Parties.

1.75 "MAA" means a marketing authorization application submitted to the EMEA to obtain European commission approval for the marketing of the Licensed Product in the EU, together with all subsequent submissions, supplements and amendments thereto.

1.76 "NDA" means a new drug application, as described in 21 C.F.R. Section 314.50, submitted to the FDA to obtain approval for the marketing of a Licensed Product in the U.S., together with all subsequent submissions, supplements and amendments thereto.

1.77 "Net Sales" means the gross sales amount (as invoiced or otherwise charged) for the sale of Licensed Products, in any form or packaging, to Third Parties by Teva, its Affiliates and sublicensees, less the following deductions (to the extent actually allowed or incurred based on such sale and included in such gross sales amount):

(a) quantity and/or cash discounts off of the invoiced price;

(b) customs, duties, sales and similar taxes;

(c) amounts allowed or credited by reason of rejections, return of goods (including as a result of recalls, market withdrawals and other corrective actions), and retroactive price reductions or allowances specifically identifiable as relating to a Licensed Product including allowances and credits related to inventory management or similar agreements with wholesalers;

(d) amounts incurred resulting from government (or any agency thereof) mandated rebate programs in the Territory;

(e) Third Party rebates, patient discount programs, administrative fees and chargebacks or similar price concessions related to the sale of a Licensed Product;

(f) bad debt allowed and recognized by Teva for accounting purposes as not collectible, provided however that if a bad debt allowance is reduced in any subsequent Calendar Quarter, such reduced amount will be added back to the gross sales amount for purposes of calculating Net Sales);

(g) expenses for insurance, freight, packing, shipping and transportation; and

(h) to the extent agreed by the Parties in writing, such agreement not to be unreasonably withheld, any other specifically identifiable appropriate allowances or deductions to the extent such amounts are included in a Licensed Product's gross sales amount and are credited and are similar to those deductions listed above, all in accordance with GAAP.

All such discounts, allowances, credits, rebates and other deductions shall be fairly and equitably allocated to the Licensed Product in accordance with GAAP. To the extent that the applicable Licensed Product is sold in a bundle or other combination with other products or services of Teva or its Affiliates or sublicensee such that the Licensed Products and such other products have discounts, allowances, credits, rebates or other deduction applied as a group, then all such discounts, allowances, credits, rebates and other deductions shall be fairly and equitably allocated to the Licensed Product in a manner such that the Licensed Products do not bear a disproportionate portion of all such deductions. For the avoidance of doubt, Net Sales shall not include sales by Teva to its Affiliates or sublicensees for resale; provided that, if Teva sells a Licensed Product to an Affiliate or sublicensee for resale, then the Net Sales calculation shall include the amounts invoiced by such Affiliate or sublicensee to Third Parties on the resale of such Licensed Product. For purposes of this Agreement, the term "sale" shall include other commercial dispositions for value, but shall not include transfers or other distributions or dispositions of a Licensed Product, at no charge, for regulatory purposes, clinical trials, samples, free products or in connection with patient assistance programs administered by or on behalf of Teva or its Affiliates or other charitable purposes or to physicians or hospitals for promotional purposes or other similar uses. A Licensed Product shall be considered "sold" only when billed or invoiced.

1.78 "New Indication" means any indication in the Field that is not first-line CRPC, second-line CRPC, or first-line non-small cell lung cancer.

1.79 "[***]" means [***], a global pharmaceutical company with a head office in [***].

1.80 "OGX-011" means the antisense inhibitor of Clusterin having the sequence 5'-MeCAGMeC AGC AGA GTC TTC A MeU MeCAMeU, where underlined residues are 2'-methoxyethylnucleosides (MOE) and phosphorothioate linkages throughout, also referred to as OGX-011 or [***].

1.81 "OGX-225" means (a) the bi-specific antisense inhibitor of insulin-like growth factor binding protein-2 and insulin-like growth factor binding protein-5 having the sequence 5'-CAGCAGCCGCAGCCCGGCTC-3' where underlined residues are 2'-methoxyethylnucleosides (MOE) and phosphorothioate linkages throughout; and (b) any other ASO that is covered by or based on any OGX intellectual property as at the Effective Date or during the Agreement Term and primarily directly modulates the expression of insulin-like growth factor binding protein-2 and insulin-like growth factor binding protein-5, solely or as bi-specific inhibitors, *but excluding* compounds within the scope of OGX- 011, Licensed Compounds, Licensed Products, and OGX Product Specific Intellectual Property.

1.82 "OGX-427" means (a) the antisense inhibitor of heat shock protein 27 having the sequence 5'-GGGA^{Me}CG^{Me}CGG^{Me}CG^{Me}CT^{Me}CGG^{Me}U^{Me}CA^{Me}U-3' where underlined residues are 2'-methoxyethylnucleosides (MOE) and phosphorothioate linkages throughout; and (b) any other ASO that is covered by or based on any OGX intellectual property as at the Effective Date or during the Agreement Term and primarily directly modulates the expression of heat shock protein 27, *but excluding* compounds within the scope of OGX-011, Licensed Compounds, Licensed Products, and OGX Product Specific Intellectual Property.

[***]

1.84 "OGX Improvement" means any Improvement made, created, developed, conceived or reduced to practice solely by OGX's or its Affiliates' employees, agents, contractors or other persons acting under or pursuant to its or their authority.

1.85 "OGX Indemnified Parties" has the meaning set forth in Section 9.1.

1.86 "OGX Intellectual Property" means the OGX Patent Rights, OGX Know How, and OGX Trademarks, including any OGX Improvements.

1.87 "OGX Know-How" means all Product Know-How that is Controlled by OGX or any of its Affiliates as of the Effective Date and during the Agreement Term.

1.88 "OGX Patent Rights" means all Product Patents that are Controlled by OGX or any of its Affiliates as of the Effective Date and during the Agreement Term, including the Patent Rights listed in Schedule 1.88.

1.89 "OGX Pharma Common Shares" has the meaning set forth in the stock purchase agreement between Teva and Parent described in Section 4.5.

1.90 "OGX Product Specific Intellectual Property" means all OGX Intellectual Property, OGX Improvements and OGX's interest in Joint Improvements, the application of which has utility only (or for all commercially practical purposes only) with respect to Licensed Compound or Licensed Products, including the OGX Intellectual Property that is set forth on Schedule 1.90. To the extent that any patent or patent application within the OGX Patent Rights includes both (i) claims directed specifically to the Licensed Compound, or Licensed Product as a composition of matter, or methods of using any of the foregoing, as well as (ii) other claims (that do not meet the requirements of clause (i) above), then the Parties shall (as part of the Prosecution efforts under Section 6.2(a)), but only if practicable, use commercially reasonable efforts to divide such patents or patent applications (by all means available under applicable Laws) such that the result is (x) one or more patents (or patent applications, as applicable) in the OGX Patent Rights that have only claims directed specifically to the Licensed Compound, or Licensed Product as a composition of matter, or methods of using any of the foregoing, which patents and applications shall be deemed part of the OGX Product Specific Intellectual Property, and (y) one or more other patents (or patent applications, as applicable) in the OGX Patent Rights that do not have any claims directed specifically to the Licensed Compound, or Licensed Product as a composition of matter, or methods of using any of the foregoing, which patents and applications shall not be OGX Product Specific Intellectual Property but shall remain OGX Patent Rights to the extent such patents or applications meet the definition thereof.

1.91 "OGX Trademarks" means all Trademarks that are Controlled by OGX or any of its Affiliates as of the Effective Date and during the Agreement Term that are specific to the Licensed Compound or Licensed Product, including the Trademarks set forth on Schedule 1.91.

1.92 "Other Compound" has the meaning set forth in Section 2.5.

1.93 "Parent" has the meaning set forth in the Preamble.

1.94 "Parties' Patent Rights" has the meaning set forth in Section 6.3(a).

1.95 "Party" means OGX or Teva.

1.96 "Patent Rights" means any and all patents, patent applications, certificates of invention, or applications for certificates of invention and any supplemental protection certificates, together with any extensions, registrations, confirmations, reissues, substitutions, divisions, continuations or continuations-in-part, reexaminations or renewals thereof, whenever submitted, filed, issued, received, or granted.

1.97 "Phase I Clinical Study" means a Clinical Study conducted in any country that is intended to determine the metabolism and pharmacologic actions of the drug in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness, that would satisfy the requirements of 21 C.F.R. Section 312.21(b), or an equivalent Clinical Study required by a Regulatory Authority in a jurisdiction outside of the United States.

1.98 "Phase II Clinical Study" means a Clinical Study conducted in any country that is intended to explore a dose or variety of doses, rates of administration, dose response, duration of effect or survival parameters in order to generate initial evidence of clinical efficacy and additional evidence of safety in a target patient population, that would satisfy the requirements of 21 C.F.R. Section 312.21(b), or an equivalent Clinical Study required by a Regulatory Authority in a jurisdiction outside of the United States.

1.99 "Phase III Clinical Study" means an expanded Clinical Study conducted in any country on a large patient population intended to confirm effectiveness of the drug in humans, and to further evaluate its safety, including by gathering additional information to evaluate the overall benefit-risk relationship of the drug and provide an adequate basis for physician labeling, that would satisfy the requirements of 21 C.F.R. Section 312.21(c), or an equivalent Clinical Study required by a Regulatory Authority in a jurisdiction outside of the United States, or that is consistent with any scientific advice provided by a Regulatory Authority from time to time during such study as a basis for Regulatory Approval.

1.100 "Primary EU Markets" means the [***], [***], [***], [***] and [***].

1.101 "Prime Rate" has the meaning set forth in Section 4.7(a).

1.102 "Product" means any pharmaceutical or medicinal preparation in the form in which it is sold (or, where the context so indicates, the form under development).

1.103 "Product Know-How" means all Know-How that relates directly to a Licensed Compound or Licensed Product and is necessary or reasonably useful for the research, Development, use, or Commercialization of Licensed Compounds or Licensed Products in the Field.

1.104 "Product Patent" means any Patent Right that claims the composition of matter, manufacture or use of one or more Licensed Compounds or Licensed Products or that otherwise would be infringed, absent a license, by the manufacture, use, importation or sale of any Licensed Compound or Licensed Product.

1.105 "Proprietary Information" means, with respect to a Party, any and all scientific, CMC, clinical, regulatory, marketing, financial and commercial Know-How, whether communicated in writing, orally or by any other means, that is owned or otherwise Controlled by such Party (or its Affiliate) and is provided by that Party to the other Party (or its Affiliate) in connection with this Agreement, which includes (with respect to the applicable disclosing Party) all applicable OGX Know-How and Teva Know-How disclosed under this Agreement. The provisions and existence of this Agreement and its terms and conditions shall be deemed to be confidential information of each Party that is subject to the protective provisions of Article 7.

1.106 "Regulatory Approval" means approval by the relevant Regulatory Authority of an NDA, MAA or other Drug Approval Application, and including any related health registration, common technical document, regulatory submission, notice of compliance and any other license or permit required (but excluding any pricing or reimbursement approval) for the supply, manufacture, use, storage, distribution, import, export, transport, promotion, marketing, and sale of a Licensed Product as a pharmaceutical or medicinal Product in the applicable formulation or dosage form in a country or other regulatory jurisdiction.

1.107 "Regulatory Authority" means any governmental authority in a country or other regulatory jurisdiction, including the FDA and the EMEA, that regulates the Development, supply, manufacture, use, storage, distribution, import, export, transport, promotion, marketing, sale and/or other Commercialization of a Licensed Product as a pharmaceutical or medicinal Product in any formulation or dosage form.

1.108 "Regulatory Document Transfer Date" has the meaning set forth in Section 3.6(c).

1.109 "Regulatory Documents" has the meaning set forth in Section 3.6(c).

1.110 "Royalty Term" means, with respect to a specific Licensed Product in a particular country in the Territory, the period commencing on the date of First Commercial Sale of such Licensed Product in such country and expiring on the later of (a) expiration (as the applicable Licensed Patent may be extended under applicable Laws) or invalidation of the last Valid Claim covering such Licensed Product in such country, (b) expiration of all periods of market exclusivity or data exclusivity granted by a Regulatory Authority in that country for such Licensed Product, and (c) the date that is twelve (12) years after the date of First Commercial Sale of such Licensed Product in such country; provided, however, that in any event the Royalty Term for a particular Licensed Product in a given country shall expire no later than fifteen (15) years after the date of First Commercial Sale of such Licensed Product in such country.

1.111 "SEC" means the United States Securities and Exchange Commission and any successor agency having substantially the same functions.

1.112 "Substantial Generic Competition" shall be deemed to exist, with respect to a particular Licensed Product being sold in a particular country, if after the Generic Launch Date in such country with respect to such Licensed Product the aggregate total Net Sales of such Licensed Product in such country in any [***] after such Generic Launch Date are at least [***] less than the aggregate total Net Sales of such Licensed Product in the [***] completed just prior to the Generic Launch Date.

1.113 "Substantial Generic Competition Event" means the occurrence of Substantial Generic Competition.

1.114 "Substantial Generic Competition [***]" means, with respect to a Substantial Generic Competition Event, any one of the [***] during the [***] period beginning on the first day of the [***] after the [***] in which the Substantial Generic Competition Event occurred.

1.115 "Successor Entity" of a Party means such Party's successor in interest.

1.116 "Territory" means the entire world.

1.117 "Teva Indemnified Parties" has the meaning set forth in Section 9.1.

1.118 "Teva Know-How" means all Product Know-How (including any Teva Improvements necessary or reasonably useful for the research, Development, use or Commercialization of Licensed Compounds and/or Licensed Products in the Field) that is Controlled by Teva or any of its Affiliates as of the Effective Date and during the Agreement Term.

1.119 "Teva Improvements" means any Improvement made, created, developed, conceived or reduced to practice solely by Teva's or its Affiliates' employees, agents, contractors or other persons acting under or pursuant to its or their authority.

1.120 "Teva Patent Rights" means all Product Patents (including Patent Rights that claim or cover Teva Improvements) that are Controlled by Teva or any of its Affiliate(s) as of the Effective Date and during the Agreement Term.

1.121 "Third Party" means a person or entity who or which is neither a Party nor an Affiliate of a Party.

1.122 "Third Party Agreements" has the meaning set forth in Section 3.3(a).

1.123 "Third Party Claims" has the meaning set forth in Section 9.2.

1.124 "Third Party License Agreements" has the meaning set forth in Section 3.3(a).

1.125 "Trademarks" means registered or common law trademarks, service marks, and trade names.

1.126 "UBC" means the University of British Columbia.

1.127 "United States" or "U.S." means the United States of America, its territories and possessions.

1.128 "Upfront Payment" means that upfront payment set forth at Schedule 4.1(a).

1.129 "Valid Claim" means a claim of an issued and unexpired patent or pending patent application within the OGX Patent Rights or the Teva Patent Rights that (a) in the case of an issued patent, has not been disclaimed, revoked or held to be invalid or unenforceable by a court or other authority of competent jurisdiction, from which decision no appeal can be further taken, or has not been admitted to be invalid or unenforceable (in a binding, enforceable manner by the party owning such claim), or (b) in the case of a pending patent application, has not been canceled, expired, withdrawn from consideration, finally determined to be unallowable (from which no appeal is or can be taken), or abandoned or disclaimed; provided, however, that a Valid Claim will exclude any such pending claim that (i) has not been granted within [***] following the filing of the application containing such claim, or (ii) does not have a reasonable bona fide basis for patentability (such reasonable bona fide basis to be determined by outside counsel selected by the Parties in the event the Parties disagree as to whether there is such a reasonable bona fide basis).

1.130 Additional Defined Terms. The following additional terms listed below shall have the meanings ascribed thereto in the Section (or other provision hereof) indicated:

Defined Term	Section or Provision
AAA	10.8(c)
Burdened Product	4.6(d)(i)
CSR	3.5(b)
Field Infringement	6.3(b)
Indemnified Party	9.4(a)

Defined Term	Section or Provision
Indemnifying Party	9.4(a)
Infringement Claim	6.4(a)
Infringement Notice	6.4(a)
Invalidity Claim	6.3(g)
Inventions	6.1(a)(ii)
IP Transfer Date	6.1(a)(i)
Isis Agreement	Schedule 3.3(a)
Limits of Liability	9.6(h)
Manufacturing Resources	8.4(g)
OGX Disclosure Schedule	5.2
Other Product	2.7
Patent Challenge	8.2(c)
Prosecute or Prosecution	6.2(a)
Regulatory Correspondence	3.6(a)(i)
Required Third Party Rights	4.6(d)(i)
Sublicense Agreement	2.1(b)(i)
UBC Agreement	Schedule 3.3(a)
U.S./Canadian Commercialization	Plan 3.7(a)

ARTICLE 2

GRANT OF RIGHTS

2.1 Grants by OGX. (a) Subject to the terms and conditions of this Agreement, OGX hereby grants to Teva an exclusive (even as to OGX, except as otherwise expressly provided in this Agreement) right and license throughout the Territory, with the right to grant sublicenses (subject to Sections 2.1(b) and (c)), under the OGX Intellectual Property: (i) to Develop, have Developed, make, have made, and use the Licensed Compound and Licensed Product in the Field, and (ii) to sell, offer for sale, register, Commercialize and otherwise exploit the Licensed Product in the Field; provided that notwithstanding the exclusive rights granted to Teva in the foregoing grant, OGX shall retain the limited right to use the OGX Intellectual Property (i) to the extent necessary to perform its express obligations under this Agreement (including the Clinical Development Plan), (ii) to conduct the [***] subject to the approval of the JSC, and (iii) as otherwise agreed to in writing by the Parties.

(b) (i) The licenses and rights granted to Teva hereunder are sublicensable in connection with the continued Development or Commercialization of any Licensed Compound or Licensed Product upon notice provided by Teva to OGX. Teva shall provide OGX a copy of each agreement granting a sublicense under the rights granted in Section 2.1(a) (each, a "Sublicense Agreement") promptly after execution thereof, provided that Teva may redact from such copy of any Sublicense Agreement any financial or other information that is outside of the scope of and does not relate to the license or other rights granted to Teva under this Agreement.

(ii) The grant of any sublicenses under this Section 2.1(b) shall not relieve either Party of or reduce its obligations to the other Party under this Agreement. Notwithstanding Teva's grant of any such sublicense, Teva shall remain responsible to OGX for performing its obligations under this Agreement and for the actions of its sublicensees, with the further understanding that any action or omission by any such sublicensee that, if committed by Teva would be a breach of this Agreement, will be deemed a breach by Teva of this Agreement (with respect to those country(ies) in which such sublicensee is sublicensed) for which Teva is responsible. The term of any sublicense shall be limited to the term of this Agreement and will terminate upon the expiration or the termination of this Agreement for any reason whatsoever, provided, however, that for each sublicensee, upon termination of this Agreement, if the sublicensee is not then in breach of its Sublicense Agreement, and provided that such sublicensee has financial and marketing capabilities sufficient to perform the Development (if applicable) and Commercialization at a commercially reasonable level in those countries in which such sublicensee is sublicensed, then OGX shall, at the joint request of the sublicensee and Teva, enter into a new license agreement with such sublicensee on substantially the same terms as this Agreement (with Teva having no obligations or liabilities thereunder, although not relieving Teva of any obligations or liabilities accrued prior to the expiration or termination of this Agreement).

(iii) Teva shall, in each Sublicense Agreement, require the sublicensee to comply with all applicable terms of the Third Party License Agreements and to provide to OGX (if this Agreement and the Sublicense Agreement terminates) or to Teva (if only the Sublicense Agreement terminates) the assignment and transfer of ownership and possession of all Regulatory Documents and Regulatory Approvals held or possessed by such sublicensee (which assignment could also be directly to Teva prior to any such termination). Each Sublicense Agreement shall be subject to the applicable terms and conditions of this Agreement and any Third Party License Agreements.

(c) Teva acknowledges and agrees that its sublicense rights with respect to intellectual property licensed by OGX pursuant to the Isis Agreement and the UBC Agreement (as defined in Schedule 3.3(a)) are at all times subject to the applicable terms and conditions of such agreements, including the scope of rights licensed to OGX under such agreements. Teva acknowledges that, pursuant to the Isis Agreement, OGX's license under certain of the OGX Intellectual Property is non-exclusive and, accordingly, the exclusivity of the sublicense granted to Teva in Section 2.1(a) hereof under such OGX Intellectual Property is subject to the applicable non-exclusivity terms in the Isis Agreement. Teva covenants to comply with the terms of the Isis Agreement and the UBC Agreement as applicable to sublicensees and consistent with the provisions of this Agreement. This Agreement does not provide Teva with any rights to use any Isis Manufacturing Technology (as defined in the Isis Agreement) to manufacture any ASO (other than a Licensed Compound) for Third Parties.

2.2 Grants by Teva. Subject to the terms and conditions of this Agreement, Teva hereby grants OGX a non-exclusive, non-sublicensable (except to subcontractors as permitted under this Agreement, solely to permit such subcontractors to perform OGX's assigned responsibilities under the Clinical Development Plan), royalty-free, fully-paid right and license, under the Teva Know-How and Teva Patent Rights, solely to the extent necessary to conduct the activities assigned to OGX by the JSC under the Clinical Development Plan.

2.3 Negative Covenant. Each Party covenants that it will not knowingly use or practice any of the other Party's Intellectual Property licensed to it under this Article 2 except for the purposes expressly permitted in the applicable license grant.

2.4 No Implied Licenses; Limitations. Except as explicitly set forth in this Agreement, neither Party grants to the other Party any license, express or implied, under its intellectual property rights. For clarity, OGX retains exclusively all rights under the OGX Intellectual Property for all purposes *except* as expressly licensed to Teva under this Agreement.

2.5 Exclusivity. In addition to the exclusive rights granted by OGX under Section 2.1, OGX, together with its Affiliates, will not during the period commencing on the Effective Date through the earlier of (a) the expiration of the first Royalty Term in (i) the U.S., and (ii) any Primary EU Market, or (b) the expiration of the [***] Substantial Generic Competition [***] following the [***] Substantial Generic Competition Event in (i) the U.S., and (ii) any Primary EU Market: provided that at the time of such expiration Substantial Generic Competition still exists in the U.S. or Primary EU Market, as applicable, directly or indirectly (including through licenses, assignments, joint ventures and other arrangements or transfer of rights), clinically develop after phase 2a (it being understood that any pre-phase 2a and phase 2a Clinical Study or GLP toxicology IND-enabling studies on Other Compounds shall require the prior consent of Teva, which consent shall not be unreasonably withheld), register, market, sell, offer for sale, commercially distribute or otherwise commercially exploit any molecule (or any Product containing such molecule) in the Field (other than the Licensed Product or Licensed Compound) that directly acts to modulate the expression of Clusterin (such molecule, an "Other Compound"), *but excluding* OGX-427 and OGX-225. For clarity, the foregoing shall not apply to Products in the Field that do not directly act on Clusterin, even if such action has the indirect effect of modulating the expression of Clusterin. Further, if OGX undergoes a Change of Control with respect to a Third Party, the foregoing negative covenant shall not apply to any active independent program of such Third Party (or any of its affiliates) in existence prior to the date that such Third Party initiated discussion with OGX of such Change of Control transaction.

2.6 Authorized Generic Products. Notwithstanding anything in this Agreement to the contrary, if during the Agreement Term either Party believes in good faith that at any time a launch of a Generic Product by a Third Party is imminent or likely in any country, the Parties shall discuss the issue and whether it would be appropriate for Teva to launch an Authorized Generic Product in such country. If the Parties so agree, or in any event if a Generic Product actually is commercially launched in the country (but excluding a "launch at risk"), then Teva shall have the right (but not the obligation) to launch its own generic version of the applicable Licensed Product (an "Authorized Generic Product") in such country, subject to the provisions of Section 4.2(c).

2.7 Other Products. If Teva or its Affiliate sells, distributes or otherwise commercializes, in a country during the Royalty Term applicable to such country, a Product that contains an Other Compound (an "Other Product"), then for the period ending on the earlier of the date that is (i) [***] ([***]) years from the First Commercial Sale of the Other Product in such country or (ii) the earlier to occur of: (a) the [***] the Royalty Term applicable to the [***] Licensed Product that is sold in such country under this Agreement, and (b) the occurrence of Substantial Generic Competition in such country, Teva shall pay OGX royalties on the net sales of such Other Products in such country (calculated as if net sales of such Other Products are Net Sales of Licensed Products with such term applied *mutatis mutandis* to the sales of such Other Products) at a rate equal to [***] of the applicable ongoing royalty rate under Schedule 4.2. Notwithstanding the foregoing, in the event that a Third Party is commercializing a Generic Product, nothing in this Agreement shall prohibit Teva from manufacturing, distributing, promoting, marketing or selling such product or the active pharmaceutical ingredient therein for or to a Third Party, and neither Other Compounds nor Other Products will be deemed to include such product or ingredient provided that such product or ingredient does not incorporate, and is not claimed or covered by, any OGX Intellectual Property.

ARTICLE 3

TRANSITION; DEVELOPMENT AND COMMERCIALIZATION; REGULATORY MATTERS

3.1 Overview. The Parties agree to collaborate under the terms of this Agreement with respect to the Development of Licensed Compounds and Licensed Products in the Field in the Territory. Such collaboration shall be under the direction of the JSC and pursuant to the Clinical Development Plan. Subject to the remainder of this Article 3, each Party shall be responsible for the activities allocated to it in the Clinical Development Plan. As further described in this Agreement and in the Clinical Development Plan, (a) OGX shall be primarily responsible for conducting a Phase III Clinical Study of Licensed Product for second-line CRPC, and shall initially hold (under the direction and control of the JSC) the Existing IND, and (b) Teva shall be primarily responsible for conducting a Phase III Clinical Study of Licensed Product for first-line CRPC and a Phase III Clinical Study of Licensed Product for first-line non-small cell lung cancer, and any other Clinical Studies and Development reasonably necessary to obtain Regulatory Approvals in the Territory for applicable indications.

3.2 Transfer of Technology.

(a) Information. OGX and its Affiliates shall, within [***] of the Effective Date or as otherwise set forth in Schedule 3.2(a), provide access to Teva to all OGX Know-How set forth in such Schedule 3.2(a). Upon Teva's request, OGX shall use commercially reasonable efforts to deliver to Teva promptly (but in any event within [***] of a request by Teva), at Teva's cost and expense, electronic or (if reasonably available) hard copies of OGX Know-How that is requested by Teva from time to time hereafter and is necessary or reasonably useful for Teva to continue the research, Development and Commercialization (including the manufacture) of Licensed Compound and Licensed Product.

(b) Transfer of Materials. Within [***] of a request from Teva or as otherwise set forth in Schedule 3.2(b), OGX and its Affiliates shall deliver to Teva, at Teva's cost and expense, reasonable quantities of the materials set forth in such Schedule 3.2(b).

(c) Technical Assistance. In addition to the foregoing, OGX shall use commercially reasonable efforts to provide Teva with a reasonable amount of assistance, such assistance to be without charge, as Teva may reasonably request from time to time during the [***] period after the Effective Date in connection with or related to any or all of the foregoing disclosures and the activities being undertaken by Teva in connection therewith. In addition, as soon as reasonably practicable, OGX shall provide Teva the reports listed on Schedule 3.2(c), at no charge to Teva. After the initial [***] period, OGX shall use commercially reasonable efforts to provide Teva with a reasonable amount of assistance in connection with Teva's establishment of manufacturing facilities for Licensed Compounds or Licensed Products or the transfer of the Existing IND to Teva. The assistance under this Section 3.2(c) may include making available at Teva's place of employment (or such other location as the Parties may mutually agree upon) the assistance of those OGX employees involved with CMC activities, manufacturing and analytical development, Clinical Studies, development or discovery of Licensed Compounds and Licensed Products, and the OGX Intellectual Property. Other than such initial [***] of technical assistance and the completion of the reports in Schedule 3.2(c) and the assistance in connection with the establishment of manufacturing facilities and the transfer of the Existing IND, all such activities under this Section 3.2(c) shall be at Teva's cost and expense, including as applicable for FTEs in accordance with the applicable FTE Rates, travel expenses in accordance with Teva's standard travel policies, and other out of pocket expenses approved in advance by Teva and incurred by OGX in providing such assistance. OGX shall have a continuing obligation to disclose and provide promptly and effectively to Teva from time to time any additional OGX Intellectual Property developed or Controlled by OGX or its Affiliates during the Agreement Term to the extent necessary or reasonably useful for Teva to Develop or Commercialize the Licensed Compounds and Licensed Products in the Field.

(d) Alliance Managers. Each Party shall appoint an alliance manager, who shall serve as the primary point of contact for that Party in connection with all matters under this Agreement that are not expressly delegated to another individual or to the JSC hereunder. A Party may replace its alliance manager at any time upon written notice to the other Party. As of the Effective Date, the Parties' alliance managers and contact details are:

For OGX:

[***]

For Teva:

[***]

3.3 Third Party Agreements.

(a) Attached hereto as Schedule 3.3(a) is a list of all contracts, licenses, and agreements between OGX and any and all Third Parties that relate directly to the research, Development or Commercialization of Licensed Compounds and Licensed Products (the "Third Party Agreements"), including, as specifically identified on such schedule, all Third Party Agreements under which OGX has in-licensed specific OGX Intellectual Property (the "Third Party License Agreements"). Simultaneously with the execution of this Agreement, OGX is delivering to Teva amendments to the UBC Agreement and the Isis Agreement, in form and substance acceptable to Teva.

(b) Without Teva's prior written consent, which shall not be withheld unreasonably, OGX shall not terminate the Third Party Agreements or modify or amend the Third Party Agreements in a manner that would adversely affect the rights granted to Teva hereunder, except as expressly provided in this Agreement. Except as provided in the Clinical Development Plan or otherwise agreed by the JSC, OGX shall not enter into any other contracts, agreements or other arrangements with Third Parties regarding the Licensed Compound or the Licensed Products.

(c) Throughout the Agreement Term, OGX will use commercially reasonable efforts to maintain and not to breach in any material manner any of the Third Party License Agreements.

3.4 Further Acts. The Parties shall use reasonable efforts to take such other actions and execute such other instruments, assignments and documents as may be necessary or reasonably useful to effect the transfer of rights hereunder to Teva, or to otherwise effectuate the purposes of this Agreement.

3.5 Development and Commercialization.

(a) General. In connection with the Development of Licensed Compounds and Licensed Products under this Agreement, each of the Parties shall use its Commercially Reasonable Efforts to conduct the Development work assigned to it and to seek Regulatory Approval for Licensed Products, as set forth in the clinical development plan to be agreed by the JSC within [***] of the Effective Date (the "Clinical Development Plan"), a summary of which is attached hereto asExhibit A. Such Clinical Development Plan, under the direction of the JSC, may be modified and reviewed from time to time pursuant to and in accordance with the terms of this Agreement. Except for those activities allocated to OGX in the Co-Promotion Agreement or under this Agreement (including activities designated in the Clinical Development Plan), Teva shall have sole responsibility for the Development and Commercialization of Licensed Compounds and Licensed Products in the Field in the Territory. The Parties shall conduct all such activities in accordance with the terms and conditions of this Agreement and all applicable Laws.

(b) Clinical Development Plan. The Clinical Development Plan (as the same may be modified from time to time pursuant to the terms of this Agreement) shall specify (i) to the extent applicable, all technical, nonclinical, drug supply and clinical development activities, consistent with requirements for Regulatory Approval, that will be conducted by the Parties in Developing the Licensed Compounds and Licensed Products, and the Party responsible for each such activity; (ii) protocols for all Clinical Studies to be conducted under the Clinical Development Plan; (iii) clinical study reports ("CSRs"), summary activity reports, and budgetary reports to be provided by the Parties, as well as timelines of dates for such reports to be provided; (iv) scheduled budgets for the activities to be undertaken by OGX (including for activities to be conducted by Third Parties on behalf of OGX); and (v) Development activities to be conducted by Third Parties on behalf of either Party or the Parties jointly. The JSC shall review, amend and supplement the Clinical Development Plan on a [***] basis or more often as the Parties mutually deem appropriate, subject to the decision-making provisions under Section 3.5(d). As of the Effective Date, the Parties have agreed to protocols for the Phase III Clinical Studies for first-line CRPC and second-line CRPC as set forth on Exhibit A. On a [***] for the first-line non-small cell lung cancer Phase III Clinical Study to be conducted under the Clinical Development Plan, which protocol shall be consistent with the patient population, number of patients, and primary endpoint as summarized in Exhibit A.

(c) Specific Obligations

(i) Obligations of OGX. OGX shall, in accordance with and in furtherance of the Clinical Development Plan:

(A) conduct the activities assigned to it under and pursuant to the Clinical Development Plan, including the second-line CRPC Phase III Clinical Study, subject to Section 3.5(c)(iii); and

(B) spend $30 million in Development Expenses, subject however to early termination of Clinical Trials under the provisions of Sections 3.5(c)(iii) or of the Agreement under Article 8 (which termination shall not relieve OGX from paying amounts due under any and all non-cancelable arrangements entered into by OGX prior to the date of termination).

(ii) Obligations of Teva.

(A) Teva shall, in accordance with and in furtherance of the Clinical Development Plan, conduct the activities assigned to it under and pursuant to the Clinical Development Plan with respect to the three (3) Clinical Studies set forth therein, subject to Section 3.5(c)(iii).

(B) Teva shall be responsible for all expenses incurred by or on behalf of Teva under the Clinical Development Plan or otherwise for Development of Licensed Compounds and Licensed Products and, subject to Section 4.3, all Development Expenses exceeding the $30,000,000 in Development Expenses incurred by OGX in accordance with the Clinical Development Plan.

(C) Teva shall use Commercially Reasonable Efforts to Develop and to Commercialize Licensed Products in the Territory in accordance with the terms and conditions of this Agreement.

(iii) Deviations from Clinical Development Plan. A Party's failure to complete the Clinical Studies for which such Party is responsible, as set forth in Exhibit A, once such Clinical Study is [***] shall not be deemed a breach of this Agreement solely to the extent such failure results directly from (A) a determination on the part of [***] or [***] as to the safety of the Licensed Product(s) and/or Licensed Compound in its then current formulation, dosage form or dose level, (B) results of any futility analyses performed by [***] as specified in the Clinical Study protocol or (C) the acts or omissions of the other Party that materially prevent or impede such Party's ability to conduct the Clinical Studies that it is responsible for. A Party shall not be liable for any delay with respect to the timelines set forth in the Clinical Development Plan to the extent such delay is caused by (1) the acts or omissions of the other Party, or (2) an unexpected or unforeseen event not in such Party's control, including (x) any action, instruction or guidance by a Regulatory Authority, or (y) lack of adequate or continuing supply of Product(s) necessary for the manufacture of the Licensed Product, provided that such

Party uses Commercially Reasonable Efforts to avoid the causes of the delay and to perform such aspects of Development as it is able to perform notwithstanding such events. Furthermore, Teva shall have the right not to [***] any of the three (3) Phase III Clinical Studies, and therefore shall not be in breach of this Agreement, if an unexpected or unforeseen event occurs or circumstance arises, that is not within the control of Teva, and has a material adverse impact on (I) the OGX Patent Rights listed on Schedule 1.88, or (II) safety issues attributable to OGX-011, *provided that* such determination not to [***] the applicable Clinical Study, due to such event or circumstance, is consistent with the decisions that would be made by global pharmaceutical companies in the exercise of reasonable business judgment under similar facts and circumstances for drug candidates and pharmaceutical products at a comparable stage of development and commercial potential.

(d) Joint Steering Committee. (i) The Parties hereby establish a Joint Steering Committee ("JSC") to manage and oversee Development of all Licensed Products through all Regulatory Approvals for each indication approved for Development by the JSC. The JSC shall have an equal number of members from each Party, with a total of four (4) members initially (and the Parties may change such total membership as needed and agreed upon in writing from time to time). Each of OGX and Teva will appoint its member individuals to the JSC, each of whom will have sufficient technical experience and seniority to make decisions within the scope of the JSC's responsibility. The initial members of the JSC shall be designated by the Parties prior to the first JSC meeting described in subsection (d)(iv) hereof. Teva and OGX may each replace any or all of its representatives on the JSC at any time upon written notice to the other Party. A Party may designate a substitute to temporarily attend and perform the functions of such Party's designee at any meeting of the JSC. The JSC shall be chaired by one of the representatives appointed by Teva ("chairperson"). On advance written notice to the other Party, additional participants may be invited by any representative to attend JSC meetings when appropriate, and the Parties intend that their respective alliance managers will attend JSC meetings unless not practicable.

(ii) The JSC shall be responsible for (A) planning, administering and monitoring all significant and material aspects of Development, including reviewing, amending and approving the Clinical Development Plan and all protocols for Clinical Studies of Licensed Products, and the budgets thereunder; (B) proposing and adopting New Indications in the Field for development of Licensed Compounds and Licensed Products; (C) all significant and material aspects of seeking and obtaining Regulatory Approvals; and (D) performing such other functions or establishing joint subcommittees as appropriate to further the purposes of this Agreement as determined by the Parties.

(iii) The JSC may make decisions with respect to any subject matter that is subject to the JSC's decision-making authority and responsibilities as set forth in Section 3.5(d)(ii). Regardless of the number of individuals attending any JSC meeting, Teva and OGX shall have a single vote each. The JSC shall attempt in good faith to reach unanimity with respect to matters that come before it for decision and shall give consideration to the views, positions and recommendations of each Party on such matters. If the JSC is unable to reach unanimity upon any issue or matter that is brought before it for decision, then the JSC chairperson shall be entitled to make the final decision, which decision shall be binding upon the Parties; provided, however:

(A) the JSC shall not have the right to decide not to commence or to discontinue any of the three (3) Clinical Studies set forth in Exhibit A absent a decision by Teva not to commence, or to discontinue (as applicable), the particular Clinical Study which decision is consistent with the provisions of Section 3.5(c)(iii);

(B) under no circumstances shall the JSC and its chairperson have the right or authority to allocate materially additional Development activities to OGX or to require OGX to incur any expenses or costs or allocate any resources in excess of the amounts set forth in the Clinical Development Plan or in Section 3.2(c) without the prior written consent of OGX;

(C) the JSC chairperson shall not have the right to amend the Clinical Development Plan or any protocols for the first-line CRPC Clinical Study or the second-line CRPC Clinical Study described in Exhibit A and the CDP, in a manner that would [***] without the prior written consent of OGX; and

(D) with respect to the initial or any amended protocol for the first-line non-small cell lung cancer Phase III Clinical Study to be conducted under the Clinical Development Plan, the JSC chairperson shall not have the right to determine or modify the [***] without the written consent of OGX.

(iv) The chairperson of the JSC shall call meetings as reasonably requested by one of the Parties; provided, however, that the JSC shall meet at least on a [***] basis during the period prior to the first filing for Regulatory Approval of a Licensed Product hereunder and at least [***] thereafter, unless otherwise required by this Agreement or agreed to between the Parties, and further provided that the first meeting of the JSC shall be held as soon as practicable, but no later than [***] after the Effective Date, at a location mutually agreeable to the Parties, at which the Clinical Development Plan contemplated by Section 3.5(b) and in accordance with Exhibit A shall be approved. The chairperson shall establish the timing and agenda of all JSC meetings and shall transmit notice of such meetings, including the agenda therefor, to all JSC members; provided, however, either Party may request that specific items be included on the applicable agenda and such topics shall be included on the agenda, and either Party may request that additional meetings be scheduled as needed. Meetings may be held in person, by telephone, or by video conference call and, except as set forth above, the location of each meeting shall alternate between the Parties' selected locations in [***] or such other location as may be mutually agreed upon by the Parties. On advance written notice to the other Party, additional participants may be invited by any representative to attend meetings where appropriate. Each Party shall be responsible for all travel and related costs and expenses for its members and other representatives to participate in or attend committee meetings. Any Proprietary Information disclosed in any meeting of the JSC or its subcommittees shall remain Proprietary Information of such Party.

(v) Minutes of each JSC meeting shall be transcribed and issued by a representative of OGX within [***] after each meeting (or in any event at least [***] Business Days prior to the date of the next scheduled meeting of such committee) and shall be deemed approved unless any JSC member objects to the accuracy of such minutes within [***] after receipt of such minutes from each such meeting. Such minutes shall include only key discussion points and decisions made and provide a list of any identified issues yet to be resolved, either within such committee or through the relevant resolution process, if any.

(vi) The Parties shall have the right to disband the JSC upon mutual agreement, and OGX shall have the right to disband the JSC upon written notice to Teva at any time. Additionally, if the JSC is not disbanded pursuant to the immediately preceding sentence, and absent a mutual written agreement by the Parties to continue the JSC, the JSC shall be automatically disbanded effective upon either [***] or mutual agreement of the Parties [***] in each case in [***] and each [***] Drug Approval Applications for a Licensed Product for each of [***] and [***]. Upon any such disbandment of the JSC (excluding, for clarity, due to termination of the Agreement under Article 8), all powers that otherwise would have been exercised by the JSC pursuant to this Section 3.5(d) shall be exercised by Teva.

(vii) The JSC shall have only the powers assigned to it in this Section 3.5(d). All activities conducted by and decisions made by the JSC shall be consistent with and subject to the provisions of this Agreement, and the JSC and the chairperson of the JSC shall not have any power to take any action that conflicts with the terms of this Agreement or to amend, modify or waive compliance with any of the terms of this Agreement.

(e) Reports. Each Party shall use commercially reasonable efforts to prepare and timely provide to the JSC the reports, summaries and other work product allocated to such Party in accordance with, and in a manner set forth in, the Clinical Development Plan, including CSRs, summary activity reports, toxicology reports, pharmacokinetic reports, pre-clinical studies reports, and budgetary reports. In addition, on a [***] basis, each Party shall provide the JSC with a report detailing its Development activities since the last such report and the results of such activities. Within [***] after the end of each Calendar Year during the Agreement Term, Teva shall provide OGX with a written summary of Commercialization activities undertaken since the previous such report, consistent with written reports issued by Teva in the ordinary course of its business.

(f) Records. Each Party, in connection with its conducting Development under this Agreement, shall maintain records of all such Development work and all results and Data generated thereby, in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes and in accordance with good industry practice, which shall be complete and accurate in all material respects and shall fully and properly reflect all work done and results achieved in the performance of the Development, and in the form required by applicable Laws.

(g) Promotional Materials and Activities. Teva shall create and develop all appropriate promotional materials and Labeling for the Licensed Products. Teva shall be responsible for all submissions and interactions with Regulatory Authorities regarding Licensed Product-related promotional materials and Labels that are required to be submitted to Regulatory Authorities.

(h) Ownership of Copyrights and Trademarks. Teva shall have the sole right to brand the Licensed Product and, except for the OGX Trademarks (which shall remain owned by OGX), Teva shall own all right, title and interest in and to the copyrights, Trademarks and trade dress in all marketing, sales, advertising or promotional materials used by Teva (or its Affiliates) in the Commercialization of the Licensed Product. Teva shall be responsible for searching, clearing and filing applications for registration of all such copyrights, Trademarks and trade dress.

(i) Sales of Licensed Product. All sales of Licensed Products shall be made, recorded, invoiced and collected by Teva. All terms regarding Licensed Product sales, including terms respecting credit, pricing, cash discounts, rebates, chargebacks, bad debt write-offs, and other fees and charges, and returns and allowances shall be set solely by Teva.

(j) Supply of Licensed Product. Except as contemplated by and pursuant to the Clinical Development Plan (including OGX using commercially reasonable efforts to achieve the timely supply by OGX of all necessary drug supplies for the Clinical Studies to the extent specified in the Clinical Development Plan), Teva shall use Commercially Reasonable Efforts to supply, or cause to be supplied, during the Agreement Term, all requirements for the Licensed Product in the Territory. To the extent OGX incurs any direct costs and expenses in carrying out any transitional manufacturing activities authorized and approved in writing in advance by Teva, Teva shall reimburse OGX for any pre-approved costs and expenses incurred in carrying out such activities.

3.6 Regulatory Matters.

(a) Rights and Responsibilities.

(i) Teva (or, solely with respect to the Existing IND described in Section 3.6(b), OGX under the direction of the JSC) shall have the responsibility for the timely preparation, filing and prosecution of all filings, submissions, authorizations or approvals related to Drug Approval Applications for the applicable Licensed Product and indication ("Regulatory Correspondence") with Regulatory Authorities in the applicable countries, and shall own and control all such filings, submissions, authorizations and approvals, including any IND, NDA or other Drug Approval Application. Teva (or, solely with respect to the Existing IND described in Section 3.6(b), OGX) shall provide advance copies of all material Regulatory Correspondence to the other Party for review and comment at least [***] in advance of submission to a Regulatory Authority, and shall take into account, in good faith, any reasonable comments offered by such other Party within [***] of provision to such other Party of such advance copies; provided, however, that OGX shall not file any document with a Regulatory Authority until reviewed and approved by the JSC or Teva. Teva shall keep OGX reasonably informed of the status, progress and results of all regulatory activities under this Section 3.6.

(ii) Teva (or, solely with respect to the Existing IND described in Section 3.6(b), OGX) shall be the primary contact with each applicable Regulatory Authority and shall be solely responsible for all communications with each applicable Regulatory Authority that relate to any IND, NDA, or other Drug Approval Application for the applicable Licensed Product and indication, provided, however, that upon the reasonable request of such Party and at least [***] notice, the other Party shall reasonably provide appropriate personnel to participate in discussions with a Regulatory Authority regarding the regulatory review process and shall reasonably assist and consult with Teva (or, solely with respect to the Existing IND described in Section 3.6(b), OGX) in applying for Regulatory Approval. In providing such assistance, such other Party shall not contact the Regulatory Authorities without the prior written approval of Teva (or, solely with respect to the Existing IND described in Section 3.6(b), OGX) and, if contacted by a Regulatory Authority with respect to a Licensed Product, shall refer such contact to Teva (or, solely with respect to the Existing IND described in Section 3.6(b), OGX).

(iii) From and after receipt of each Regulatory Approval or, with respect to the CRPC indication in the United States, from and after the Regulatory Document Transfer Date, Teva shall have exclusive authority and responsibility to submit all reports or amendments necessary to maintain Regulatory Approvals and to seek revisions of the conditions of each such Regulatory Approval and shall keep OGX promptly informed of any such actions. Without limiting the generality of the foregoing, Teva shall have sole authority and responsibility to seek and/or obtain any necessary Regulatory Authority approvals of any Product Label, or Regulatory Authority-approved prescribing information, package inserts, monographs and packaging used in connection with a Licensed Product, as well as promotional material and Labels used in connection with a Licensed Product, and for determining whether the same requires Regulatory Approval.

(b) Existing IND. OGX shall hold, under the direction and control of the JSC, the U.S. IND for Licensed Products that exists as of the Effective Date ("Existing IND"), until such time as either Teva or OGX requests such Existing IND to be transferred to Teva, at which time OGX shall promptly transfer the Existing IND to Teva.

(c) Regulatory Filings, Approvals and Applications. Within [***] after (i) with respect to the CRPC indication in the United States, the transfer of the Existing IND described in Section 3.6(b), and (ii) with respect to all other countries and indications, the Effective Date, OGX shall submit to the applicable Regulatory Authorities a letter authorizing the transfer of ownership from OGX to Teva, and shall otherwise take action within its control to transfer to Teva, all regulatory filings, approvals and applications, as well as protocol sign-offs and approvals, relating to the Licensed Compound or Licensed Product for the applicable indication, including all INDs (subject to Section 3.6(b)) and all Regulatory Approvals, Drug Approval Applications and all related documentation and information, if any (the "Regulatory Documents"), provided, however, that it is understood and agreed that OGX has no obligation to transfer to Teva any physical copies of any Regulatory Documents that are made available to Teva in electronic format (compatible with Teva's systems), unless Teva pays for the actual costs of effecting such transfer. Promptly after each such submission to a Regulatory Authority, Teva shall execute and submit to the applicable Regulatory Authorities a letter, accompanied by the transfer letter referred to in the preceding sentence, acknowledging Teva's assumption of ownership of and responsibility for the Regulatory Documents. The effective date of the transfer of ownership of Regulatory Documents to Teva with respect to a Licensed Product, indication and regulatory jurisdiction is referred to as the "Regulatory Document Transfer Date" for such Licensed Product, indication and regulatory jurisdiction.

(d) Pharmacovigilance. The Parties' responsibilities concerning adverse drug reactions, safety information and compliance with regulatory requirements with respect thereto will be detailed in a separate pharmacovigilance agreement to be mutually agreed upon by the Parties as soon as practicable after the Effective Date. Such pharmacovigilance agreement shall have terms that are commercially reasonable and typical for similar safety agreements in the industry, and will provide that Teva shall be responsible for maintaining the global safety database and for global safety monitoring for Clinical Studies commencing from and after the Effective Date, except as prohibited by Law.

(e) Recalls and Other Corrective Action. If any Regulatory Authority (i) threatens, initiates or advises any action to remove any Licensed Product from the market in the Territory or (ii) requires or advises Teva, OGX, their Affiliates, or their sublicensees to distribute a "Dear Doctor" letter or its equivalent regarding use of such Licensed Product in the Territory, then Teva or OGX, as applicable, shall notify the other Party of such event within [***] Business Days (or sooner if required by Law) after such Party becomes aware of the action, threat, advice or requirement (as applicable), and the appropriate members of each Party shall promptly discuss such action, threat, advice or requirement. Teva shall have the sole responsibility for, and shall make all final decisions with respect to, any recall, market withdrawal or any other corrective action related to a Licensed Product, and nothing herein shall prohibit Teva from initiating or conducting any recall or other corrective action mandated by a Regulatory Authority or applicable Law; provided, however, that Teva shall consider in good faith all reasonable comments of OGX with respect thereto. Teva shall conduct any recall, market withdrawals, or other corrective action related to a Licensed Product at its expense. At Teva's request and expense, OGX shall provide all pertinent records of OGX that Teva may reasonably request to assist in effecting such action. Except as set forth in this Section 3.6(e) or pursuant to the Parties' indemnification obligations under this Agreement, neither Party shall have any obligation to reimburse or otherwise compensate the other Party or its Affiliates for any consequential damages, lost profits or income that may arise in connection with any recall, market withdrawal or corrective action with respect to a Licensed Product.

3.7 OGX Option to Co-Promote.

(a) US and Canadian Commercialization. The strategy for the commercial launch and subsequent Commercialization of each Licensed Product in the United States and Canada shall be described in a plan that describes the pre-launch, launch and subsequent Commercialization activities for such Licensed Product in the United States and Canada (including pricing, advertising, education, planning, marketing, sales force training and allocation) (each such plan, a "US/Canadian Commercialization Plan"). The US/Canadian Commercialization Plan will contain such information as Teva reasonably believes necessary for the successful commercial launch of such Licensed Product in the United States and Canada. OGX shall have the right to evaluate the US/Canadian Commercialization Plan as part of its determination whether to exercise the Co-Promotion Option with respect to Licensed Products in the U.S. and Canada.

(b) The Co-Promotion Option. Pursuant to the terms set forth in this Section 3.7, OGX shall have the option to co-promote Licensed Products with Teva in the United States and Canada (the "Co-Promotion Option"). No later than [***] prior to the Estimated Launch Date for the Licensed Product anticipated by Teva to be the first one launched in the U.S. or Canada, Teva shall provide OGX with a then-current draft of the corresponding US/Canadian Commercialization Plan for the particular Licensed Product. The Co-Promotion Option shall then be exercisable by OGX until the later of (i) [***] after such draft US/Canadian Commercialization Plan is provided to OGX and (ii) [***] prior to such Estimated Launch Date ("Co-Promotion Option Term"). If OGX exercises the Co-Promotion Option under this Section 3.7(b), then the Parties shall cooperate in the promotion and Commercialization of Licensed Product in the U.S. and Canada in accordance with a Co-Promotion Agreement and Schedule 3.7. If OGX does not timely exercise its Co-Promotion Option, or if the Co-Promotion Agreement terminates, Teva shall be solely responsible for all promotion and Commercialization activities with respect to the Licensed Product in the U.S. and Canada.

(c) Exercising the Co-Promotion Option. OGX may exercise the Co-Promotion Option by providing written notice to Teva prior to the end of the Co-Promotion Option Term of OGX's desire to exercise the Co-Promotion Option. If OGX fails to exercise the Co-Promotion Option within the Co-Promotion Option Term, then the Co-Promotion Option shall terminate and no longer be of any force or effect; provided, however, that if Teva materially changes the US/Canadian Commercialization Plan within [***] after the expiration of the Co-Promotion Option Term without exercise of the Co-Promotion Option by OGX, then Teva shall provide such updated plan to OGX, the Co-Promotion Option shall be reinstated, and OGX shall have [***] after receipt thereof to exercise the Co-Promotion Option.

(d) Delegation of Co-Promotion Rights or Obligations. OGX [***] transfer, assign, outsource or sublicense its co-promotion rights and obligations hereunder or under the Co-Promotion Agreement without the prior written consent of Teva. Accordingly, OGX shall not use any persons other than its (or its Affiliates') employees to perform its obligations under the Co-Promotion Agreement.

(e) Co-Promotion Agreement. Within [***] after OGX exercises its Co-Promotion Option, the Parties shall use their good faith efforts to enter into a written co-promotion agreement specifying the terms of the co-promotion arrangement, including the performance of all Co-Promotion Activities, which terms shall be consistent with the provisions outlined in Schedule 3.7 (the "Co-Promotion Agreement"). The Parties shall negotiate the terms of the Co-Promotion Agreement reasonably and in good faith. If the Parties cannot reach agreement on the terms of the Co-Promotion Agreement by the end of such [***] period, then any remaining issues in such negotiations shall be resolved using an accelerated arbitration process as provided in Section 10.8(c), and, at OGX's election, the Parties then shall complete such negotiations based on such resolution and enter into the Co-Promotion Agreement as soon as practicable thereafter or, alternatively, OGX shall have the right not to enter into the Co-Promotion Agreement, which right must be exercised within [***] of the arbitration decision.

(f) Co-Promotion Term. Once executed by the Parties, the Co-Promotion Agreement shall remain in effect for as long as Teva is selling Licensed Product in the United States or Canada, unless earlier terminated pursuant to the terms of this Agreement or the Co-Promotion Agreement, provided that Teva shall have the right to terminate the Co-Promotion Agreement after [***] ([***]) years from the First Commercial Sale of a Licensed Product in the United States or Canada. OGX shall have the right to terminate the Co-Promotion Agreement at any time on not less than [***] written notice to Teva. OGX and Teva will cooperate in good faith throughout the term of the Co-Promotion Agreement to ensure that the exercise and performance of the Co-Promotion Activities and other co-promotion rights and obligations as described herein and in any Co-Promotion Agreement shall be exercised by OGX in accordance with the terms of the Co-Promotion Agreement.

ARTICLE 4

PAYMENTS AND STATEMENTS

4.1 Upfront Payment, Advanced Reimbursement and Development Milestones.

(a) General. In partial consideration of the rights granted by OGX hereunder, Teva shall pay OGX the Upfront Payment, the Advanced Reimbursement and development milestones set forth in Schedule 4.1, contingent upon occurrence of the specified event, with each amount to be paid no more than once (except for those milestones applicable to two (2) different indications) with respect to the achievement of the respective event first giving rise to payment (but payable the first time such event is achieved). Subject to Section 4.1(b), each development milestone fee shall be deemed earned as of the achievement of the related milestone event and shall be paid by Teva within [***] ([***]) Business Days after the achievement of each milestone event.

(b) Adjusted Milestone Payment Schedule. Notwithstanding Section 4.1(a) and Schedule 4.1, once Teva has paid the development milestones under ([***]), ([***]) and ([***]) of Schedule 4.1, Teva shall have no obligation to pay any development milestone under ([***]) of Schedule 4.1 unless and until either (1) [***] been granted for Licensed Products for [***], (2) [***] of a Licensed Product for [***] indication has been granted, or (3) [***] have been achieved in the [***], at which point the development milestone under ([***]) shall be due for each achievement of the applicable event. Further, notwithstanding Section 4.1(a) and Schedule 4.1, once Teva has paid the development milestones under ([***]), ([***]) and ([***]) of Schedule 4.1, Teva shall have no obligation to pay any development milestones under ([***]) of Schedule 4.1 unless and until either (1) [***] been granted for Licensed Products for [***], (2) [***] of a Licensed Product for [***] indication has been granted, or (3) [***] have been achieved in the [***], at which point the development milestone under ([***]) shall be due for each achievement of the applicable event.

4.2 Royalties.

(a) Ongoing Royalties. Subject to any applicable adjustments under Sections 4.2(b) and (e), for each Licensed Product being sold, during each Calendar Quarter throughout the applicable Royalty Term, Teva shall, pursuant to Section 4.4(a), pay to OGX royalties as a percentage of the Net Sales in the Territory using the royalty rates set forth in Schedule 4.2, calculated according to the annual (Calendar Year) aggregate Net Sales throughout the Territory.

(b) Generic Competition.

(i) Reduction in Royalties. If prior to the expiration of the Royalty Term for a particular Licensed Product in a country, Generic Competition occurs in such country with respect to such Licensed Product, the royalty rates payable by Teva to OGX under Section 4.2(a) shall thereafter (except as otherwise provided in subclause (ii) below) be reduced by [***] in such country for the sales of such Licensed Product (but not for other Licensed Products). In addition, if prior to the expiration of the Royalty Term for a particular Licensed Product in a country, Substantial Generic Competition occurs in the country with respect to such Licensed Product, royalties shall thereafter no longer be owed by Teva to OGX in the subject country for sales of such Licensed Product, except as otherwise provided in subclause (iii) below.

(ii) Resumption of Royalties with Respect to Generic Competition. Notwithstanding any reduction of royalties under Section 4.2(b)(i) for a given Licensed Product in a given country due to Generic Competition, if, in any Generic Competition [***], Net Sales of such Licensed Product in such country exceed [***] of the Net Sales of such Licensed Product in the [***] completed just prior to the Generic Launch Date, Teva shall resume payment of royalties consistent with Teva's payment of royalties prior to the Generic Competition Event. In the event that there is a subsequent Generic Competition Event in such country, then Section 4.2(b)(i) shall again apply.

(iii) Resumption of Royalties with Respect to Substantial Generic Competition. Notwithstanding any reduction of royalties under Section 4.2(b)(i) for a given Licensed Product in a given country due to Substantial Generic Competition, if, in any Substantial Generic Competition [***], Net Sales of such Licensed Product in such country exceed [***] of the Net Sales of such Licensed Product in the [***] completed just prior to the Generic Launch Date, Teva shall resume payment of royalties consistent with Teva's payment of royalties prior to the Substantial Generic Competition Event; provided that if, for any [***] when Net Sales of such Licensed Product in such country do not exceed [***] of the Net Sales of such Licensed Product in the [***] completed just prior to the Generic Launch Date, then such royalty payments shall be at royalty rates that are reduced by [***] in such country for the given sales of such Licensed Product (but not for other Licensed Products). In the event that there is a subsequent Substantial Generic Competition Event in such country, Section 4.2(b)(i) shall again apply.

(c) Royalties for Authorized Generic Products. In the event of a launch by or on behalf of Teva or its Affiliate or its sublicensee of an Authorized Generic Product in any country in accordance with Section 2.6, Teva shall pay OGX [***] of the net sales of such Authorized Generic Products in such country during the applicable Authorized Generic Royalty Term (calculated in the same manner as Net Sales with such term applied *mutatis mutandis* to the sales of such Authorized Generic Products).

(d) One Time Sales Threshold Royalties. In addition to the ongoing royalties pursuant to Section 4.2(a), Teva shall pay OGX the additional one time sales threshold royalties as set forth in Schedule 4.2, contingent upon occurrence of the specified event, with each such royalty to be paid no more than once with respect to the achievement of the respective aggregate Net Sales amount (but payable the first time such amount is achieved).

(e) Combination Products. If a Licensed Product is sold in the form of a Combination Product, Net Sales of such Combination Product shall be determined by multiplying the actual Net Sales of the Combination Product during the applicable royalty payment period (as determined under Section 1.77) by the fraction [***] where [***] is the average [***] of the Licensed Product when sold separately in the same dosage and [***] is the average [***] of the other pharmacologically active ingredients when sold separately in the same dosage, in each case during the applicable royalty payment period in the country in which the sale of the Combination Product was made, or if sales of both the Licensed Product and the other active ingredients and components did not occur in such period, then in the most recent royalty payment period in which sales of both occurred in such country. In the event that the average [***] cannot be determined for either the Licensed Product component of the Combination Product (when sold alone) or for all other pharmacologically active ingredients included in the Combination Product, then the Parties shall discuss in good faith and agree on the value of [***] that reasonably reflects the relative contribution of the Licensed Compound to the total market value of the Combination Product.

(f) Changes in Commercialization. The Parties agree that if changes in Teva's (or its Affiliate's or sublicensee's) Commercialization of Licensed Product in a particular country or region, makes it impossible or impracticable to calculate Net Sales for such Commercialization, then the Parties shall (at either Party's request) meet and discuss reasonably and in good faith and agree on a revised method of calculating the compensation to be paid by Teva for such Commercialization of Licensed Products in such circumstances (in lieu of paying royalties under this Section 4.2 for such Commercialized Licensed Products in the applicable country or region while such circumstances remain), which method shall be commercially reasonable and shall approximate the share of total value generated by such Commercialization, consistent with OGX's share of royalties under the royalty structure set forth in this Section 4.2. Such method shall be implemented in a written amendment to this Agreement executed by the Parties as soon as practicable.

4.3 Development Expenses. OGX shall charge all Development Expenses that it incurs to a separate account created by it on its books and records solely for the purpose of tracking Development Expenses. Within [***] days after the end of each Calendar Quarter during the Agreement Term, OGX shall submit to Teva an itemized report of the Development Expenses incurred by OGX during such Calendar Quarter (each, an "Expense Report"). Each Expense Report shall detail the type, reason for, and amount of Development Expenses incurred for such Calendar Quarter (including the calculation thereof consistent with the FTE Rate) and shall include supporting documentation for such expenses in form and substance reasonably acceptable to Teva. From and after the date on which OGX's cumulative Development Expenses exceed thirty million dollars ($30,000,000), Teva shall reimburse all Development Expenses incurred in accordance with the Clinical Development Plan that exceed such amount, provided that such expenses either are consistent with the then-current budget in the Clinical Development Plan or otherwise have received the prior approval of the JSC before being incurred. Teva shall make such payment to OGX within [***] days after the receipt of the foregoing Expense Reports (including appropriate supporting documentation). OGX's cumulative Development Expenses shall include those specific expenses incurred by OGX prior to the Effective Date that are set forth on Schedule 4.3, which expenses shall be detailed in the first Expense Report (including appropriate supporting documentation) provided by OGX to Teva hereunder.

4.4 Royalty Payments and Reports.

(a) Royalty Payments. Within [***] days following the end of each Calendar Quarter during the Royalty Term, Teva shall submit to OGX a written report containing, with respect to such Calendar Quarter and for the then-current Calendar Year through the end of such Calendar Quarter, an accounting on a country-by-country and Licensed Product-by-Licensed Product basis of gross sales, the calculation of Net Sales and the royalties payable in accordance with Section 4.2 for such Calendar Quarter, with a breakdown of all deductions taken in any such calculations, in accordance with this Section 4.4(a). Any conversion to United States Dollars shall be calculated in accordance with Section 4.6(c). In the event of any royalty reduction during any Calendar Quarter due to Generic Competition or Substantial Generic Competition in any country in the Territory, the report for such Calendar Quarter shall also show the basis for the determination of such Generic Competition or Substantial Generic Competition, as the case may be. Royalties that have accrued for each such Calendar Quarter shall be due and payable within [***] days following the end of such Calendar Quarter.

(b) Teva shall also furnish OGX a written report on a country-by-country and Licensed Product-by-Licensed Product basis for the first Calendar Quarter after the expiration of the Royalty Term in any country, and shall state the basis for the applicable Net Sales then being free of royalty obligations hereunder. Teva shall thereafter have no further obligation to include in any report submitted to OGX hereunder the Net Sales of such Licensed Product in such country.

(c) Each Party shall keep and shall require its Affiliates to keep complete and accurate records in sufficient detail to permit accurate determination of all amounts necessary for calculation and verification of all payment obligations set forth in this Article 4.

4.5 Equity Investment. Simultaneously with the execution of this Agreement, Teva is purchasing OGX Pharma Common Shares in accordance with the terms of that certain stock purchase agreement by and between Teva and Parent, entered into simultaneously with this Agreement, a copy of which is annexed hereto as Schedule 4.5.

4.6 General Payment Provisions.

(a) Payment Method. All payments under this Agreement shall be made in United States Dollars by bank wire transfer in immediately available funds to an account designated by OGX in the case of payments by Teva to OGX, or Teva in the case of payments by OGX to Teva, as applicable.

(b) Withholding Taxes. Each Party may deduct from the amount of payments it owes the other Party under this Agreement the amount of any taxes imposed on the other Party which are required by applicable Laws to be withheld or collected by the withholding Party from amounts owing from the withholding Party to the other Party hereunder. Any such taxes required to be withheld or collected shall be an expense of the other Party. The withholding Party shall pay such withholding taxes to the appropriate governmental authority on behalf of the other Party, and the withholding Party shall promptly deliver to the other Party proof of payment of such taxes and a certificate demonstrating the requirement for such withholding. The Parties shall cooperate reasonably with each other to ensure that any amounts required to be withheld by either Party are reduced to the fullest extent permitted by applicable Laws. The other Party will give the withholding Party any information necessary to determine such taxes, levies or other duties. No deduction shall be made, or a reduced amount shall be deducted, if the other Party furnishes a document from the appropriate governmental authorities to the withholding Party certifying that the payments are exempt from such taxes, levies or other duties or subject to reduced tax rates, according to the applicable convention for the avoidance of double taxation.

(c) Currency Exchange. For purposes of computing royalties on Net Sales in any country outside the United States, the Net Sales shall be converted to United States Dollars using the exchange rate published in *The Wall Street Journal* for the last Business Day of the Calendar Quarter for which royalties are due; provided, however, that if for any reason conversion into United States Dollars cannot be made in a country in the Territory, then notwithstanding the provisions of Section 4.6(a), payment may be in the currency of such country by deposit in the name of OGX in a bank account designated by it in such country.

(d) Obligations to Third Parties.

(i) Reduction for Third Party Royalties. If Teva must acquire rights to intellectual property owned or Controlled by a Third Party in a country in order not to infringe or violate such intellectual property when making, using, selling, offering for sale, importing or otherwise exploiting in the country (A) the [***]; or (B) an [***] that [***] or [***] that is [***] (*but excluding,* with respect to this subclause (B), any such [***] required for any [***] or other [***] that is different from the [***] in [***] (such [***], a [***] Teva shall have the right to acquire such rights in the applicable country (the "[***]") through a license with such Third Party or other similar transaction as necessary to acquire such rights. If Teva acquires such [***] with respect to a particular [***] in a country, then Teva shall be entitled to deduct from the royalties payable to OGX under this Agreement with respect to the sales of such [***] in such country [***] of the amounts paid by Teva to the Third Party based on the license or acquisition of such Required Third Party Rights (including royalties on sales of the Licensed Product in the country, milestone payments based upon development or commercialization of the Licensed Product, license fees and similar consideration) and *provided that* if such license or acquisition of rights from the Third Party applies to rights that are intended to be used by Teva for any product or purpose other than for the [***], then Teva must exclude, from the amounts deducted as above, the reasonable value of such rights licensed to or acquired by Teva that are applicable to such other products and/or purposes, such value to be agreed by the Parties reasonably and in good faith; and provided further, however, that the royalties paid by Teva to OGX for such [***] in the particular country in any Calendar Quarter shall not be reduced by more than [***] as a result of such deductions. Any amount that Teva is entitled to deduct that is reduced by this limitation on the deduction shall be carried forward and Teva may deduct such carried forward amounts from subsequent royalty payments due to OGX with respect to sales of such [***] in such country until the full amount that Teva was entitled to deduct (without any limitation) is paid in full.

(ii) OGX Obligations to Third Parties. OGX shall remain responsible for the payment of royalty, milestone and other financial obligations, if any, due by OGX to Third Parties with respect to any OGX Intellectual Property which has been licensed or assigned to OGX and is licensed or sublicensed to Teva under this Agreement. All such payments shall be made by OGX in accordance with the terms of its applicable agreement between OGX and such Third Parties. If Teva actually pays to UBC or Isis any amounts that should have been paid by OGX to UBC or Isis (or claimed by UBC or Isis to be payable) to cure a default under the UBC Agreement or Isis Agreement, respectively, then without limiting any of its other rights and remedies, Teva shall have the right to setoff such payments against any of its royalty, milestone or other financial obligations to OGX under this Agreement.

(e) Except as otherwise defined herein, all financial calculations by either Party under this Agreement shall be conducted in accordance with GAAP. In addition, all calculations shall give pro rata effect to and shall proportionally adjust (by giving effect to the number of applicable days in such Calendar Quarter) (i) for any Calendar Quarter that is shorter than a standard Calendar Quarter or any Calendar Year that is shorter than four consecutive full Calendar Quarters, or (ii) as a result of a determination, in accordance with the terms of this Agreement, that the first or last day of such Calendar Quarter (including as a result of termination of this Agreement) shall be deemed other than the actual first or last day of such Calendar Quarter, or that the first or last day of such Calendar Year shall be deemed other than the actual first or last day of such Calendar Year.

4.7 Audits. Upon the written request of OGX, Teva shall permit an independent certified public accounting firm of recognized standing, selected by OGX and reasonably acceptable to Teva (provided that such accounting firm shall not be retained or compensated on a contingency basis and shall have entered into a confidentiality agreement with Teva), to have access not more than [***] in any Calendar Year, during normal business hours, to such of the records of Teva as may be reasonably necessary to verify the accuracy of the reports under Section 4.4 hereof for any year ending not more than [***] months prior to the date of such request, provided that the reports for any previous year may not be audited more than once. The accounting firm shall disclose to OGX whether the reports are correct or incorrect, the specific details concerning any discrepancies (including the accuracy of the calculation of Net Sales and the resulting effect of such calculations on the amounts payable by Teva under this Agreement) and such other information that should properly be contained in a report required under this Agreement. Teva shall have reciprocal audit rights with respect to all Expense Reports (including supporting documentation) regarding Development Expenses to be provided by OGX pursuant to this Agreement (including those Development Expenses set forth in Schedule 4.3).

(a) If such accounting firm concludes that additional amounts were owed during such year, and the audited Party agrees with such conclusion, then the audited Party shall pay the additional payments, together with interest calculated from the time that such payments were initially due at the Prime Rate plus [***] (or, if lower, the maximum rate allowed under applicable Laws) on the amount of such additional payments, within [***] of the date the auditing Party delivers to the audited Party such accounting firm's written report so concluding. In the event such accounting firm concludes that amounts were overpaid by the

audited Party during such period, the auditing Party shall repay the audited Party the amount of such overpayment, together with interest at the Prime Rate plus [***] (or, if lower, the maximum rate allowed under applicable Laws) on the amount of such overpayment, within [***] days of the date the auditing Party delivers to the audited Party such accounting firm's written report so concluding; provided, however, that the audited Party can alternatively deduct such overpayment from future payments due hereunder at the auditing Party's option. The fees and expenses of such accounting firm shall be paid by the auditing Party; provided, however, that if an error in favor of the auditing Party of more [***] of the payments due hereunder for the period being reviewed is discovered, then the fees and expenses of the accounting firm shall be paid by the audited Party. As used herein, "Prime Rate" means, on the date that the payment at issue first became due, the prime rate of Citibank, N.A. in New York, New York (or any successor to the foregoing) as published in *The Wall Street Journal* computed on a daily basis and shall change when and as the Prime Rate changes. If a Party disagrees with the conclusion of any audit (whether based on an overpayment, an underpayment or otherwise), and the Parties cannot resolve such disagreement after [***] days through good faith discussions between them, then the Party disagreeing with such conclusion may avail itself of the dispute resolution provisions of Section 10.8.

(b) Upon the expiration of [***] months following the end of any year for which Teva or OGX has made payment in full of amounts payable with respect to such year, and in the absence of fraud, negligence or willful misconduct of Teva or OGX or a contrary finding, or an ongoing, as yet unconcluded audit, by an accounting firm pursuant to Section 4.7(a), or an ongoing dispute regarding such amounts payable, such calculation shall be binding and conclusive upon Teva or OGX, as applicable, and the applicable Party shall be released from any liability or accountability with respect to royalties or other payments for such year.

4.8 Late Payments. In the event that any milestone, royalty or other payment is not received by a Party when due, the other Party shall pay interest charges on such late amount at a rate equal to the Prime Rate plus [***] (or, if lower, the maximum rate allowed under applicable Laws). Such interest shall be calculated from the date the payment was due until the date such late amount is actually received by the other Party. The foregoing is in addition to any other remedies available under this Agreement or by Law on account of such late payment.

ARTICLE 5

REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 General Representations, Warranties and Covenants. Each Party hereby represents, warrants, and covenants (as applicable) to the other Party as follows:

(a) Such Party is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, is qualified to do business and is in good standing as a foreign corporation or limited liability company in each jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification and failure to have such qualification would prevent it from performing its obligations under this Agreement;

(b) The execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary corporate or limited liability company action and do not and will not (i) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to it or any provision of its charter, operating agreement or bylaws; or (ii) conflict with or constitute a default under any other agreement to which such Party is a party;

(c) This Agreement has been duly executed by such Party and is (assuming valid execution and delivery of the Agreement by the other Party) a legal, valid and binding obligation of such Party, enforceable against it in accordance with the terms and conditions hereof, except as enforceability may be limited by (i) any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditor's rights generally, or (ii) general principles of equity, whether considered in a proceeding in equity or at law;

(d) Such Party is not under any obligation to any person or entity, contractual or otherwise, that would prevent such Party from performing its obligations under or complying with the terms of this Agreement, nor shall such Party undertake any such obligation during the Agreement Term;

(e) Except as set forth on Schedule 5.1(e) by OGX, such Party has obtained all authorizations, consents and approvals, governmental or otherwise, necessary for the execution and delivery of this Agreement by such Party, and to otherwise perform such Party's obligations under this Agreement (except for Regulatory Approvals to be sought pursuant to this Agreement);

(f) Except as set forth on Schedule 5.1(f)(i) by OGX or Schedule 5.1(f)(ii) by Teva, neither Party, nor any of its Affiliates, are a party to, or are otherwise bound by, any written contract that will result in any person or entity obtaining any interest in, or that would give to any Third Party any right to assert any claim in or with respect to, any of such Party's or the other Party's rights under this Agreement;

(g) In the course of the Development of Licensed Products, such Party has not (to its Knowledge) used prior to the Effective Date and shall not knowingly use, during the Agreement Term, any employee, agent or independent contractor who has been debarred by any Regulatory Authority or, to such Party's Knowledge, is the subject of debarment proceedings by a Regulatory Authority; and

(h) Such Party shall perform its obligations hereunder in accordance with all applicable Laws.

5.2 Additional OGX Representations, Warranties and Covenants. Subject to and except as set forth on the disclosure schedule attached hereto as Schedule 5.2 (the "OGX Disclosure Schedule"), OGX represents and warrants and covenants to Teva as of the Effective Date as follows:

(a) to OGX's Knowledge, (i) the [***] is not being infringed by any Third Party, (ii) no [***] have been found by a court or administrative body of competent jurisdiction to be invalid or unenforceable; (iii) the [***] are not subject to any pending or overtly threatened re-examination, re-issue, opposition, interference, challenge or litigation proceeding, and OGX has received no written threat or notice of the initiation of any of the foregoing proceedings; and (iv) each of [***], and any other Third Party having responsibility for prosecuting any of the [***], as applicable, has filed and prosecuted the patent applications within the [***] in good faith;

(b) to OGX's Knowledge, neither [***] nor any other party to the agreements listed on Schedule 3.3(a) has committed any act, or failed to commit any required act, that likely will cause the [***] or such agreements to expire prematurely or be declared invalid or unenforceable, or that estops the respective owner of such rights from enforcing the [***] against any Third Party;

(c) all application, registration, maintenance and renewal fees in respect of the [***] finally due prior to the Effective Date, and all necessary documents and certificates relating to the prosecution of the [***] required to have been filed before the Effective Date to prevent abandonment of any [***] (i) have been paid or filed, respectively, by OGX, in the case of [***] owned and prosecuted by OGX, and (ii) have not, to OGX's Knowledge, failed to have been timely paid or filed, respectively, by the prosecuting Party, in the case of [***] owned and prosecuted by a Third Party, in each case with the relevant agencies for the purpose of maintaining the [***];

(d) except as otherwise provided in the Third Party License Agreements or in Schedule 5.2(d), (i) OGX is the sole and exclusive owner of, or Controls and has the sole right to enforce and collect damages and/or royalties from, or obtain equitable relief with respect to, the [***]; (ii) OGX has the right to use and disclose and to enable Teva to use and disclose (in each case under appropriate conditions of confidentiality) the [***]; and (iii) the [***] solely owned by OGX is not subject to any encumbrance, lien, license or claim of ownership by any Third Party that would materially burden or interfere with Teva's exercise of its license rights granted in Section 2.1(a);

(e) OGX has provided Teva with true, correct and complete copies of all Third Party Agreements;

(f) to OGX's Knowledge, the agreements listed on Schedule 3.3(a) are in full force and effect in accordance with their terms (except as otherwise listed on Schedule 3.3(a)), and OGX is not in default or breach in any material respect of the agreements listed on Schedule 3.3(a), nor has it received any notice of any defaults, breaches or violation thereunder;

(g) to OGX's Knowledge, none of the [***] and or other information provided to Teva or its Affiliates prior to the Effective Date by or on behalf of OGX related to the [***], [***], and [***] is inaccurate in any material respect;

(h) to OGX's Knowledge, there is no material [***] or other information that (i) is in OGX's possession or Control, (ii) relates to [***], [***] or [***], (iii) has not been disclosed by OGX to Teva as of the Effective Date, and (iv) causes, due to such lack of disclosure, specific Data or other information disclosed by OGX to Teva relating to [***], [***] or [***] to be misleading in any material respect;

(i) to OGX's Knowledge, OGX has provided Teva or its Affiliates with access to summaries of all [***] known to OGX arising from Clinical Studies of the Licensed Compound as of [***], the last [***] having been [***] the Licensed Compound in any Clinical Study as of [***];

(j) to OGX's Knowledge, the [***] and [***] of a Licensed Compound or Licensed Product in the Territory as contemplated under this Agreement will not infringe or misappropriate any patents or other Intellectual Property right of any Third Party;

(k) to OGX's Knowledge, all of OGX's employees and consultants and all contract research organizations with whom OGX has contracted directly to perform any activities on OGX's behalf in connection with OGX's research and development (including the clinical trials) of each Licensed Compound or Licensed Product have assigned to OGX all of their rights in any Intellectual Property conceived or reduced to practice by them that is relevant to research, develop, test, import, export, make, have made, use, market, manufacture, sell, offer for sale, register, record, have sold, sublicense, commercialize, distribute and otherwise exploit any such Licensed Compounds or Licensed Products, except for any intellectual property related to a contract research organization's pre-existing intellectual property;

(l) OGX has received fully executed [***] and [***] from [***] for all right, title and interest in and to the [***] and the [***] Patents, as those terms are defined in the [***] Agreement;

(m) OGX is the owner of all existing (as of the Effective Date) Regulatory Documents in OGX's possession, other than those Regulatory Documents identified in Schedule 5.2(m);

(n) OGX has made available to Teva prior to the Effective Date, or will make available to Teva within the timeframe set forth in Section 3.2, copies of all of its written records relating to applications for or registrations of any OGX Patent Rights and OGX Trademarks, existing as of the Effective Date that are related solely to Licensed Products and Licensed Compounds;

(o) to OGX's Knowledge, OGX owns and possesses all right, title and interest in and to, or possesses the valid right to use, the [***] necessary to carry out its obligations under this Agreement;

(p) to OGX's Knowledge, the [***] and the [***] (as each is defined in Schedule 3.3(c)), copies of which have been provided to Teva, are each in full force and effect. To OGX's Knowledge, the performance by OGX and Teva under this Agreement as contemplated as of the Effective Date will not cause OGX to be in breach of any provisions of either such agreement;

(q) OGX's assets located outside of the United States that are being exclusively licensed to Teva pursuant to this Agreement have, on an aggregate basis, generated sales in or into the United Sates of not more than [***] in Parent's most recent fiscal year, as determined in accordance with the HSR Rules. As of the Effective Date, Parent (i) is the "ultimate parent entity," as such term is defined under the HSR Rules, of OGX; (ii) had less than [***] in annual net sales in its most recent fiscal year, as determined in accordance with Section 801.11 of the HSR Rules; and (iii) holds less than [***] in total assets, as determined in accordance with Section 801.11 of the HSR Rules; and

(r) to OGX's Knowledge, there is no [***] in [***] or [***] that has [***] and that, [***], would make the statements contained [***] of this Agreement [***].

5.3 Additional OGX Covenants.

(a) During the Agreement Term, OGX shall not grant to any Third Party any rights in or with respect to the OGX Intellectual Property that conflict with the rights granted to Teva under this Agreement (subject to the retained rights of OGX set forth in this Agreement), and shall not encumber the OGX Intellectual Property in any manner that would materially negatively impact Teva's rights to use and exploit the rights granted to Teva under this Agreement; and

(b) During the Agreement Term, OGX shall not assign or transfer the OGX Intellectual Property except in a manner whereby such OGX Intellectual Property remains subject to the license rights granted to Teva under Section 2.1(a).

5.4 Additional Teva Representations and Warranties. Teva represents and warrants to OGX as of the Effective Date that:

(a) to Teva's Knowledge, the [***] and [***] of a [***] in the Territory as contemplated under this Agreement will not infringe or misappropriate any patents or other [***] right of [***];

(b) to Teva's Knowledge, there is [***], [***] or [***] by [***] or [***] or [***] that is an [***] ; and

(c) to Teva's Knowledge, there is [***] that has [***] to [***] and that, [***], makes the [***] and (b)[***].

5.5 Disclaimer of Additional Warranties . EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN SECTIONS 5.1, 5.2, AND 5.4 ABOVE, EACH PARTY HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE, EVEN IF EITHER PARTY HAS BEEN ADVISED OF SUCH PURPOSE.

ARTICLE 6

PATENT MATTERS

6.1 Ownership.

(a) Except as otherwise provided in and subject to the terms of this Agreement, as between the Parties:

(i) Existing IP. OGX shall have and retain all right, title and interest in or Control over, as applicable, all existing Intellectual Property owned or otherwise Controlled by it on the Effective Date, subject only to the licenses and other rights granted to Teva under this Agreement as to the applicable OGX Intellectual Property; provided, however, that upon [***] and [***], if any, required under this Agreement ("IP Transfer Date"), [***] the right to require [***] to [***], and [***] shall thereupon [***], its [***]; and

(ii) Program IP. Each Party shall have and retain all right, title and interest in [***] and [***] (including [***] claiming any inventions therein) that are discovered, made, first conceived, reduced to practice, or generated [***] solely by such Party's or its Affiliates' employees, agents, contractors or other persons acting under or pursuant to its or their authority, as a result of the Development or otherwise during the Agreement Term (collectively, "Inventions") subject only to the licenses and other rights granted to the other Party under the terms of this Agreement. The Parties shall jointly own all right, title and interest in all Inventions made jointly by employees, agents or contractors of each Party (collectively, "Joint Improvements") in accordance with joint ownership interests of co-inventors under U.S. patent laws (that is, each

Party shall have full rights to license, assign and exploit such Joint Improvements (and any patents arising therefrom) anywhere in the world, without any requirement of gaining the consent of, or accounting to, the other Party), subject in each case only to the licenses and other rights granted to the other Party under this Agreement, and subject to any other Intellectual Property held by such other Party (that is, no license in such other Intellectual Property shall be deemed granted). Notwithstanding any of the preceding provisions of this Section 6.1(a)(ii) to the contrary, Teva shall have and retain all right, title and interest in and Control over all [***] (including all [***]) that is discovered, made, first conceived, reduced to practice or generated during the Agreement Term, (a) solely by OGX's and its Affiliates' employees, agents, contractors or other persons acting under or pursuant to its or their authority, (b) solely by Teva's and its Affiliates' employees, agents, contractors or other persons acting under or pursuant to its or their authority, or (c) jointly by Teva and OGX or by any combination of (a) or (b). Inventorship shall be determined in accordance with U.S. patent laws; provided, however, that, as provided above, Teva shall be deemed the sole owner and assignee of any and all of the [***].

(b) Employees and Agents. OGX shall require all of its and its Affiliates' employees to assign to OGX all [***] including [***] (including all [***] arising thereunder) that is discovered, made, first conceived, reduced to practice or generated under this Agreement as a result of Development or otherwise pursuant to and in connection with this Agreement during the Agreement Term, and OGX shall assign to Teva all of such [***] (including all Patent Rights arising thereunder). Each Party shall use commercially reasonable efforts to require any Third Parties engaged in Development or who receive materials relating to [***] from a Party, to assign or grant a sublicenseable exclusive license on a fully paid-up, royalty-free basis to all inventions and corresponding Product Patents that are developed, made or conceived by such Third Parties during the Agreement Term to the Party that is contracting with such Third Party; provided, however, that any such [***] made under this Agreement shall be assigned to [***].

6.2 Maintenance and Prosecution.

(a) OGX Patent Rights. Other than those [***] that [***] or other [***] has the sole right, at its cost and expense and at its sole discretion, to obtain, prosecute and maintain under the applicable [***], Teva shall have the first right, at its sole discretion, to file, prosecute (including responding to correspondence from the relevant patent office, and conducting or defending (as applicable) re-examination, reissue, opposition and other related proceedings) and maintain (collectively, "Prosecute" or "Prosecution") the [***] in [***] name, using patent counsel selected by Teva and reasonably acceptable to OGX, and shall be responsible for the payment of all patent prosecution and maintenance costs and expenses with respect to such Prosecution; provided, however, that if Products other than Licensed Products or Licensed Compounds are claimed by specific [***] and are being clinically Developed or Commercialized by OGX, its Affiliates, or its other sublicensees (*i.e.,* other than Teva and its Affiliates and sublicensees) in a country where such [***] exist, then the Parties shall share equally the actual Prosecution costs and expenses of such specific [***]. Teva agrees to keep OGX fully informed of the course of such patent Prosecution or other proceedings relating to any [***] for which Teva is responsible, including by providing OGX with copies of all material proposed filings, patent office responses, office actions and other material communications from patent offices relating to such prosecution efforts a reasonable time in advance of any proposed filing or required response. OGX will have the right to comment on any and all such filings or responses, and Teva shall in good faith give reasonable consideration to all timely

received requests and suggestions. Teva shall give OGX a reasonable opportunity to provide such comments on any and all such filings or material responses relating to the Prosecution of any [***] for which Teva is responsible. If Teva elects not to file, prosecute or maintain any patent application or patent included in the [***] in the Territory for which Teva has the first right under this Section 6.2(a), Teva shall provide OGX with no less than [***] written advance notice (or such longer time as Teva reasonably deems sufficient to avoid any loss or forfeiture of rights), and OGX shall have the right, but not the obligation, at OGX's sole expense, to file, prosecute or maintain such [***], provided that OGX shall not knowingly take any action with respect to such Patent Rights that OGX should reasonably expect could have an adverse effect on Teva's rights under this Agreement. For any such [***] that OGX elects to so file, prosecute and maintain, OGX agrees to keep Teva fully informed of the course of such patent Prosecution or other proceedings relating thereto. OGX shall give Teva a reasonable opportunity to provide comments on any and all filings or material responses relating to the Prosecution of any [***] for which OGX is responsible, and OGX shall, in good faith, give reasonable consideration to all suggestions and recommendations of Teva with respect to such filings or responses.

(b) Teva Patent Rights. Teva shall have the right to make all decisions, in its sole discretion, relating to the filing, prosecution and maintenance of the Teva Patent Rights in Teva's name, using patent counsel selected by Teva and shall be responsible for the payment of all patent prosecution and maintenance costs. Teva shall keep OGX reasonably informed of the filing and progress in prosecution of Teva Patent Rights that relate directly to Licensed Compounds or Licensed Products.

6.3 Third Party Infringement.

(a) Each Party shall promptly give the other Party notice of any actual or suspected infringement or impending infringement by a Third Party in the Territory of any patent included in the OGX Patent Rights or Teva Patent Rights (collectively, the "Parties' Patent Rights" or each a "Party's Patent Right"), which comes to such Party's attention. The Parties shall thereafter consult and cooperate to seek to determine a course of action, including if appropriate the commencement of legal action.

(b) If a Third Party is infringing (or believed by a Party to be infringing or planning to infringe) an OGX Patent Right by the manufacture, use, import or sale of a Product that contains a Licensed Compound (a "Field Infringement"), then, subject to and in accordance with the applicable Third Party License Agreements, if any, Teva shall have the first right, in its sole discretion, to initiate and/or prosecute a legal action against such Field Infringement at its own expense and in the name of OGX, and OGX shall agree to be named as necessary for Teva to bring and conduct such action, and Teva shall provide OGX with reasonable notice of any such action it commences, consider all OGX's reasonable comments thereto in good faith, seek to accommodate such comments in initiating, conducting and/or prosecuting such action, and keep OGX reasonably informed of any significant developments in such action. OGX shall render, at Teva's expense, all reasonable assistance as requested by Teva in connection with any such action initiated, conducted or prosecuted by Teva. In any such action, OGX may participate using counsel of its choosing and at its expense, provided, however, that the control of such action, including whether to initiate any legal proceeding, what strategies to pursue or actions to take in prosecution of any such legal proceeding, and/or the settlement thereof, shall solely be under the control of Teva. Teva shall not settle any such action, claim or proceeding brought by Teva in a manner that Teva should reasonably expect could have an adverse effect on OGX's rights under this Agreement or any OGX Patent Rights, or could result in more than a *de minimis* monetary payment by or financial loss to OGX or which would subject OGX to any form of injunctive or equitable relief, without OGX's prior written consent, which shall not be unreasonably withheld.

(c) If Teva elects not to initiate and/or prosecute any legal action or proceeding against any such Field Infringement in any country in the Territory as provided in Section 6.3(b) within [***] days after having become aware of such infringement or potential infringement (or, in the case of an infringement resulting from the submission of an ANDA under the Hatch-Waxman Act, [***] days from the date Teva receives notice of such submission), then OGX may elect, subject to Teva's consent, which shall not be unreasonably withheld, to take such action that is reasonably necessary and appropriate to terminate or prevent such infringement, including instituting an infringement proceeding; provided, however, OGX shall not settle any such claim or proceeding in a manner that OGX should reasonably expect could have an adverse effect on Teva's rights under this Agreement, or could result in more than a *de minimis* monetary payment by or financial loss to Teva or which would subject Teva to any form of injunctive or equitable relief, without Teva's prior written consent, which shall not be unreasonably withheld.

(d) With respect to any Third Party infringement (or actions that are believed by a Party to be infringing or planning to infringe) of an OGX Patent Right by the manufacture, use, import or sale of a Product that does not contain any Licensed Compound, OGX (or its other licensee) shall have the sole right and authority, but not the obligation and at its sole discretion (except for the following), to bring a suit or action or take any other steps with respect to such infringement; provided, however, that OGX shall not file any lawsuit against any such Third Party infringement based on an OGX Patent Right that relates primarily to or otherwise materially impacts Licensed Compounds or Licensed Products without Teva's consent, which shall not be unreasonably withheld. OGX shall provide Teva with reasonable notice of any such action it commences, consider all of Teva's reasonable comments thereto in good faith, seek to accommodate such comments in initiating, conducting and/or prosecuting such action, and keep Teva reasonably informed of any significant developments in such action. In any such action, Teva may participate using counsel of its choosing and at its expense, provided, however, that the control of such action, including whether to initiate any legal proceeding, what strategies to pursue or actions to take in prosecution of any such legal proceeding, and/or the settlement thereof, shall solely be under the control of OGX. OGX shall not settle any such claim or proceeding in a manner that OGX should reasonably expect could have an adverse effect on Teva's rights under this Agreement, or could result in more than a *de minimis* monetary payment by or financial loss to Teva or which would subject Teva to any form of injunctive or equitable relief, without Teva's prior written consent, which shall not be unreasonably withheld.

(e) For any infringement action that any Party is unable to initiate, prosecute, conduct or defend under Sections 6.3(b), (c) or (g) solely or jointly in its own name, the other Party will join such action voluntarily at the expense of the Party initiating or pursuing the prosecution or defense, and will execute all documents reasonably helpful or necessary for the Party to control to the greatest extent possible the prosecution, defense and maintenance of such action. In connection with any such action, the Parties will cooperate fully and will provide each other with any reasonable information or assistance that either reasonably may request. For purposes of clarification, Teva's rights to initiate, prosecute, conduct or defend any action under this Section 6.3 shall not apply to any OGX Patent Rights owned by [***], Isis, [***] or another Third Party to the extent Teva is not permitted to enforce such OGX Patent Rights or may be legally unable to participate as a named party due to Teva's status as a sub-sublicensee or otherwise.

(f) Any recovery or award obtained by either Party as a result of any infringement action, whether by a finding of damages, settlement or otherwise, under Sections 6.3(b) or (c) shall be shared as follows:

(i) the Party that initiated, conducted, prosecuted, defended, maintained and/or controlled the action shall recoup all of its costs and expenses (including reasonable outside attorneys' fees) incurred in connection with the action, whether the recovery is by settlement or otherwise;

(ii) the other Party then shall, to the extent possible, recover its reasonably documented costs and expenses (including reasonable outside attorneys' fees) incurred in connection with the action, to the extent not previously reimbursed or paid by the prosecuting Party;

(iii) if OGX initiated, conducted, prosecuted, defended, maintained and/or controlled the action, the amount of any recovery remaining then shall be allocated [***] to OGX and [***] to Teva (which amounts shall not be included in Net Sales); and

(iv) if Teva initiated, conducted, prosecuted, defended, maintained and/or controlled the action, the amount of any recovery remaining then shall be [***] under this Agreement, and on which Teva shall [***] (with such [***] being deemed received during the Calendar Quarter in which the applicable recovery was received by Teva).

(g) If any Third Party brings any declaratory judgment action, or asserts as a matter of a defense or counterclaim in any other action to which a Party is a party, claiming that any OGX Patent Rights are invalid, not infringed and/or unenforceable (an "Invalidity Claim"), then the Party having knowledge of such Invalidity Claim shall give notice thereof to the other Party, and the Parties shall promptly discuss the matter and seek to agree on the course of action to respond to such Invalidity Claim. Unless the Parties otherwise agree, Teva shall have the initial right, in its discretion, to respond to and defend against any such Invalidity Claim, provided that Teva will consult reasonably with OGX as to all such defense against the Invalidity Claim and shall consider in good faith all reasonable comments of OGX with respect thereto. If Teva does not respond to or defend against any such Invalidity Claim, OGX shall have the right, in its discretion and subject to Teva's prior written consent, which shall not be unreasonably withheld, to respond to and defend against any such Invalidity Claim (and may initiate such response prior to any deadline that would cause a loss of, or would be a risk of loss of, rights in the applicable OGX Patent Right), provided that OGX will consult reasonably with Teva as to all such defense against the Invalidity Claim and shall consider in good faith all reasonable comments of Teva with respect thereto.

6.4 Third Party Intellectual Property.

(a) In the event that a Party becomes aware of any Third Party claim that the manufacture, import, use, sale or other exploitation of Licensed Compounds or Licensed Products under this Agreement infringes the Intellectual Property rights of any Third Party (an "Infringement Claim"), such Party shall promptly (and in any event not later than [***] Business Days after knowledge of the Infringement Claim), notify the other Party ("Infringement Notice"). The Parties shall thereafter discuss the situation, and to the extent reasonably necessary, attempt to agree on a course of action.

(b) If within [***] of receipt by a Party of the Infringement Notice, the Parties fail to agree upon an appropriate course of action under Section 6.4(a), Teva (except as otherwise provided below) shall have the first right, but not the obligation, after notifying OGX, to defend any Infringement Claim, or to otherwise initiate, prosecute, conduct and/or maintain any appropriate legal action related to the Intellectual Property rights of any Third Party in the name of Teva and/or OGX. Teva shall keep OGX reasonably informed as to the progress of any such defense, prosecution or maintenance of any such Infringement Claim or related legal action. OGX shall render, at Teva's expense, all assistance reasonably requested in connection with any action taken by Teva, at Teva's expense. If Teva elects (as above) to defend any Infringement Claim against OGX or its Affiliate, Teva shall use good faith best efforts to resolve and defend such action favorably for OGX and to avoid any liability, harm, judgment against or loss by OGX or its Affiliate in the same manner and to the same extent as if such action were against Teva. If Teva does not notify OGX in writing that it assumes such defense, within [***] of an Infringement Notice, then OGX shall have the right at its expense, but not the obligation, to defend against such claims; provided, however, that OGX shall obtain the written consent of Teva prior to ceasing to defend, settling or otherwise compromising such claims in a manner that is adverse to Teva's interests under this Agreement, such consent not to be unreasonably withheld. Except as to any Infringement Claim against OGX for which OGX assumes the defense as provided above, the control of any such Infringement Claim suit or action, including

whether to initiate any legal proceeding and/or the settlement thereof, shall solely be under the control of Teva; provided that Teva shall not settle any such claim or proceeding in a manner that likely will materially adversely affect OGX's rights under this Agreement or the OGX Patent Rights or which results in more than a *de minimis* monetary payment by or financial loss to OGX or which would subject OGX to any form of injunctive or equitable relief, without OGX's written consent, which consent shall not be unreasonably withheld. Teva shall be responsible for all costs and expenses incurred by Teva in any such action that Teva controls, including all damages awarded or settlement payments made (including future royalty or similar payments) to such Third Party.

(c) If Teva elects not to defend an Infringement Claim action in any country in the Territory as provided in Section 6.4(b), and OGX elects to do so, which election shall be subject to the prior written consent of Teva not to be unreasonably withheld, the cost of any agreed-upon course of action, including the costs of any legal action commenced or any infringement action defended, shall be borne solely by OGX, provided, however, that OGX shall not enter into any settlement or compromise of any claim that likely will materially adversely affect Teva's rights under this Agreement, could result in more than a *de minimis* monetary payment by or financial loss to Teva, or likely will subject Teva to any form of injunctive or equitable relief without the prior written consent of Teva, which consent shall not be unreasonably withheld.

(d) For any Infringement Claim or other legal action or defense under this Section 6.4, in the event that a Party is unable to initiate, prosecute, or defend such action solely in its own name despite being entitled to under this Section 6.4, the other Party will join such action voluntarily and will execute all documents reasonably necessary for the Party to prosecute, defend and maintain such action, at the expense of the Party bringing or defending such action. In connection with any such action, the Parties will reasonably cooperate fully and will provide each other with any information or assistance that either reasonably may request.

(e) The provisions of this Section 6.4 shall not limit any indemnity obligation of a Party, or the rights of a Party to be defended and indemnified by the other Party, that may exist under Article 9 as a result of any such Infringement Claim.

6.5 Patent Term Extensions. The Parties shall cooperate with each other in obtaining patent term extensions or restorations or supplemental protection certificates or their equivalents, for all Product Patents in any country in the Territory where applicable and where desired by Teva or where reasonably beneficial to the commercial success of Licensed Product, at Teva's expense. Final decisions and elections with respect to obtaining such extension or supplemental protection certificates shall be made in Teva's reasonable discretion; provided, however, if Teva elects not to pursue a patent term extension or restoration or supplemental protection certificate or its equivalent for any Product Patents owned or Controlled by OGX, it shall provide OGX with advance written notice, and OGX shall have the right, subject to Teva's prior written consent, not to be unreasonably withheld, but not the obligation, at its sole expense, to pursue such patent term extension or restoration or supplemental protection certificate. Any benefit accruing as a consequence of either Party's pursuit of patent term extension or restoration or supplemental protection certificate or its equivalent under this Section 6.5 shall accrue to the benefit of both Parties under and pursuant to this Agreement.

ARTICLE 7

CONFIDENTIALITY AND PUBLICITY

7.1 Non-Disclosure and Non-Use Obligations. All Proprietary Information disclosed by one Party to the other Party hereunder shall be maintained in confidence and shall not be disclosed to any Third Party or used for any purpose except as expressly permitted herein without the prior written consent of the Party that disclosed the Proprietary Information to the other Party during the Agreement Term and for a period of [***] thereafter. The foregoing non-disclosure and non-use obligations shall not apply to the extent that such Proprietary Information of the disclosing Party:

(a) is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by records;

(b) is or becomes properly in the public domain or knowledge without breach of this Agreement by the receiving Party;

(c) is subsequently disclosed to a receiving Party by a Third Party who may lawfully do so and is not under an obligation of confidentiality to the disclosing Party; or

(d) is developed by the receiving Party independently of Proprietary Information received from the disclosing Party and by persons without use of or reliance on such Proprietary Information, as documented by records.

7.2 Permitted Disclosure of Proprietary Information. Notwithstanding Section 7.1, a Party receiving Proprietary Information of another Party may disclose such Proprietary Information:

(a) to governmental or other regulatory agencies in order to obtain patents pursuant to this Agreement, or to gain approval to conduct Clinical Studies or to Commercialize Licensed Product, but such disclosure may be only to the extent reasonably necessary to obtain such patents or authorizations and in accordance with the terms of this Agreement or as otherwise requested by the Regulatory Authorities;

(b) by either Party to its agents, consultants, sublicensees or Affiliates in connection with the Development or Commercialization, or to otherwise enable the Party to fulfill its obligations and responsibilities under this Agreement, on the condition that such entities agree to be bound by confidentiality obligations consistent with this Agreement; or

(c) if required to be disclosed by Laws or court order, provided, that, notice is promptly delivered to the non-disclosing Party in order to provide an opportunity to challenge or limit the disclosure obligations.

(d) Certain Disclosures. The Parties agree to develop and distribute a joint press release upon execution of this Agreement by the Parties. Except as set forth in this Agreement or as required by applicable Laws, neither Party shall make any press release or other public announcement or other disclosure to a Third Party concerning the existence of or terms of this Agreement, the subject matter of this Agreement or the activities contemplated hereunder, without the prior written consent of the other Party, which consent shall include agreement upon the nature and text of such release, announcement or other disclosure and shall not be unreasonably withheld or delayed. Each Party agrees to provide to the other Party a copy of any such press release or other public announcement or disclosure as soon as reasonably practicable under the circumstances prior to its

scheduled release. Each Party shall have the right to expeditiously (but in any event within [***]) review and recommend changes to any such press release or other public announcement or disclosure; provided, however, that such right of review and recommendation shall only apply for the first time that specific information is to be disclosed, shall not apply to legally required disclosures (provided that the disclosing Party shall give the other Party reasonable advance notice of same and the other Party shall have the right to provide its comments), and shall not apply to the subsequent disclosure of substantially similar information that has previously been disclosed unless there have been material developments relating to the Licensed Compounds or the Licensed Product since the date of the previous disclosure; provided, further, that each Party shall provide to the other Party reasonable advance notice of any such subsequent disclosure. Without limiting the generality of any of the foregoing, it is understood that the Parties or their Affiliates may make disclosure of this Agreement and the terms hereof in any filings required by the SEC, other governmental authority, or securities exchange, or as otherwise required by applicable Laws, may file this Agreement as an exhibit to any filing with the SEC, other governmental authority, or securities exchange, and may distribute any such filing in the ordinary course of its business, provided, further, that to the maximum extent allowable by the rules and regulations of the SEC, other governmental authority, or securities exchange, and except as required by applicable Laws, OGX and Teva each shall seek to redact any confidential information set forth in such filings, and each Party shall provide a draft of the redacted version of this Agreement to the other Party no less than [***] prior to filing with the SEC, other governmental authority, or securities exchange, and give reasonable consideration to the other Party's comments regarding any proposed redaction. Further, a Party may disclose this Agreement and the terms hereof in confidence to its existing directors, investors and service providers and to *bona fide* prospective investors, merger partners, strategic partners, or acquirors and their respective professional advisors, in connection with the negotiation, entry into and/or performance of a business transaction between such parties, including the conduct of due diligence involved in such transaction, provided such parties agree to be bound by (i) written confidentiality agreements typical for such transactions, or (ii) with respect to attorneys, applicable ethical obligations.

7.3 Publications. Except as set forth on Schedule 7.3, OGX shall not submit for written or oral publication any manuscript, abstract or the like relating to the Licensed Compound or Licensed Product, without the prior written approval or written request of Teva, such approval not to be unreasonably withheld. If OGX desires to submit such publication, it shall first deliver to Teva, for Teva's prior written consent, the proposed publication or an outline of the oral disclosure at least [***] prior to planned submission or presentation. Teva shall provide OGX with [***] advance written notice (or a shorter period if appropriate under the circumstances) of any written or oral publication relating to the Licensed Compound or Licensed Product, including a copy of the proposed publication or an outline of the oral disclosure. The Parties agree to acknowledge the other Party's contributions, as scientifically and commercially appropriate, in any publication, presentation (written or oral) or other materials prepared with respect to the Development or Commercialization activities, and the Parties shall ensure that the other Party's scientists, researchers, and other personnel are accorded similar credit, as scientifically and commercially appropriate, in any such publications, presentations or other materials.

ARTICLE 8

TERM AND TERMINATION

8.1 Term and Expiration.

(a) This Agreement shall be binding on the Parties as of the Effective Date.

(b) Unless terminated earlier pursuant to Section 8.2, this Agreement shall continue in effect until the cessation of all payment obligations of each Party to the other under this Agreement (the "Agreement Term").

(c) On a country by country and Licensed Product by Licensed Product basis, upon expiration of the Royalty Term for a Licensed Product in a particular country, the license granted to Teva by OGX under Section 2.1(a) shall automatically be deemed fully paid up and non-exclusive with respect to such Licensed Product in such country, and shall perpetually survive the expiration of the royalty obligations with respect thereto (and any subsequent expiration or termination of the Agreement Term); provided, however, that the license under the OGX Intellectual Property covering such Licensed Product in such country shall remain exclusive until the later of (i) expiration or invalidation of the last Valid Claim covering such Licensed Product in such country, or (ii) expiration of all periods of market exclusivity or data exclusivity granted by a Regulatory Authority in such country for such Licensed Product.

8.2 Early Termination of Agreement Term.

(a) Termination by Teva. Commencing after (i) the completion, or early termination under Section 3.5(c)(iii) due to safety issues or "futility" (as provided in Section 3.5(c)(iii)), of all three (3) Phase III Clinical Studies as set forth in the initial Clinical Development Plan, or (ii) a decision by Teva not to [***] any of such three (3) Phase III Clinical Studies pursuant to Section 3.5(c)(iii), Teva may terminate this Agreement in its sole discretion upon not less than three (3) months written notice of termination to OGX if such notice is given prior to Regulatory Approval of a Licensed Product and upon not less than six (6) months written notice if given after Regulatory Approval of a Licensed Product.

(b) Termination by Either Party.

(i) Breach. A Party may, without prejudice to any other rights or remedies available to it under this Agreement or at law or in equity, terminate this Agreement prior to expiration of the Agreement Term in the event that the other Party (as used in this subsection, the "Breaching Party") shall have materially breached this Agreement, and has not cured such material breach within (i) [***] after notice of such breach is provided to the Breaching Party in case the breach is a non-payment of any amount due under this Agreement that is not being disputed in good faith (which shall be deemed a material breach of a material obligation) and (ii) [***] after notice of such breach is provided to the Breaching Party for other cases of breach (or, if such default cannot be cured within such [***] period, if the Breaching Party does not commence and diligently continue actions to cure such breach during such [***] period and cure the breach as soon as practicable but in no event later than [***]. The termination shall become effective at the end of the (i) [***] period in case the breach is a non-payment of any amount due under this Agreement that is not being disputed in good faith if the Breaching Party has not cured such breach by such date, or (ii) for other cases of breach, [***] period unless (a) the Breaching Party cures such breach during such [***] period, or (b) if such breach is not susceptible to cure within such [***] period, the Breaching

Party has commenced and is diligently pursuing a cure (unless such breach, by its nature, is incurable, in which case the Agreement may not be terminated unless the Breaching Party fails to use its best commercially reasonable efforts to prevent a similar subsequent breach) and cures such breach no later than [***] after the notice of breach. The right of either OGX or Teva to terminate this Agreement as provided in this Section 8.2(b)(i) shall not be affected in any way by such Party's waiver or failure to take action with respect to any previous breach or default.

(ii) Bankruptcy. Either Party may, without prejudice to any other rights or remedies available to it under this Agreement or at law or in equity, terminate this Agreement upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of the assets for the benefit of creditors by the other Party; provided, however, in the case of any involuntary bankruptcy, reorganization, liquidation, receivership or assignment proceeding such right to terminate shall only become effective if the Party consents to the involuntary proceeding or such proceeding is not dismissed within [***] days after the filing thereof.

(c) Termination by OGX. OGX shall have the right to terminate this Agreement upon written notice to Teva, effective upon receipt, if Teva or any of its Affiliates directly or indirectly: (i) initiates or requests an interference, opposition proceeding or request for ex parte or inter-parties reexamination with respect to any OGX Patent Rights, (b) makes, files or maintains any claim, demand, lawsuit or cause of action to challenge the validity or enforceability of any OGX Patent Rights, or (c) opposes any patent term extension with respect to any OGX Patent Rights (each, a "Patent Challenge"). Teva will include provisions in

all Sublicense Agreements providing that if the sublicensee or any of its Affiliates undertakes a Patent Challenge, Teva may terminate all sublicenses under the OGX Patent Rights granted to such sublicensee. If a sublicensee (or an Affiliate of such sublicensee) undertakes a Patent Challenge, then Teva upon receipt of notice thereof from OGX, will terminate all sublicenses under the OGX Patent Rights granted to such sublicensee in the applicable Sublicense Agreement. If Teva fails to so terminate such sublicenses, then OGX may terminate this Agreement upon written notice to Teva, effective upon receipt.

8.3 Rights Not Affected. All rights and licenses granted pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of Title 11, U.S. Code (the "Bankruptcy Code") licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties agree that Teva and OGX shall retain and may fully exercise all of their respective rights, remedies and elections under the Bankruptcy Code. The Parties further agree that, in the event of the commencement of a bankruptcy or reorganization case by or against a Party under the Bankruptcy Code, the other Party shall be entitled to all applicable rights under Section 365 (including Section 365(n)) of the Bankruptcy Code. Upon rejection of this Agreement by a Party or a trustee in bankruptcy for such Party, pursuant to Section 365(n), the other Party may elect (i) to treat this Agreement as terminated by such rejection or (ii) to retain its rights (including any right to enforce any exclusivity provision of this Agreement) to intellectual property (including any embodiment of such intellectual property) under this Agreement and under any agreement supplementary to this Agreement for the duration of this Agreement and any period for which this Agreement could have been extended by such other Party.

In the event that OGX is the party to a bankruptcy proceeding under which the trustee in bankruptcy rejects this Agreement, and in such situation Teva elects to retain its rights hereunder as provided above, then to the fullest extent permitted by applicable law: (i) if such rejection occurs prior to OGX's completion of its Development work under the Clinical Development Plan and of its technology transfer to Teva relating to manufacturing Know-How for OGX-011 manufacture, Teva's royalty payment obligations and milestone payment under this Agreement shall thereafter be reduced by [***]; (ii) if such rejection occurs after OGX completes its Development work under the Clinical Development Plan but before it completes the technology transfer to Teva relating to manufacturing Know-How for OGX-011 manufacture, Teva's royalty payment obligations and milestone payment under this Agreement shall thereafter be reduced by [***], with all such reduced amounts deemed to be royalties for purposes of Section 365(n) of the Bankruptcy Code; and (iii) if such rejection occurs thereafter, there shall be no change to Teva's economic obligations to OGX. Upon written request to the trustee in bankruptcy or bankrupt Party, the trustee or Party, as applicable, shall (i) provide to the other Party all OGX Intellectual Property or Teva Intellectual Property, as applicable, (including any embodiment of such intellectual property) held by the trustee or the bankrupt Party and shall provide to the other Party a complete duplicate of (or complete access to, as appropriate) any such intellectual property, and (ii) not interfere with the rights of the other Party to such intellectual property as provided in this Agreement or any agreement supplementary to this Agreement, including any right to obtain such intellectual property (or such embodiment or duplicates thereof) from a Third Party.

8.4 Effect of Expiration or Termination; Survival.

(a) If prior to first Regulatory Approval of a Licensed Product in the United States or a Primary EU Market, this Agreement terminates for any reason other than by OGX pursuant to Section 8.2(b)(i) for uncured material breach by Teva, OGX shall pay Teva an amount equal to [***] of OGX's Net Sales (calculated according to Section 1.77, substituting OGX for Teva) on all Licensed Products. If following Regulatory Approval of a Licensed Product in the United States or any Primary EU Market, this Agreement terminates for any reason, OGX shall pay Teva an amount equal to [***] of OGX's Net Sales (calculated according to Section 1.77, substituting OGX for Teva) on all Licensed Products. Such amounts shall be due on a Licensed Product by Licensed Product basis for a period beginning on the First Commercial Sale of each such Licensed Product on a country by country basis, until the earlier of (i) [***] thereafter, or (ii) the expiration of the [***] Substantial Generic Competition [***] following the [***] Substantial Generic Competition Event in the given country, provided that at the time of such expiration Substantial Generic Competition still exists in such country.

(b) Expiration or termination of this Agreement shall not relieve the Parties of any obligation accruing prior to such expiration or termination, including all accrued payment obligations arising under Article 4 hereof. In addition to any other provisions of this Agreement which by their terms continue after the expiration of this Agreement, the provisions of Article 7 and Article 9 shall survive the expiration or termination of this Agreement and shall continue in effect after the date of expiration or termination. In addition, any other provisions required to interpret and enforce the Parties' rights and obligations under this Agreement shall also survive, but only to the extent required for the full observation and performance of this Agreement. Any expiration or early termination of this Agreement shall be without prejudice to the rights of any Party against the other accrued or accruing under this Agreement prior to termination. Except as expressly set forth herein, the rights to terminate as set forth herein shall be in addition to all other rights and remedies available under this Agreement, at law, or in equity, or otherwise.

(c) Payments of amounts owing to OGX under this Agreement as of its expiration or termination shall be due and payable either (i) to the extent such amounts can be calculated and a fixed sum determined at the time of expiration or termination of this Agreement, [***] days after the end of the then Calendar Quarter, or (ii) to the extent such amounts cannot be calculated and a fixed sum determined at the time of expiration or termination of this Agreement, [***] days after the end of the Calendar Quarter in which such amounts can be calculated and a fixed sum determined.

(d) Upon termination, but not expiration, of this Agreement, (i) all rights and licenses granted hereunder with respect to the OGX Intellectual Property shall immediately cease and terminate and revert exclusively to OGX, subject only to the provisions of Section 8.3 and this Section 8.4(d), and (ii) Teva shall immediately assign to OGX the entire right, title and interest in and to all OGX Product Specific Intellectual Property that was assigned to Teva pursuant to the terms of Section 6.1, and all such OGX Product Specific Intellectual Property shall be deemed the Proprietary Information of OGX. Within [***] after the effective date of termination of this Agreement, and subject to Section 8.4(g), Teva shall notify OGX of the amount of Licensed Product Teva, its Affiliates and sublicensees then have on hand or in the process of manufacture. Except in the case of termination by OGX under Section 8.2(b) or 8.2(c) (in which case Teva shall have no right to continue to sell Licensed Products, and OGX shall have the right (at its discretion) to buy all such remaining Licensed Product at actual cost), Teva shall have the

right to sell in the Territory (except with respect to any country in the Territory in which Licensed Product has been withdrawn or there is no Regulatory Approval), its remaining stock of Licensed Product for a period ending upon the earlier of: (i) Teva's, its Affiliates' and sublicensees' sale of all such remaining Licensed Product, or (ii) [***] after such termination, and terms and conditions of this Agreement shall apply to such Licensed Product so sold, including payment by Teva of all royalties owed on such sales under this Agreement (with the assumption such sales were made during the Agreement Term). OGX hereby grants a non-exclusive license to Teva as necessary to sell such Licensed Product in the Territory, subject to payment of all related royalty amounts due under this Agreement. Any remaining quantities of Licensed Product not sold during this period shall, at OGX's election, either be destroyed by Teva at Teva's cost or sold to OGX at Teva's procurement cost for such Licensed Product.

(e) In the event of termination of this Agreement pursuant to this Article 8, the following shall also be applicable: (i) Teva shall promptly transfer, assign and return to OGX copies of all Data, reports, records and other OGX Know-How and all materials in Teva's possession or control that relate solely to Licensed Compound or Licensed Product, and shall return to OGX all relevant records and materials in Teva's possession or control containing Proprietary Information of OGX (provided that Teva may keep one copy of such Proprietary Information of OGX for archival purposes only), at Teva's expense; (ii) Teva shall assign and transfer to OGX ownership of any and all INDs, Regulatory Approvals, Drug Approval Applications, all other Regulatory Documents and any other regulatory filings or submissions made or filed for Licensed Product by Teva or its designees; (iii) Teva shall reassign to OGX any Third Party Agreements that OGX had previously assigned to Teva; (iv) Teva shall assign to OGX all right, title and interest in and to any copyrights (including content in marketing, sales, advertising and

promotional materials) used exclusively with Licensed Products, Trademarks and trade dress used exclusively (to the exclusion of all other Products) in connection with the sale or marketing of Licensed Products; (v) Teva shall, at no cost to OGX (other than travel and out of pocket expenses), provide reasonable consultation and assistance for a period of no more than [***] for the purpose of transferring, at OGX's request, all then-existing commercial arrangements relating specifically to Licensed Compounds and Licensed Products that Teva is able, using reasonable commercial efforts to, transfer or transition to OGX, in each case, to the extent reasonably necessary or useful for OGX to commence or continue researching, Developing, manufacturing, or Commercializing Licensed Products; (vi) except upon termination of this Agreement by Teva under Sections 8.2(a) or 8.2(b)(i), Teva shall remain responsible for completion (it being understood that Teva shall use its Commercially Reasonable Efforts to complete the Clinical Studies referred to immediately below in accordance with the then-current Clinical Development Plan, that OGX will have the ability to comment on such Clinical Studies, and that Teva shall in good faith give reasonable consideration to all such timely received comments) or at its option payment to OGX of all costs and expenses required to complete the three (3) Clinical Studies outlined on Exhibit A commenced (first dosing of patients) prior to the date of the notice of termination and of any other non-cancellable obligation, provided however OGX shall remain responsible for the completion of all activities assigned to it under the Clinical Development Plan and for payment of all Development Expenses (but not to exceed a total of $30,000,000 in aggregate Development Expenses), except as otherwise provided in Section 3.5(c)(iii); and (vii) OGX shall promptly return to Teva all relevant records and materials in OGX's possession or control containing Proprietary Information of Teva (provided that OGX shall have the right to keep possession of any such Proprietary Information that is licensed to OGX under this Article 8, and may keep one copy of all other such Proprietary Information of Teva for archival purposes only).

(f) In the event of termination of this Agreement by Teva under Section 8.2(a) or by OGX under Section 8.2(b)(i) or (ii), and subject to any payments due pursuant to Sections 8.2(a), at OGX's request, Teva hereby grants OGX, effective only upon such termination, a non-exclusive license in the Territory, with the right to grant sublicenses under multiple tiers, under any Teva Patent Rights and Teva Know-How solely for the purpose of, and to the extent necessary or reasonably useful for, Development and/or Commercialization of the Licensed Compounds and Licensed Products.

(g) In the event of the termination of this Agreement after Teva commences manufacture of Licensed Products, Teva shall at OGX's cost and expense, until the earlier of [***] after notice of such termination and such time as OGX determines in its commercially reasonable discretion that OGX has established sufficient manufacturing resources to meet the requirements for such Licensed Product in the Territory ("Manufacturing Resources"), provide OGX with such assistance as OGX may reasonably request from time to time thereafter in connection with the development of manufacturing capabilities and license of related Intellectual Property to OGX, its Affiliates or its designee. In addition, Teva shall continue to supply, or cause to be supplied, at [***] and in accordance with cGMP, the requirements for the Licensed Product in the Territory as reasonably practical until the earlier of [***] after notice of such termination or such time as OGX has developed and established Manufacturing Resources. OGX shall use commercially reasonable efforts to expedite its development and establishment of Manufacturing Resources.

ARTICLE 9

INDEMNIFICATION AND INSURANCE

9.1 Indemnity. For purposes of this Article 9, "OGX Indemnified Parties" refers to OGX, its Affiliates and the officers, directors, employees, shareholders, agents and successors, heirs and assigns of OGX and its Affiliates, and "Teva Indemnified Parties" refers to Teva, its Affiliates and the officers, directors, employees, shareholders, agents and successors, heirs and assigns of Teva and its Affiliates.

9.2 Teva Indemnification. Teva shall defend the OGX Indemnified Parties from and against all suits, claims, actions, demands, complaints, lawsuits or other proceedings that are brought by a Third Party (collectively, "Third Party Claims") against any OGX Indemnified Party, and shall indemnify and hold harmless to the fullest extent permitted by law the OGX Indemnified Parties from and against any and all Losses, to the extent resulting from any such Third Party Claims, to the extent such Third Party Claims arise out of or are attributable to (i) a Teva Indemnified Party's negligence, recklessness or willful misconduct in exercising or performing any of Teva's rights or obligations under this Agreement; (ii) a material breach by Teva of any of its obligations, representations, warranties or covenants under this Agreement; (iii) any action taken by an OGX Indemnified Party in connection with a Third Party Agreement at Teva's request under Section 3.3; or (iv) Teva's or its Affiliates', sublicensees' or distributors' Development, manufacture, storage, handling, use, sale, offer for sale, importation, exportation and/or other Commercialization of Licensed Products; provided, however, that Teva shall not be obligated under this Section 9.2, to the extent it is shown by evidence acceptable in a court of law having jurisdiction

over the subject matter and meeting the appropriate degree of proof for such Third Party Claim, that the Third Party Claim arose out of the negligence or wrongdoing on the part of an OGX Indemnified Party or material breach by OGX of any of its obligations, representations, warranties or covenants under this Agreement. For clarity, to the extent OGX has any obligation to indemnify, defend or hold harmless a Third Party under a Third Party License Agreement for Third Party Claims or Losses arising or resulting from an act or omission by a Teva Indemnified Party within the scope of clauses (i)-(iv) above, such obligation shall be deemed a Third Party Claim giving rise to an obligation of Teva under this Section 9.2.

9.3 OGX Indemnification. OGX shall defend the Teva Indemnified Parties from and against all Third Party Claims against a Teva Indemnified Party, and shall indemnify and hold harmless to the fullest extent permitted by law the Teva Indemnified Parties from and against any and all Losses that arise out of such Third Party Claims, to the extent such Third Party Claims arise out of or are attributable to: (i) an OGX Indemnified Party's negligence, recklessness or willful misconduct in exercising or performing any of OGX's rights or obligations under this Agreement; (ii) a material breach by OGX of any of its obligations, representations, warranties or covenants under this Agreement; or (iii) OGX's or its Affiliates' research and Development of Licensed Compounds and Licensed Products before the Effective Date; provided, however, that OGX shall not be obligated under this Section 9.3, to the extent it is shown by evidence acceptable in a court of law having jurisdiction over the subject matter and meeting the appropriate degree of proof for such Third Party Claim, that the Third Party Claim arose out of the negligence or wrongdoing on the part of a Teva Indemnified Party or material breach by Teva of any of its obligations, representations, warranties or covenants under this Agreement.

9.4 Indemnification Procedure.

(a) Each Party shall promptly notify the other Party in writing of any Third Party Claim. Concurrent with the provision of notice pursuant to this Section 9.4(a), the Party claiming indemnity under this Article 9 (the "Indemnified Party") shall provide to the Party from whom indemnity is being sought (the "Indemnifying Party") copies of any complaint, summons, subpoena or other court filings or correspondence related to such Third Party Claim and will give such other information with respect thereto as the Indemnifying Party shall reasonably request. The Indemnifying Party and Indemnified Party shall meet to discuss how to respond to such Third Party Claim. Failure to provide prompt notice shall not relieve an Indemnifying Party of the duty to defend or indemnify unless such failure materially prejudices the defense of any matter. Each Party agrees that it will take reasonable steps to minimize the burdens of the litigation on witnesses and on the ongoing business of the Teva Indemnified Parties and OGX Indemnified Parties including making reasonable accommodations to witnesses' schedules when possible and seeking appropriate protective orders limiting the duration and/or location of depositions.

(b) Should either Party dispute that any Third Party Claim or portion of a Third Party Claim ("Disputed Claim") of which it receives notice pursuant to Section 9.4(a), is an indemnified Third Party Claim, it shall so notify the other Party providing written notice in sufficient time to permit such other Party to retain counsel and timely appear, answer and/or move in any such action. In such event, such other Party shall defend against such Third Party Claim; provided, however, that the Indemnified Party shall not settle any Third Party Claim which it contends is an indemnified Third Party Claim without providing the Indemnifying Party [***] notice prior to any such settlement and an opportunity to assume the defense and indemnification of such Third Party Claim pursuant to this Agreement. If it is determined that a Disputed Claim is subject to indemnification, the Indemnifying Party will reimburse the costs and expenses, including reasonable attorneys' fees, of the Indemnified Party.

9.5 Settlement of Indemnified Claims. The Indemnifying Party under Section 9.2 or Section 9.3, as applicable, shall have the sole authority to settle any Indemnified Claim without the consent of the other Party, provided, however, that an Indemnifying Party shall not, without the written consent of the other Party, as part of any settlement or compromise (i) admit to liability on the part of the other Party; (ii) agree to an injunction against the other Party; or (iii) settle any matter in a manner that separately apportions fault to the other Party. The Parties further agree that as part of the settlement of any Indemnified Claim, an Indemnifying Party shall obtain a full, complete and unconditional release from the claimant on behalf of the Indemnified Parties.

9.6 Insurance.

(a) Each Party shall maintain, commencing as of the Effective Date, general liability insurance (including coverage for product liability, bodily injury, property damage and personal injury), in form and substance reasonably satisfactory to the other Party, with minimum limits of $[***] or, in case of Clinical Studies as required by the relevant Laws, during the period when such Clinical Studies are being conducted (the "Insurance"). However, if such Insurance is written on a claims-made form, it shall continue for [***] following termination of this Agreement either on a full form or a run-off. The Insurance shall have a retroactive date to or coinciding with the Effective Date. Notwithstanding the foregoing, Teva may satisfy the foregoing obligation with respect to the Insurance through self-insurance, to the extent it self-insures for other liabilities relating to the development and commercialization of other pharmaceutical products.

(b) Such Insurance shall insure against all liability arising out of the manufacture, use, sale, distribution, or marketing of Licensed Product in and for the Territory. During the Agreement Term, each Party shall not permit such Insurance to be reduced, expired, materially amended or canceled during the period of the Insurance and/or the Agreement without reasonable prior written notice that shall be sent as set forth in Section 10.4. Prior to the commencement of this Agreement, each Party shall provide certificates of insurance to the other Party evidencing the coverage specified herein.

(c) Except as expressly stated herein, a Party's liability to the other is in no way limited to the extent of the Party's insurance coverage.

(d) The Parties agree that neither Party shall be deemed to be an additional insured under the terms of their respective insurance policies. The Parties further agree that neither Party shall be deemed to be an additional insured vendor under such policies

(e) The Insurance shall contain an explicit clause, stating that each Party and its insurer waive their rights of subrogation against the other Party and its directors, employees and/or any one on its behalf with respect to the Insurance. Such waiver shall not apply in the event of a malicious act.

(f) The Insurance shall be primary, preliminary and non-contributory to any other insurance maintained by each Party and each Party hereby waives any claim or demand as to participation in any such other insurance.

(g) The Insurance shall be valid in any location regarding the activities performed by each Party hereunder (including worldwide jurisdictions) for any destination or lawsuit which will be served against the other Party.

(h) In case of a claim and/or a demand and/or knowledge related to erosion and/or exhaustion of limits of liability of any of party's insurance required under this Agreement (hereinafter, the "Limits of Liability") due to and/or a result from any event (whether paid or unpaid) each party undertakes to purchase (promptly after the claim and/or a demand and/or knowledge related to erosion and/or exhaustion as detailed above, the earlier) insurance to reinstate the Limits of Liability as detailed in the Agreement.

(i) Both Parties' obligations pursuant to this Section 9.6 including all the sub-clauses hereof, constitute a fundamental condition of this Agreement and a breach of any of them shall be deemed a fundamental breach of this Agreement.

9.7 Limitation of Liability. EXCEPT FOR FRAUD, GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER OR ANY OF ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING LOST PROFITS, BUSINESS OR GOODWILL) SUFFERED OR INCURRED BY SUCH OTHER PARTY OR ITS AFFILIATES, WHETHER BASED UPON A CLAIM OR ACTION OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE, ARISING OUT OF THIS AGREEMENT. THE FOREGOING SENTENCE SHALL NOT LIMIT THE OBLIGATIONS OF EITHER PARTY TO INDEMNIFY AN INDEMNIFIED PARTY FROM AND AGAINST THIRD PARTY CLAIMS UNDER THIS ARTICLE 9.

ARTICLE 10

MISCELLANEOUS

10.1 Force Majeure. Neither Party shall be held liable or responsible to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement (other than payment obligations) during the period of time when such failure or delay is caused by or results from events beyond the reasonable control of a Party, including fire, flood, earthquake, explosion, storm, blockage, embargo, war, acts of war (whether war be declared or not), terrorism, insurrection, riot, civil commotion, strike, lockout or other labor disturbance, failure of public utilities or common carriers, act of God or act, omission or delay in acting by any governmental authority or the other Party, provided that the affected Party takes reasonable efforts to remove the condition causing the failure or delay (which efforts may include delegating obligations under this Agreement to an Affiliate). The affected Party shall notify the other Party of such force majeure circumstances as soon as reasonably practicable.

10.2 Assignment. This Agreement may not be assigned or otherwise transferred without the prior written consent of the other Party, not to be unreasonably withheld; provided, however, that either Party may assign this Agreement to an Affiliate, or to its successor in interest in connection with the transfer or sale of its business or all or substantially all of its assets, or in the event of a merger, consolidation, change in control or similar corporate transaction, without such consent; provided further, however, that such assignment shall not relieve the Party of its responsibilities for performance of its obligations under this Agreement and shall be subject to the provisions of Section 10.8. Furthermore, the foregoing restriction on assignment shall not apply to a divestiture by Teva as may be ordered by a court or administrative agency of competent jurisdiction, or otherwise required by Law. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties. Any assignment not in accordance with this Agreement shall be void.

10.3 Severability. In the event that any of the provisions contained in this Agreement are held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. In such event, the Parties covenant and agree to renegotiate any such term, covenant or application thereof in good faith in order to provide a reasonably acceptable alternative to the term, covenant or condition of this Agreement or the application thereof that is invalid or unenforceable, it being the intent of the Parties that the basic purposes of this Agreement are to be effectuated.

10.4 Notices.

(a) Correspondence, reports, documentation, and any other communication between the Parties in the course of ordinary implementation of this Agreement (but not including any notice required by this Agreement) shall be in writing and delivered by hand, sent by facsimile, email, or by overnight express mail (*e.g.*, FedEx) to any one (1) representative designated by the Party which is to receive such written communication.

if to OGX to:

ONCOGENEX TECHNOLOGIES, INC.
400-1001 West Broadway
Vancouver, British Columbia,
Canada V6H 4B1
[***]
Fax No.: (604) 736-3687
[***]

With copies to:

ONCOGENEX PHARMACEUTICALS, INC.
1522 217th Place SE, Suite 100
Bothell, WA 98021
[***]
[***]

if to Teva to:

TEVA PHARMACEUTICAL INDUSTRIES LTD.
5 Basel Street
P.O. Box 3190
Petah Tiqva 49131
Israel

[***]

(b) Extraordinary notices and communications (including but not limited to notices of termination, force majeure, material breach, change of address, or any other notices required by this Agreement) shall be in writing and shall be deemed to have been given when delivered in person, or sent by overnight courier service (*e.g.*, FedEx), postage prepaid, or by facsimile confirmed by prepaid registered or certified air mail letter or by overnight express mail (*e.g.*, FedEx), or sent by prepaid certified or registered air mail, return receipt requested, to the following addresses of the Parties (or to such other address or addresses as may be specified from time to time in a written notice), and shall be deemed to have been properly served to the addressee upon receipt of such written communication, to the following addresses of the Parties:

if to OGX to:

ONCOGENEX TECHNOLOGIES, INC.
400-1001 West Broadway
Vancouver, British Columbia, Canada V6H 4B1
[***]
Fax No.: (604) 736-3687

With a copy (which shall not constitute notice) to:

[***]
Dorsey & Whitney LLP
701 Fifth Avenue, Suite 6100
Seattle, WA 98104-7043
Fax No.: (206) 903-8820

if to Teva to:

TEVA PHARMACEUTICAL INDUSTRIES LTD.
5 Basel Street
P.O. Box 3190
Petah Tiqva 49131
Israel

[***]

With a copy to:

TEVA NEUROSCIENCE, INC.
901 E. 104th Street
Kansas City, MO 64131

[***]

With a second copy to:

TEVA NEUROSCIENCE, INC.
901 E. 104th Street
Kansas City, MO 64131

[***]

or to such other address as the Party to whom notice is to be given may have furnished to the other Parties in writing in accordance herewith. Any such communication shall be deemed to have been given when delivered if personally delivered or sent by facsimile on a Business Day, upon confirmed delivery by nationally-recognized overnight courier if so delivered, and on the third Business Day following the date of mailing if sent by registered or certified mail.

10.5 Specific Performance. Each of the Parties acknowledges and agrees that the other Party may be damaged irreparably in the event any of the provisions of this Agreement are not performed in all material respects or otherwise are materially breached. Accordingly, and notwithstanding anything herein to the contrary, each of the Parties agrees that the other Party shall be entitled to seek injunctive relief to prevent breaches of the provisions of this Agreement, and/or to seek to enforce specifically this Agreement and the terms and provisions hereof, in any action instituted in any court or tribunal having jurisdiction over the Parties and the matter, without posting any bond or other security, and that such injunctive relief shall be in addition to any other remedies to which such Party may be entitled, at law or in equity.

10.6 Further Assurances. Each of the Parties shall use reasonable efforts to take such further reasonable actions as shall be necessary or desirable in order to effectuate the respective rights and obligations hereunder.

10.7 Change of Control. Notwithstanding anything in this Agreement to the contrary, in the event of a Change of Control of OGX, (a) Teva will not be obligated to disclose any [***] to the Successor Entity during the remainder of the Agreement Term (but shall continue to provide the royalty reports required under this Agreement and shall provide reasonable summaries of Development and Commercialization status and efforts), and Teva may request the immediate return or destruction of [***] previously disclosed to OGX; and (b) OGX shall use reasonable efforts to [***], in substantially [***] had been providing [***] as of the Effective Date, until at least [***] after the closing of the Change of Control (provided such obligation shall in any event terminate [***] after OGX transfers the existing IND to Teva as contemplated in Section 3.6). Further, notwithstanding anything in this Agreement to the contrary, within ninety (90) days of the date of any Change of Control of OGX, Teva may: (c) terminate the JSC in its sole discretion (d) terminate the Co-Promotion Option if not then exercised by OGX, in Teva's sole discretion; (e) terminate the Co-Promotion Option, after exercise by OGX but prior to execution of a Co-Promotion Agreement, in Teva's sole discretion; and/or (f) terminate the Co-Promotion Agreement, if in Teva's commercially reasonable judgment co-promotion with OGX's successor-in-interest would be adverse to Teva's interests.

10.8 Applicable Law, Venue and Dispute Resolution.

(a) This Agreement shall be governed by the laws of the State of New York, U.S. The United Nations Convention on Contracts for the International Sale of Goods shall not apply in any action, suit or proceeding arising out of or relating to this Agreement.

(b) All actions, suits or proceedings arising out of or relating to this Agreement (but not originating from the JSC) shall be heard and determined in any state or federal court having jurisdiction of the Parties and the subject matter of the dispute, sitting in the Southern District of New York, and the Parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts in any such action or proceeding and irrevocably waive any defense of an inconvenient forum to the maintenance of any such action or proceeding.

(c) Matters referred pursuant to Section 3.7(e) shall be resolved through binding arbitration in accordance with this Section 10.8(c) and under the Commercial Arbitration Rules of the American Arbitration Association ("AAA") then in effect, including application of the "Expedited Procedures" (sections E-1, *et al*) of the Commercial Arbitration Rules of the AAA. The proceedings and decisions of the arbitrator shall be confidential, final and binding on the Parties, and judgment upon the award of such arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall take place in New York City and will be conducted by one (1) arbitrator who shall be reasonably acceptable to the Parties and who shall be appointed in accordance with AAA rules. If the Parties are unable to select an arbitrator within ten (10) days of the notice that initiated the arbitration, then the arbitrator shall be appointed in accordance with AAA rules. Any arbitrator chosen hereunder shall have educational training and industry experience sufficient to demonstrate a reasonable level of scientific, financial, medical and industry knowledge relevant to the particular dispute.

10.9 Entire Agreement. This Agreement, including the exhibits and schedules hereto, and the stock purchase agreement and guaranty referred to in the recitals hereof, contains the entire understanding of the Parties with respect to the subject matter. All express or implied agreements and understandings, either oral or written, heretofore made, including any offering letters, letters of intent, or term sheets, are expressly superseded by this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by all Parties hereto.

10.10 Independent Contractors. It is expressly agreed that the Parties shall be independent contractors and that the relationship between the Parties shall not constitute a partnership, joint venture or agency. Neither Party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior consent of such other Party.

10.11 Waiver. The waiver by a Party hereto of any right hereunder or the failure to perform or of a breach by another Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

10.12 Headings; References. The captions to the several Articles and Sections hereof are not a part of this Agreement, but are merely guides or labels to assist in locating and reading the several Articles and Sections hereof. Any reference in this Agreement to an Article, Exhibit, Schedule or Section shall, unless otherwise specifically provided, be to an Article, Exhibit, Schedule or Section of this Agreement. The words “including”, “includes” and “such as” are used in their non-limiting sense and have the same meaning as “including without limitation” and “including but not limited to.” “Hereunder” and “hereto” means under or pursuant to any provision of this Agreement.

10.13 Interpretation. Both Parties have had the opportunity to have this Agreement reviewed by an attorney; therefore, neither this Agreement nor any provision hereof shall be construed against the drafter of this Agreement.

10.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures to this Agreement transmitted by fax, by email in "portable document format" (".pdf") or by any other electronic means intended to preserve the original graphic and pictorial appearance of this Agreement shall have the same effect as physical delivery of the paper document bearing an original signature.

10.15 No Third Party Beneficiaries. Except as specifically set forth herein, none of the provisions of this Agreement shall be for the benefit of or enforceable by any Third Party, including any creditor of either Party hereto. No such Third Party shall obtain any right under any provision of this Agreement or shall by reasons of any such provision make any claim in respect of any debt, liability or obligation (or otherwise) against either Party hereto.

10.16 Delegation. Each Party may delegate the full or partial discharge of its covenants, agreements, obligations and liabilities under this Agreement including the due and punctual payment of all amounts which are or may become due and payable by such Party hereunder to any Affiliate of such Party at the time of such delegation, if, but only if, such delegation does not result in the imposition of greater tax withholding than would otherwise be imposed under Section 4.6(b) or any payment by deposit of local currency under Section 4.6(c). Each Party hereby guarantees the performance by its Affiliates of such Party's obligations under this Agreement, and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance. Any breach by a Party's Affiliate of any of such Party's obligations under this Agreement shall be deemed a breach by such Party, and the other Party may proceed directly against such Party without any obligation to first proceed against such Party's Affiliate.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

ONCOGENEX TECHNOLOGIES INC.

By: /s/ Scott Cormack
Name: Scott Cormack
Title: President & CEO

TEVA PHARMACEUTICAL INDUSTRIES LTD.

By: /s/ Moshe Manor
Name: Moshe Manor
Title: Group VP — Global Branded Products

By: /s/ Chen Schor
Name: Chen Schor
Title: VP, Business Developmemt
Global Branded Products

SCHEDULES AND EXHIBITS

Schedule 1.50 — FTE Rates by Functional Area
Schedule 1.88 — OGX Patent Rights
Schedule 1.90 — OGX Product Specific Intellectual Property
Schedule 1.91 — OGX Trademarks
Schedule 3.2(a) — Information to Be Transferred to Teva
Schedule 3.2(b) — Materials to Be Transferred to Teva
Schedule 3.2(c) — Reports to Be Provided by OGX
Schedule 3.3(a) — Third Party Agreements
Schedule 3.7 — Outline of Terms and Conditions for Co-Promotion Agreement
Schedule 4.1 — Milestone Fees
Schedule 4.2 — Royalties
Schedule 4.3 — Development Expenses Incurred Prior to Effective Date
Schedule 4.5 — Stock Purchase Agreement
Schedule 5.1(e) — Exceptions to 5.1(e)
Schedule 5.1(f)(i) (OGX); Schedule 5.1(f)(ii) (Teva) — Third Party Claims on Rights Under Agreement
Schedule 5.2 — OGX Disclosure Schedule
Schedule 7.3 — OGX Publications
Schedule 10.7 — OGX Employees

Exhibit A: Clinical Development Plan Summary

* Certain information in this exhibit has been omitted as confidential, as indicated by [***]. This information has been filed separately with the Commission.

SCHEDULE 1.50

FTE RATES BY FUNCTIONAL AREA

Position	FTE Rate
Level 2 (Director — Clinical Research, Data Management, CMC and IP)	$[***]/ hr
Level 3 (Clinical Research Associate, SAS Programmer and Data Manager)	$[***]/ hr

* Note: Should other resources than the levels set forth in the above table be required, the JSC shall have the discretion to include such resources at a rate or rates to be mutually agreed by the Parties.

SCHEDULE 1.88

OGX PATENT RIGHTS

Pursuant to the License Agreement dated November 15, 2001 (commencing Nov. 1, 2001) between OGX and the University of British Columbia, OGX has an exclusive license to the following patents and patent applications:

DOCKET	TITLE	INVENTORS	FILE TYPE	FILE DATE	PATENT/PUB #	SERIAL #	STATUS	NOTES
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

Pursuant to the Amended and Restated License Agreement effective July 2, 2008 between OGX and Isis Pharmaceuticals, Inc., the following [***] have been assigned to OGX:

[***] PATENTS

[***]	[***]	[***]	US	[***]	[***]	[***]	[***]	[***] compositions
[***]	[***]	[***]	EP	[***]	[***]	[***]	[***]	[***] compositions
[***]	[***]	[***]	JP	[***]	[***]	[***]	[***]	[***] compositions
[***]	[***]	[***]	JP	[***]		[***]	[***]	[***] compositions

Pursuant to the Amended and Restated License Agreement effective July 2, 2008 between OGX and Isis Pharmaceuticals, Inc., OGX has a non-exclusive license to the following patents and patent applications, provided that such patents and patent applications are required for the Product (as defined in the Amended and Restated License Agreement):

[***] PATENTS

	Docket #	**Country/Treaty**	**Patent / Application#**	**Title**	**Issue Date**
[***]					
	N/A	**United States**	[***]	[***]	[***]

[***] PATENTS

Assignee	Docket #	Country/Treaty	Patent/ Application #	Title	Issue Date
[***]					
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	European Patent Convention (FR, GB, DE, IE, NL, CH, SE, BE, DK)	[***]	[***]	[***]
	[***]	European Patent Convention (FR, GB, DE, JP, CH)	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	Patent Cooperation Treaty (AU, CA, EP, JP)	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	Patent Cooperation Treaty	[***]	[***]	[***]
[***]					
	[***]	European Patent Convention (AT, BE, DK, FI, FR, GB, DE, IE, IT, NL, CH, ES, SE)	[***]	[***]	[***]
	[***]	Canada	[***]	[***]	
	[***]	Japan	[***]	[***]	
	[***]	New Zealand	[***]	[***]	[***]
	[***]	Australia	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]

Assignee	Docket #	Country/Treaty	Patent/ Application #	Title	Issue Date
[***]					
	[***]	European Patent Convention	[***]	[***]	[***]
	[***]	Canada	[***]	[***]	[***]
	[***]	Australia	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
[***]					
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]

[***] PATENTS

Technology	Docket #	Country/Treaty	Patent/ Application #	Title	Filing Date
[***]	[***]	European Patent Convention	[***]	[***]	[***]
	[***]	Great Britain	[***]	[***]	[***]
	[***]	Germany	[***]	[***]	[***]
	[***]	Switzerland	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
[***]	[***]	United States	[***]	[***]	[***]
	[***]	European Patent Convention	[***]	[***]	[***]
	[***]	Belgium	[***]	[***]	[***]
	[***]	Great Britain	[***]	[***]	[***]
	[***]	Germany	[***]	[***]	[***]
	[***]	Switzerland	[***]	[***]	[***]
	[***]	Sweden	[***]	[***]	[***]

Technology	Docket #	Country/Treaty	Patent/ Application #	Title	Filing Date
[***]	[***]	United States	[***]	[***]	[***]
	[***]	Canada	[***]	[***]	[***]
	[***]	Europe	[***]	[***]	[***]
[***]	[***]	United States	[***]	[***]	[***]
	[***]	European Patent Convention	[***]	[***]	[***]
	[***]	Great Britain	[***]	[***]	[***]
	[***]	Ireland	[***]	[***]	[***]
	[***]	France	[***]	[***]	[***]
	[***]	Germany	[***]	[***]	[***]
	[***]	Belgium	[***]	[***]	[***]
	[***]	Switzerland	[***]	[***]	[***]
	[***]	Italy	[***]	[***]	[***]
	[***]	Portugal	[***]	[***]	[***]
	[***]	Spain	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
[***]	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
[***]	[***]	United States	[***]	[***]	[***]
	[***]	Canada	[***]	[***]	[***]
	[***]	European Patent Convention	[***]	[***]	[***]
[***]	[***]	European Patent Convention	[***]	[***]	[***]
	[***]	Japan	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]			[***]	

Technology	Docket #	Country/Treaty	Patent/ Application #	Title	Filing Date
[***]	[***]	United States	[***]	[***]	[***]
	[***]	Canada	[***]	[***]	[***]
	[***]	European Patent Convention	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	European Patent Convention	[***]	[***]	[***]
	[***]	Germany	[***]	[***]	[***]
	[***]	Spain	[***]	[***]	[***]
	[***]	France	[***]	[***]	[***]
	[***]	Great Britain	[***]	[***]	[***]
	[***]	Italy	[***]	[***]	[***]
[***]	[***]	European Patent Convention	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
	[***]	United States	[***]	[***]	[***]
[***]	[***]	United States	[***]	[***]	[***]
[***]	[***]	Patent Cooperation Treaty	[***]	[***]	[***]

SCHEDULE 1.90

[***]

DOCKET	TITLE	INVENTORS	FILE TYPE	FILE DATE	PATENT/PUB #	SERIAL #	STATUS	NOTES
[***]	[***]	[***]	US	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	US CIP (1)	[***]	[***]	[***]	[***]	Combination composition
[***]	[***]	[***]	AU	[***]	[***]	[***]	[***]	Composition
[***]	[***]	[***]	CA	[***]	[***]	[***]	[***]	Composition
[***]	[***]	[***]	EP	[***]	[***]	[***]	[***]	Composition
[***]	[***]	[***]	HU	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	IL	[***]	[***]	[***]	[***]	Composition
[***]	[***]	[***]	JP	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	KR	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	KR Divisional	[***]	[***]	[***]	[***]	Composition

DOCKET	TITLE	INVENTORS	FILE TYPE	FILE DATE	PATENT/PUB #	SERIAL #	STATUS	NOTES
[***]	[***]	[***]	NO	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	NZ	[***]	[***]	[***]	[***]	Composition
[***]	[***]	[***]	US CIP (2)	[***]	[***]	[***]	[***]	Compound
[***]	[***]	[***]	US CON	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	US CON	[***]	[***]	[***]	[***]	Composition
[***]	[***]	[***]	US	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	US	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	US	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	AU	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	CA	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	EP	[***]	[***]	[***]	[***]	Method

DOCKET	TITLE	INVENTORS	FILE TYPE	FILE DATE	PATENT/PUB #	SERIAL #	STATUS	NOTES
[***]	[***]	[***]	IL	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	JP	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	KR	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	NO	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	NZ	[***]	[***]	[***]	[***]	Method
[***]	[***]	[***]	US	[***]	[***]	[***]	[***]	Method for treating
[***]	[***]	[***]	US	[***]	[***]	[***]	[***]	Method for treating
[***]	[***]	[***]	AU	[***]	[***]	[***]	[***]	Method for treating
[***]	[***]	[***]	CA	[***]	[***]	[***]	[***]	Method for treating
[***]	[***]	[***]	EP	[***]	[***]	[***]	[***]	Method for treating
[***]	[***]	[***]	JP	[***]	[***]	[***]	[***]	Method for treating
[***]	[***]	[***]	US	[***]	[***]	[***]	[***]	[***] compositions
[***]	[***]	[***]	EP	[***]	[***]	[***]	[***]	[***] compositions
[***]	[***]	[***]	JP	[***]	[***]	[***]	[***]	[***] compositions
[***]	[***]	[***]	JP	[***]		[***]	[***]	[***] compositions

SCHEDULE 1.91

OGX TRADEMARKS

Trademarks or Tradename

None

Registered Domain Names

custirsen.ca
custirsen.com
custirsensodium.ca
custirsensodium.com

USAN Name for OGX-011

Custirsen

SCHEDULE 3.2(a)

INFORMATION TO BE TRANSFERRED TO TEVA

Electronic or hard copies of the following will be made available to Teva within the timeframe outlined below:

Within [***] following the Effective Date:

1. All documents related to Licensed Compounds or Licensed Products (including without limitation all Third Party Agreements) in the electronic data room as of [***], 2009 and any additions up to the Effective Date.

Within [***] following the Effective Date (to the extent not provided in the electronic data room and transferred pursuant to the above):

1. To the extent not included in the above, all documents provided during the on-site due diligence and listed on the OncoGenex due diligence document index dated [***], 2009
2. All available clinical trial SAS datasets
3. CRFs from OncoGenex-sponsored trials
4. Current SAE narratives for all studies
5. Current SAS summary tables of safety data for all studies
6. Current SAS summary tables for all studies
7. All regulatory documents and correspondence, including:
    (i) All the IND's in existence and contents ([***]).
    (ii) All [***] contact reports and meeting minutes.
    (iii) A list of all ongoing activities that eventually need to be filed to the IND.
    (iv) All [***] documents and correspondence, including:
    [***]
8. All IP related materials, including agreements with any other company or university from which any IP was licensed
9. All preclinical reports in OncoGenex' possession
10. All preclinical published material on OGX-011 or its precursors.
11. Drug Substance (DS):
    (i) [***] executed batch records for batch [***]
    (ii) Analytical raw data for batch [***] release

(iii) COA for [***] batch

(iv) Raw materials COAs for [***] batch ([***] and [***])

(v) Raw materials analyses — release raw data

(vi) Analytical methods, all available development reports etc

(vii) Comparability report and raw data performed between [***] and [***]

(viii) Stability data — tables and raw data for all DS batches

(ix) Any available chemical development reports

(x) Reference standard qualification report

12. Drug Product (DP):

(i) Documentation from [***] and previous vendors: executed formula records of all DP batches

(ii) COAs of all DP batches ([***])

(iii) Stability data of all DP batches

13. Nonclinical studies and related documents:

(i) [***] repeated administration in [***] (study report [***])

(ii) [***] repeated administration in [***] (study report [***])

(iii) [***] assay (study report [***])

(iv) [***] ([***])

(v) [***] assay ([***])

(vi) Updated toxicology plan for the development of OGX-011 (2009)

14. PK/ADME documents:

(i) The toxicokinetic report of [***] study report: A [***] of [***] in the [***] with a [***] Recovery Period. [***].

(ii) The toxicokinetic report of [***] study report: A [***] in the [***] with a [***] Recovery Period. [***].

15. OGX-011-07 and OGX-011-05 Studies: Current patient profiles

16. Phase II study OGX-011-06 in combination with Docetaxel in advanced Breast Cancer- Final [***] report

Note: All documents in OncoGenex' possession that have original signatures (such as clinical studies approvals, investigator's sign off, regulatory CMC, etc.) should be transferred to Teva.

As soon as reasonably practicable (to the extent not provided in the electronic data room and transferred pursuant to the above):

1. CRFs from the [***] Sponsored Study OGX-011-03 when available from [***] (if CRFs are required from other [***] studies, copies must [***] with [***]).

2. CRFs from the OncoGenex Sponsored Studies that are collected from the clinical sites more than 60 days after the Effective date

3. For DS later stage:

    (i) BRs of DS batches :[***]

    (ii) COA and release analyses raw data for DS batches :[***]

4. Phase 1 Study with PK components OGX-011-02 ([***]) — Final Signed off

5. Pharmacokinetic data for investigator sponsored study OGX-011-04

SCHEDULE 3.2(b)

MATERIALS TO BE TRANSFERRED TO TEVA

1. [***] of OGX-011 API manufactured by [***] for toxicology studies, OncoGenex Lot [***].

2. [***]of OGX-011 API manufactured by [***], batch [***].

3. [***] vials of liquid reference standard (0.1 mg/mL, 1 mL fill in single use vials) to be provided to Teva after qualification and receipt by OGX of materials on order.

4. [***] of OGX-011[***] used for the [***] of [***] and such other [***], including [***] of OGX-011, as approved to be ordered by the JSC.

5. Such quantities and number of raw material [***] (not exclusive to OncoGenex) as approved to be ordered by the JSC and as available from [***].

SCHEDULE 3.2(c)

REPORTS TO BE PROVIDED BY OGX

OncoGenex will provide, as soon as reasonably practicable, final and complete clinical study reports (suitable for regulatory submission) for the following studies:

Phase 1 Study **OGX-011-01** **NCIC Sponsored**	Open-label, Phase 1, dose-escalation, safety, pharmacokinetic and pharmacodynamic study of weekly doses of custirsen in combination with neoadjuvant hormone therapy (NHT) in patients with localized prostate carcinoma prior to radical prostatectomy.
Phase 1 Study **OGX-011-02** **NCIC Sponsored**	Open-label, non-blinded, Phase 1 dose escalation, safety and pharmacokinetic study of custirsen in combination with docetaxel in patients with solid tumors that were known to over express clusterin.
Phase 2 Study **OGX-011-03** **NCIC Sponsored**	Randomized, non-blinded study evaluating weekly custirsen in combination with docetaxel and prednisone compared to docetaxel and prednisone alone for first-line chemotherapy treatment in patients with metastatic hormone refractory prostate cancer (HRPC).
Phase 2 Study **OGX-011-04** **Investigator Sponsored**	Open-label, non-blinded study evaluating the combination of NHT and custirsen prior to radical prostatectomy in patients with localized prostate carcinoma. The study was a two-stage design; only stage 1 was conducted.
Phase 1/2 Study **OGX-011-05** **OncoGenex Sponsored**	Open-label, non-blinded, Phase 1/2 study of custirsen in combination with a gemcitabine/platinum-based regimen (gemcitabine/cisplatin or gemcitabine/carboplatin) in chemotherapy-naïve patients with advanced non-small cell lung cancer (NSCLC). The Phase 2 dose of custirsen in combination with gemcitabine/cisplatin.
Phase 2 Study **OGX-011-07** **OncoGenex Sponsored**	This study is evaluating custirsen in combination with second-line chemotherapy (either mitoxantrone or docetaxel) in patients with HRPC who were previously treated with docetaxel and progressed on or within 6 months of treatment. The protocol was amended and additional patients were added in the docetaxel plus custirsen arm.

OncoGenex will also provide the final clinical study report as prepared by the NCIC:

Phase 2 Study **OGX-011-06** **NCIC Sponsored**	Phase 2 study of custirsen in combination with docetaxel in advanced breast cancer. The study was a two stage design. 14 patients were to be entered into Stage 1, Stage 2 was not conducted.

SCHEDULE 3.3(a)

THIRD PARTY AGREEMENTS

1. Section 85 Transfer Agreement made [***] between [***] and OGX.

2. Letter of understanding dated [***] addressed to [***] of the [***] at [***] and [***] pursuant to which, under certain circumstances, OGX would arrange to provide [***] on a cost recovery basis in support of the [***]. The subject matter of this letter of understanding relate to [***] for which OGX has provided [***] and the [***] have been publicly presented and provided to Teva.

3. License Agreements

(a) UBC — License Agreement dated November 15, 2001 (commencing Nov. 1, 2001) between OGX and the University of British Columbia pursuant to which OGX is granted an exclusive, world-wide, royalty-bearing license to certain intellectual property related to antisense inhibitors of Clusterin together with Amending Agreement dated August 30, 2006, August 7, 2008 and December 20, 2009.

(b) Isis — Amended and Restated License Agreement effective July 2, 2008 between OGX and Isis Pharmaceuticals, Inc. regarding the unilateral development of OGX-011 together with Amendment No. 1 to Amended and Restated License Agreement dated December 19, 2009. This agreement and amendment supercedes the License and Co-development Agreement effective November 16, 2001.

4. Pre-Clinical

Work performed under Pre-Clinical has been completed and is listed below under “Expired Contracts”

5. Drug Formulation

Contract relating to Drug Formulation has been terminated and is listed below under “Expired Contracts”.

6. Pharmacokinetics & Toxicology

[***] dated [***] between [***] and OGX, now known as [***]

(b) [***] effective [***] which expires [***] with [***] together with Quotation dated [***] regarding [***] in [***].

7. Manufacturing

(a) [***] between [***] and OGX commencing on the date of execution being [***] with respect to the [***] for [***].

(b) [***] signed as of [***] between OGX and [***] together with Change Orders dated [***], [***] and [***]; and [***] dated [***], [***] and [***].

(c) [***] with [***] effective [***] together with Quotation dated [***] regarding [***] of [***] used in [***] manufacture.

(d) [***] effective [***] between Laureate Pharma, Inc. and OGX to which is attached as [***] the [***]; together with [***] dated [***]. [***] dated [***] regarding [***] of OGX-011 [***]. [***] dated [***] which adds [***] as product to the [***] agreement.

(e) [***] and [***] dated [***] with Avecia Biotechnology Inc. regarding OGX-011 together with [***] entered into [***] and [***] dated [***], [***] and [***].

(f) [***] and [***] effective [***] with [***].

8. Clinical Trial Agreements

(a) [***] effective [***] between OGX, [***] and [***] with respect to [***].

(b) [***] dated [***] between OGX, [***], owner and operator of [***] and [***] with respect to [***], together with [***] dated [***].

(c) [***] effective [***] between OGX, [***] and [***] with respect to [***].

(d) [***] effective [***] between [***], the [***], [***] and OGX regarding for the [***] entitled [***].

(e) [***] effective [***] between OGX and [***] and [***] with respect to [***].

(f) [***] effective [***] between OGX, BC [***] and [***] with respect to [***].

(g) [***] dated [***] between [***] at [***] in the style and cause of the [***] and OGX with respect to [***]. [***] study.

(h) [***] effective [***] between OGX, [***] and [***] with respect to [***].

(i) [***] effective [***] between OGX and [***] and [***] with respect to [***] and Amendment thereto effective [***].

(j) [***] effective [***] between OGX and [***] at [***] and [***] with respect to [***].

(k) [***] dated [***] between [***] at [***] in the style and cause of the [***] and OGX with respect to [***] study.

(l) [***] effective [***] between OGX and [***] of [***] and [***] with respect to [***].

(m) [***] effective [***] between OGX, [***] with respect to [***] together with [***] effective [***].

(n) [***] effective [***] between OGX and [***] and [***] with respect to [***].

(o) [***] dated [***] between OGX and [***] and [***] with respect to protocol [***].

(p) [***] dated [***] between OGX and [***] and [***] with respect to protocol [***].

(q) [***] dated [***] between OGX and [***] regarding grant for OGX-011 together with the [***] dated [***] which amends the schedule of payment together with the [***] dated [***] which amends the terms set out in the [***] and [***]. The subject matter of this [***] relate to [***], a [***] the [***] and [***] of OGX-011 in combination with [***] in patients with [***], for which OGX has provided OGX-011 and the study results have been publicly presented and provided to Teva.

9. Contract Research Agreement

(a) [***] dated [***] between [***] at [***] and OGX.

(b) [***] dated [***] between [***] at [***] and OGX.

(c) [***] effective [***] between [***], [***] and OGX regarding [***] an [***] to evaluate [***] using [***] of OGX-011 in [***] and [***].

(d) [***] with [***] dated [***] regarding the development of a [***] to support a [***] of an [***] product.

10. Clinical Agreements

(a) [***] with [***] and [***] for [***] effective [***] regarding [***].

(b) [***] with [***] and [***] for [***] effective [***] regarding [***].

11. CRO

(a) [***] for [***] and [***] effectively dated [***] between [***] and OGX together with Amendment #1 dated [***].

(b) [***] effective [***] between [***] and OGX together with Statement of Work #1 regarding [***] and Statement of Work #2 for [***] dated [***].

(c) [***] with [***] Effective [***] regarding the application for [***] to [***] terminating [***] together with [***] dated [***] for work to be completed by approximately [***].

(d) [***] with [***] dated [***] regarding [***] together with Statement of Work for [***] dated [***] and Statement of Work for [***].

(e) [***] with [***], together with non-binding Agreement in Principle dated [***].

(f) [***] dated [***] and [***] with [***], a division of [***] together with Scope of Work No. 1 regarding [***] submission and Scope of Work No. 3 for [***] regarding [***] operations.

(g) [***] with [***] regarding [***] and/or [***] services effective [***] together with Work Order number [***].

12. Material Transfer Agreements

Name of Party	Date of Agreement	Research Project
[***]	[***]	Analysis of [***] in [***] and [***] and its involvement in the [***] of the [***]
[***]	[***]	[***] evaluating the therapeutic potential of [***] for [***] cancer [***] and similar mode systems).
[***]	[***]	To evaluate in detail the potential of [***] in the modulation of [***] of human [***] and [***] (revised [***])
[***]	[***]	[***] study of the effects of [***] in [***]
[***]	[***]	[***] and [***] of [***] in [***] with & w/o [***]
[***]	[***]	Characterisation of [***] in [***]; Toxicity of [***] in [***]; Down-regulation of [***] expression by [***]; Uptake of [***] in the [***]; [***] characterization of [***] expression.
[***]	[***]	Determine whether [***] is able to [***] various [***] or [***], using [***] and [***]. Determine biological significance of combining [***] with [***] in [***] of [***].

Name of Party	Date of Agreement	Research Project
[***]	[***]	[***] and control [***] into [***] to: (i) further confirm the [***] and [***] of [***]; and (ii) test the molecular mechanisms of [***] in [***].
[***]	[***]	Evaluate if [***] of [***] obtained by treatment with [***] may modify the response to [***] in [***].
[***]	[***]	Assess influence of [***] in [***] & [***] by which [***] develops against [***]
[***]	[***]	Determine whether [***] can sensitize [***] to [***] and [***] in [***] and [***]
[***]	[***]	Investigating [***] and [***]in relation to [***] in [***] and [***]
[***]	[***]	Experiment part of larger project involving [***] underlying [***]. As part of this, [***] of [***] is being explored
[***]	[***]	Determine the effects of [***] on [***] in [***] after [***] administration.
[***]	[***]	The study will focus on the role of [***] during the [***] of a [***]. [***] was [***] in [***] and may play a [***] during [***]
[***]	[***]	Investigating role of [***] and [***] in the [***] of [***].
[***]	[***]	Find out whether [***] will be [***] by [***].
[***]	[***]	Study the [***] activity of [***] in combination with [***] such as [***] and [***] such as [***] and whether [***] enhances the [***] of [***].

10. Consulting Agreements

(a) Consulting Agreement with [***] dated [***] together with amendments dated [***] and [***] regarding [***], [***] and [***].

(b) Consulting Agreement between [***] and OGX dated [***] regarding [***] and [***], together with Consulting Amending Agreement dated [***] which extends term of agreement for [***] and then renews on [***] basis.

(c) Consulting Agreement between [***] and OGX dated [***] which sets out the terms for providing [***] and [***] services together with Consulting Amending Agreement dated [***] which extends term of agreement for [***] and then renews on [***].

(d) Consulting Agreement as of [***] between [***] and OGX together with Consulting Amending Agreement dated [***] and Second Consulting Amending Agreement dated [***] which extends term of agreement for [***] and then renews on [***].

(e) Consulting Agreement dated [***] between [***] and OGX with respect to [***] together with Consulting Amending Agreement dated [***]; Second Consulting Amending Agreement; and Third Consulting Amending Agreement (terms expires [***]).

(f) Consulting Agreement with [***] for [***] effective [***] together with Consulting Amending Agreement extending term until [***].

(g) Consulting Agreement with [***] for [***] effective [***] together with Consulting Amending Agreement renewing until [***] and then automatically renews until [***].

(h) Consulting Agreement with [***] effective [***] with respect to [***] together with Consulting Amending Agreement dated [***]; and Second Consulting Amending Agreement dated [***] extending term to [***].

(i) Consulting Agreement with [***] for [***] effective [***] together with Consulting Amending Agreement dated [***] and Second Consulting Amending Agreement dated [***] extending term until [***].

(j) Consulting Agreement with [***] dated [***] as [***] for [***]. Agreement renews [***].

(k) Consulting Agreement with [***] dated [***] as [***] for [***]. Agreement renews [***].

(l) Consulting Agreement with [***] as [***]. Agreement renews [***].

(m) Consulting Agreement with [***] dated [***] as [***]. Agreement renews [***].

(n) Consulting Agreement with [***] dated [***] as [***]. Agreement renews [***].

(o) Consulting Agreement effective [***] with [***] regarding [***] related to [***]. ([***] term)

(p) Consulting Agreement effective [***] with [***] regarding [***] for [***] for [***] together with Consulting Amending Agreement dated [***] terminating on [***].

(q) Consulting Agreement effective [***] with [***] together with First Amendment to Consulting Agreement dated [***].

(r) Consulting Agreement with [***] effective [***] for a [***] term regarding [***].

(s) Consulting Agreement with [***] effective [***] for [***] term.

(t) Consulting Agreement with [***] dated [***] for [***] term.

(u) Consulting Agreement with [***] dated [***] regarding [***] of [***] expires [***].

11. [***] dated [***] regarding performing functions associated with [***] for a term of [***].

12. [***] dated [***] between OGX and [***]

[***]

Pre-Clinical

(a) [***] dated [***] between [***] and OGX. The Study(s) performed under this [***] has been [***].

(b) [***] between [***] and OGX dated [***] which provides general terms related to the provision of services for [***]. This agreement has [***] and is [***] due to [***] in [***].

Drug Formulation

(c) [***] entered into as of [***] with [***] together with [***] letter dated [***]. This agreement has [***] and is [***] due to [***] in [***].

Manufacturing

(d) Agreement dated [***] between [***] and [***] pursuant to which [***] of OGX's product, [***] will be conducted and to which OGX is responsible for [***] of [***] associated thereto to [***]. This agreement has [***] and is [***] due to [***] in [***].

(e) [***] between [***] and OGX commencing on the date of execution being [***] with respect to the [***] for [***]. This agreement has [***] and is [***] due to [***] in [***].

(f) [***] with [***] dated [***] now known as [***] (see [***]

Contract Research Agreement

(g) Collaborative Research Agreement dated [***] between OGX, [***] and [***] and [***] pursuant to which the projects for [***] and [***]; [***] and [***]; [***] and [***] are outlined AND Amendment #1 to the agreement dated [***]; Amendment #2 dated [***]; Amendment #3 dated [***], Amendment #4 dated [***] and Amendment #5 dated [***]. This agreement has [***] and is [***] due to [***] in [***].

SCHEDULE 3.7

OUTLINE OF KEY PROVISIONS FOR CO-PROMOTION AGREEMENT

1) Definitions. Capitalized terms used in this Schedule 3.7 and not otherwise defined here, shall have the respective meanings set forth in the Agreement to which this Schedule is attached. The following definitions are intended to be instructive only for purposes of this outline, and the actual detailed definitions may be modified in the definitive Co-Promotion Agreement as such agreement is negotiated by the Parties, provided that such actual definitions shall be substantively equivalent to the definitions set forth below.

   a) "Brand Management Team" means a team of individuals created, organized and directed by Teva that manages, directs and leads activities relating to and supporting branding for the Licensed Products in the U.S. and Canada (or such other functional group as designated by Teva that manages substantially the same activities).

   b) "Canadian Brand Management Team" means a team of individuals created, organized and directed by Teva, that manages, directs and leads the sales representatives and associated sales management teams for the promotion and sale of Licensed Products in Canada, as well as the Medical Director and Medical Liaisons (or such other functional group as designated by Teva that manages substantially the same activities).

   c) "Medical Director" means an individual hired and employed by OGX to support activities under the Co-Promotion Agreement, whose primary function is to provide a rigorous scientific and medical foundation for widespread usage and acceptance of Licensed Products in the U.S. and/or Canada; to foster relationships and partnerships with scientific experts, professional organizations, and academic and clinical centers in the U.S. and/or Canada; and to serve as an internal resource for Teva relating to the professional education, and regulatory, training and commercial functions for Licensed Products in the U.S. and/or Canada.

   d) "Medical Liaison" is the Canadian equivalent of a PESM or such other medical/education field-focused person as mutually agreed by the Parties.

   e) "Professional Education Science Manager" or "PESM" means an individual, hired and employed by OGX to support activities under the Co-Promotion Agreement, whose primary function is to provide a scientific resource to the Parties, and to develop and implement relevant scientific and clinical education programs, and foster successful relationships with healthcare providers and managed care organizations, in support of the Commercialization of Licensed Products in the U.S.

2) OGX Obligations. Pursuant to the Co-Promotion Agreement, OGX will, under the direction of the Brand Management Team, conduct and/or be responsible for the following Co-Promotion Activities (along with such marketing, advertising, detailing and operational aspects as provided for in the US/Canadian Commercialization Plan):

a) OGX will provide [***] for the U.S. and Canadian markets ([***]) who will use commercially reasonable efforts to carry out the functions, duties and responsibilities contemplated by the Parties, as well as participating in all official meetings of the Brand Management Team in which the Licensed Products will be discussed (or the part of such meeting dedicated to Licensed Products).

b) OGX will provide a sufficient number of PESMs throughout the U.S. as set forth in the US/Canadian Commercialization Plan and as reasonably necessary in order to carry out the functions, duties and responsibilities contemplated by the Parties. The Parties contemplate that initially there will be [***] PESMs.

c) OGX will use commercially reasonable efforts to provide a sufficient number of sales representatives and associated sales managers in Canada to successfully Commercialize Licensed Products in Canada (collectively, the "Canadian Sales Force") in a manner and at a level consistent with the relevant portion of the US/Canadian Commercialization Plan. All such sales representatives and associated sales managers in Canada will be OGX employees working under the guidance of Teva's Canadian Brand Management Team.

d) OGX will provide a sufficient number of Medical Liaisons throughout Canada as set forth in the US/Canadian Commercialization Plan and as reasonably necessary in order to carry out the functions, duties and responsibilities contemplated by the Parties. The Parties contemplate that initially there will be [***] Medical Liaisons.

e) OGX shall have the right to appoint one individual to act as an OGX representative member of the Brand Management Team and one individual to act as an OGX representative member of the Canadian Brand Management Team (or such other entities as determined by Teva that perform substantially the same function), each of whom may be from the [***] or [***] functions. Such OGX representative members may be appointed by OGX within [***] of the Effective Date, and OGX may replace such members upon written notice to Teva; provided, however, that if OGX does not timely exercise the Co-Promotion Option, the OGX representative member may be removed from the Brand Management Team and Canadian Brand Management Team by Teva, and OGX shall no longer have the right to appoint or retain an OGX representative member on the Brand Management Team or Canadian Brand Management Team.

3) Teva Obligations. Pursuant to the Co-Promotion Agreement, Teva will provide and otherwise be responsible for the following:

   a) Teva shall provide regulatory support, copy approval, sales and promotional materials, field based sales training, distribution management support, and other similar managerial and administrative support for the promotion and Commercialization of Licensed Products in the U.S. and Canada as Teva considers reasonably necessary.

   b) Teva shall provide OGX, in accordance with Teva's normal annual workplan development timeline, updates of the US/Canadian Commercialization Plan.

   c) Teva shall compensate OGX for the Medical Directors, PESMs, Medical Liaisons and all members of the Canadian Sales Force, on an FTE basis at [***] not to exceed [***], such rate to be adjusted based on [***] of such employees' efforts being allocated to promotion of the Licensed Products.

   d) Teva shall compensate OGX for reasonable travel expenses to attend sales training meetings and sales meetings called by or at the direction of Teva, in accordance with Teva's travel policies then in place.

4) Activities Under Teva's Direction and Control. All functions and activities carried out under the Co-Promotion Agreement shall be under the direction and control of Teva, and shall be governed or guided in accordance with all commercial plans, strategies, guidelines and other policies established or adopted by Teva, from time to time, in Teva's commercially reasonable discretion.

5) Costs and Expenses. Except as expressly provided in Section 3 above, any costs and expenses incurred by OGX under the Co-Promotion Agreement shall be its responsibility. Notwithstanding anything to the contrary, under no circumstances shall Teva be responsible for any start-up costs or expenses incurred by OGX in support of recruiting and hiring personnel necessary for OGX to carry out its Co-Promotion Activities; all such costs and expenses shall be borne by OGX.

6) Other Provisions. Detailed definitions, termination provisions, representations, warranties and other covenants and provisions typical for similar co-promotion agreements, all to be commercially reasonable, will be negotiated in good faith by the Parties and incorporated in the definitive Co-Promotion Agreement.

SCHEDULE 4.1

MILESTONE FEES

Upfront Fees		
(a)	Upfront Payment by December 24, 2009 (close of business Israel time):	$20 million
(b)	Advanced Reimbursement by December 24, 2009 (close of business Israel time):	$30 million
Development Milestones		
	For first-line CRPC:	
(c)	[***]	$[***]
(d)	[***]	$[***]
(e)	[***]	$[***]
(f)	[***]	$[***]
	For second-line CRPC:	
(g)	[***]	$[***]
(h)	[***]	$[***]
(i)	[***]	$[***]
(j)	[***]	$[***]

	For non-small cell lung cancer:	
(k)	[***]	$[***]
(l)	[***]	$[***]
(m)	[***]	$[***]
(n)	[***]	$[***]
	For [***] additional indications (other than CRPC and non-small cell lung cancer) approved for investigation by the JSC:	
(o)	[***]	$[***]
(p)	[***]	$[***]
(q)	[***]	$[***]
(r)	[***]	$[***]

SCHEDULE 4.2

ROYALTIES

Ongoing Royalties	**Aggregated for all Licensed Products throughout Territory**	
(i)	On the portion of aggregate annual Net Sales ≤$[***]:	[***]%
(ii)	On the portion of aggregate annual Net Sales >$[***] but ≤[***]:	[***]%
(iii)	On the portion of aggregate annual Net Sales >$[***] but ≤$[***]:	[***]%
(iv)	On the portion of aggregate annual Net Sales >$[***]but ≤$[***]:	[***]%
(v)	On the portion of aggregate annual Net Sales >$[***]:	[***]%
One Time Sales Threshold Royalties		
(vi)	Upon the first occurrence of aggregate annual Net Sales of $[***] in a Calendar Year:	One-time royalty of [***]% of Net Sales of $[***]
(vii)	Upon the first occurrence of aggregate annual Net Sales of $[***] in a Calendar Year:	One-time royalty of [***]% of Net Sales of $[***]
(viii)	Upon the first occurrence of aggregate annual Net Sales of $[***] in a Calendar Year:	One-time royalty of [***]% of Net Sales of $[***]

Each of the royalty rates set forth in subclauses (i) through (v) above in this Schedule 4.2,*but solely* for the applicable country or region (as provided below) shall be lowered by [***] percentage points (e.g., if a particular affected royalty rate is [***]%, it would be lowered to [***]%) for all Net Sales of any Licensed Product sold in the applicable country or region, in the following circumstances: (i) for Net Sales of Licensed Products sold in [***] prior to Regulatory Approval of such Licensed Product by the [***] for any [***] in [***] patient populations (e.g., [***] and [***]); (ii) for Net Sales of Licensed Products sold in [***] prior to Regulatory Approval of such Licensed Product by the [***] for any [***] in [***] patient populations; or (iii) for Net Sales of Licensed Products sold in [***] prior to Regulatory Approval of such Licensed Product by the [***] for any [***] in [***] patient populations. Notwithstanding the number of [***] approved by the [***], [***] or the [***], no reduction in royalties will be applied after the first Calendar Year that aggregate annual Net Sales of Licensed Products exceed $[***]. In addition, no such reduction shall be applied at any time in any country outside the [***], [***] or [***].

SCHEDULE 4.3

DEVELOPMENT EXPENSES INCURRED
PRIOR TO EFFECTIVE DATE

Activity	Vendor	Amount Paid to [***]
[***]		
[***]		
Manufacture of ~ [***] of API	[***]	[***]
Drug Product fill /finish of [***] API	[***]	[***]
Release testing for DP and placebo	[***]	[***]
Stability studies DP and Placebo — [***]	[***]	[***]
Placebo Manufacture	[***]	[***]
Vials — min [***]	[***]	[***]
Media Fill	[***]	[***]
[***] method transfer/Qualification (DP and API)	[***]	[***]
[***]	[***]	[***]
[***]		
Development [***] batch [***]	[***]	[***]
Development [***] batch [***]	[***]	[***]
Raw materials for [***]	[***]	[***]
Raw materials for [***]	[***]	[***]
Manufacture ~[***]	[***]	[***]
Procurement and qualification of [***]	[***]	[***]
Stability Studies API	[***]	[***]
[***] study API first manufacture [***]	[***]	[***]
Drug Product fill /finish of [***]	[***]	[***]
Release testing for DP and placebo	[***]	[***]
Stability studies DP and Placebo — [***]	[***]	[***]
[***] **Studies**		
Develop an [***]	[***]	[***]
Validation of [***]	[***]	[***]
[***] Study	[***]	[***]
[***] Study	[***]	[***]
[***]		
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***] System Setup	[***]	[***]
[***] system setup	[***]	[***]
[***],[***]and [***]	[***]	[***]
[***]	[***]	[***]
[***] Submission Consulting	[***]	[***]
[***] Registration	[***]	[***]
[***]		[***]

SCHEDULE 4.5

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (this "Agreement") is made and entered into as of December 20, 2009 (the "Effective Date"), by and between OncoGenex Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and Teva Pharmaceutical Industries Limited, a limited liability company incorporated under the laws of Israel (the "Purchaser").

Recitals

The Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(2) under the Securities Act of 1933, as amended (the "1933 Act"), and the provisions of Regulation D, as promulgated by the U.S. Securities and Exchange Commission (the "SEC") under the 1933 Act.

The Purchaser wishes to purchase, and the Company wishes to sell and issue to the Purchaser, upon the terms and subject to the conditions stated in this Agreement, 267,531 shares (the "Shares") of its common stock, par value $0.001 per share (the "Common Stock"), for cash consideration of Ten Million United States Dollars (the "Purchase Price").

Contemporaneous with the execution and delivery of this Agreement, the Purchaser and OncoGenex Technologies Inc., a wholly-owned subsidiary of the Company ("OTI"), are executing a License and Co-Development Agreement (the "License and Co-Development Agreement").

Agreement

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchaser agree as follows:

1. ***DEFINITIONS. IN ADDITION TO THOSE TERMS DEFINED ABOVE AND ELSEWHERE IN THIS AGREEMENT, FOR THE PURPOSES OF THIS AGREEMENT, THE FOLLOWING TERMS SHALL HAVE THE MEANINGS HEREIN SET FORTH:***

1.1 "1934 Act" means the Securities Exchange Act of 1934, as amended.

1.2 "Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, such Person, as such terms are used in and construed under Rule 144 under the 1933 Act.

1.3 "Beneficially Own" has the meaning set forth in the Company's Amended and Restated Rights Agreement dated July 24, 2002, as amended.

1.4 "Business Day" means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

1.5 "Closing" means the closing of the purchase and sale of the Shares pursuant to Section 2.1.

1.6 "IP Rights" means all vested, contingent and future intellectual property rights including, but not limited to: (a) all inventions, compounds, compositions, substances, methods, processes, techniques, know-how, technology, data, information, discoveries and other results of whatsoever nature, and any patents, copyrights, proprietary intellectual or industrial rights directly or indirectly deriving therefrom, as well as provisionals, patent applications (whether pending or not), and patent disclosures together with all reissuances, continuations, continuations in part, revisions, extensions, and reexaminations thereof; (b) all trademarks, service marks, copyrights, designs, trade styles, logos, trade dress and corporate names, including all goodwill associated therewith; (c) any work of authorship, regardless of copyrightability, all compilations, all copyrights and (d) all trade secrets, confidential information and proprietary processes.

1.7 "knowledge of the Company" means the actual knowledge of Scott Cormack and Stephen Anderson.

1.8 "Lien" means any lien, charge, claim, security interest, encumbrance, right of first refusal or other restriction.

1.9 "Material Adverse Effect" means a material adverse effect on (a) the condition (financial or otherwise), business, assets or results of operations of the Company, taken as a whole, (b) the Company's ability to perform any of its obligations under the terms of the Transaction Documents in any material respect, or (c) the rights and remedies of the Purchaser under the Transaction Documents; *provided, however*, that in determining whether a Material Adverse Effect has occurred, any effect to the extent attributable to the following will not be considered: (i) a change in the Company's stock price; (ii) a material adverse effect resulting from an event, occurrence or condition disclosed to the Purchaser in the Transaction Documents; (iii) the announcement of the Transaction Documents; and (iv) any changes resulting from general economic or market conditions or conditions affecting the biotechnology or biopharmaceutical industry in general.

1.10 "Person" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

1.11 "Subsidiaries" means any Person in which the Company, directly or indirectly, owns capital stock or holds an equity or similar interest.

1.12 "Trading Market" means any of the New York Stock Exchange, the NYSE Amex, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or the Over-the-Counter Bulletin Board, or any other national securities exchange, market or trading or quotation facility on which the Common Stock is then listed or quoted.

1.13 "Transaction Documents" means this Agreement, the License and Co-Development Agreement and any other agreement entered into, now or in the future, by the Company in connection with this Agreement or any of the other Transaction Documents.

1.14 List of Additional Definitions. The following is a list of additional terms used in this Agreement and a reference to the Section hereof in which such term is defined:

Term	Section
Agreement	Preamble
Closing Date	2.2
Common Stock	Recitals
Company	Preamble
Effective Date	Preamble
License and Co-Development Agreement	Recitals
OTI	Recitals
Purchaser	Preamble
Purchase Price	Recitals
Reports	3.9
SEC	Recitals
Shares	Recitals
1933 Act	Recitals

2. ***PURCHASE AND SALE OF SHARES***

2.1 Purchase of Shares. Subject to the terms and conditions of this Agreement and on the basis of the representations and warranties made herein, at the Closing the Company hereby agrees to sell and issue to the Purchaser, and the Purchaser hereby agrees to purchase from the Company, the Shares for Purchase Price.

2.2 Time and Place of Closing. The Closing and delivery of all items to be delivered hereunder shall take place at the offices of Loeb & Loeb LLP, 345 Park Avenue, New York, New York 10154, or by electronic means, on (i) Thursday, December 24, 2009, provided that each of the conditions to the obligations of the parties to consummate the transaction contemplated hereby have been satisfied, or (ii) if such conditions have not been satisfied as of Thursday, December 24, 2009, the second Business Day after the date on which each of the conditions to the obligations of the parties to consummate the transaction contemplated hereby have been satisfied (such date, the "Closing Date").

2.3 Closing Deliveries.

(a) At the Closing, the Company shall deliver or cause to be delivered to the Purchaser the following:

(i) a true and correct copy of the irrevocable instructions delivered by the Company as of the Closing Date to its transfer agent, directing the transfer agent to deliver to Purchaser a stock certificate, free and clear of all restrictive legends (except as expressly provided in Sections 5.1(a) and (b)), evidencing the Shares, registered in the name of the Purchaser;

(ii) the executed License and Co-Development Agreement; and

(iii) any other documents reasonably requested by the Purchaser or its counsel in connection with the Closing, including, without limitation, certified copies of the Company's certificate of incorporation, certificates of good standing and customary officers' and secretary's certificates.

(b) At the Closing, the Purchaser shall deliver or cause to be delivered to the Company the following:

(i) the Purchase Price, by wire transfer of immediately available funds to the account of the Company; and

(ii) the executed License and Co-Development Agreement.

2.4 Conditions to Closing.

(a) Conditions Precedent to the Obligations of the Purchaser. The obligation of the Purchaser to acquire the Shares at the Closing is subject to the satisfaction or waiver by the Purchaser, at or before the Closing, of each of the following conditions:

(i) Representations and Warranties. The representations and warranties of the Company contained in the Transaction Documents shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made on and as of such date;

(ii) Performance. The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Closing;

(iii) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents; and

(iv) No Material Adverse Effect. Since the date of execution of this Agreement, no event or series of events shall have occurred that would reasonably be expected to have or result in a Material Adverse Effect.

(b) Conditions Precedent to the Obligations of the Company. The obligation of the Company to sell the Shares at the Closing is subject to the satisfaction or waiver by the Company, at or before the Closing, of each of the following conditions:

(i) Representations and Warranties. The representations and warranties of the Purchaser contained in the Transaction Documents shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made on and as of such date;

(ii) Performance. Purchaser shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Closing;

(iii) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents; and

(iv) the Closing shall not violate the 1933 Act or any other applicable securities laws, or the rules or regulations of the applicable Trading Market.

3 . ***REPRESENTATIONS AND WARRANTIES OF THE COMPANY. THE COMPANY HEREBY MAKES THE FOLLOWING REPRESENTATIONS AND WARRANTIES TO THE PURCHASER. IN ADDITION, THE PARTIES ACKNOWLEDGE AND AGREE THAT AS A FURTHER INDUCEMENT FOR THE PURCHASER TO ENTER INTO THIS AGREEMENT AND TO PURCHASE THE SHARES HEREUNDER, THE COMPANY'S REPRESENTATIONS AND WARRANTIES UNDER THE LICENSE AND CO-DEVELOPMENT AGREEMENT ARE INCORPORATED HEREIN BY REFERENCE.***

3.1 Subsidiaries. The Company's only Subsidiary is OTI. The Company owns (either directly or indirectly) beneficially and of record all of the issued and outstanding capital stock of its Subsidiary, free and clear of all Liens (other than transfer restrictions under applicable securities laws), pledges, options, agreements or limitations on the Company's or such other Subsidiary's voting rights, and does not own an equity interest in any other corporation, partnership or entity other than OTI. The Company's former Subsidiary, OncoGenex, Inc., a Washington corporation, has been dissolved.

3.2 Organization and Good Standing. The Company and its Subsidiary are validly existing and in good standing under the laws of the State of Delaware and under the federal laws of Canada, respectively, and have all requisite power and authority to carry on their businesses as presently conducted and to own and use their properties and assets. The Company and its Subsidiary are authorized to conduct business as foreign corporations and are in good standing in each jurisdiction where the conduct of their businesses or their ownership of property requires such qualification, except where the failure to be so qualified and in good standing would not, individually or in the aggregate, reasonably be expected to have or result in a Material Adverse Effect.

3.3 Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereunder and thereunder have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company in connection therewith. Each Transaction Document has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

3.4 No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of the Company's certificate of incorporation, bylaws or other organizational or charter documents, (b) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company debt or otherwise) or other understanding to which the Company is a party or by which any property or asset of the Company is bound or affected, or (c) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (assuming the accuracy of the Purchaser's representations and warranties and compliance by the Purchaser with its respective covenants as set forth in this Agreement), including federal and state securities laws and regulations and the rules and regulations of any self-regulatory organization to which the Company or its securities are subject, or by which any property or asset of the Company is bound or affected.

3.5 Issuance of the Shares. The Shares have been duly authorized and, when issued and paid for in accordance with the terms of this Agreement, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in this Agreement and, provided that the Purchaser at all times will Beneficially Own less than 15% of the outstanding shares of common stock of the Company, shall not be subject to preemptive or similar rights. Assuming the validity of the Purchaser's representations and warranties contained in Section 4, the offer, issuance and sale of the Shares to the Purchaser pursuant to this Agreement is exempt from registration requirements of the 1933 Act.

3.6 Capitalization. The aggregate number of shares and type of all authorized, issued and outstanding capital stock, options and other securities of the Company and its Subsidiary (whether or not presently convertible into or exercisable or exchangeable for shares of capital stock of the Company) is set forth in Schedule 3.6. All of the outstanding shares of capital stock of the Company and its Subsidiary are duly authorized, validly issued, fully paid and nonassessable and have been issued in compliance with all applicable securities laws. Except as set forth in Schedule 3.6, there are no options, warrants, convertible securities, subscriptions, stock appreciation rights, phantom stock plans or stock equivalents or other rights, agreements, arrangements or commitments (contingent or otherwise) of any character issued or authorized by the Company or its Subsidiary relating to the issued or unissued capital stock of the Company or its Subsidiary or obligating the Company or its Subsidiary to issue or sell any shares of capital stock of, or options, warrants, convertible securities, subscriptions or other equity interests in, the Company or its Subsidiary.

3.7 Absence of Litigation. Except as set forth inSchedule 3.7, there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any of the Company's officers or directors in their capacities as such and any of the Company's properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) which (a) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Shares or (b) could, if there were an unfavorable decision, individually or in the aggregate, have or result in a Material Adverse Effect. No judgment, injunction, writ, award, decree or order has been issued by any court or other governmental authority against the Company.

3.8 Reporting Company. The Company is a publicly held company subject to reporting obligations pursuant to Section 13 of the 1934 Act and has a class of common equity registered pursuant to Section 12(b) of the 1934 Act.

3.9 Information Concerning Company. The Company's Form 10-K for the year ended December 31, 2008 as filed with the SEC, together with all subsequently filed Forms 10-Q and 8-K, and all other filings made with the SEC since August 21, 2008 (collectively, the "Reports") contain all material information relating to the Company and its operations and financial condition as of their respective dates that is required to be disclosed therein. Since December 31, 2008, there has not been a Material Adverse Effect. The Reports do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made.

3.10 Compliance. The Company (i) is not in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company under), nor has the Company received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is not in violation of any order of any court, arbitrator or governmental body, or (iii) is not, nor has it been in the past in violation of any statute, rule or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as would not reasonably be expected to have a Material Adverse Effect.

3.11 Transactions with Affiliates and Employees. None of the officers or directors of the Company, nor any of the employees of the Company, is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

3.12 Title to Assets. The Company has valid title to or leasehold rights for all real property that is material to the business of the Company and good and marketable title in all personal property owned by it that is material to the business of the Company, in each case free and clear of all Liens, except for Liens disclosed in Schedule 3.12. Any real property and facilities held under lease by the Company are held by it under valid, subsisting and enforceable leases of which the Company is in compliance.

3.13 Company Employees. To the best knowledge of the Company, none of its respective employees, officers, directors, agents or consultants is (i) subject to confidentiality restrictions in favor of any third Person the breach of which could subject the Company to any liability, or (ii) obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with their duties to the Company or that would conflict with the Company's business as presently proposed to be conducted. Each employee and officer of and consultant to the Company has executed a proprietary information and inventions agreement (a standard form of which has been provided to Purchaser). The Company does not use or rely on any IP Rights made or developed by any current or former employee or officer of or consultant to the Company prior to his or her employment or relationship with the Company that have not been assigned or licensed to the Company.

3.14 Registration Rights. Except as described in Schedule 3.14, the Company has not granted or agreed to grant to any Person any rights to have any securities of the Company registered with the SEC or any other governmental authority that have not been satisfied or waived.

3.15 Disclosure. All disclosures provided to the Purchaser regarding the Company, its business and the transactions contemplated hereby (including the Schedules to this Agreement) furnished by or on behalf of the Company are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except for the transactions contemplated by the Transaction Documents, no material event or circumstance has occurred, and no information exists with respect to the Company or its business, properties, prospects, operations or financial conditions, that, under applicable law, rule or regulation, requires public disclosure or announcement by the Company on or prior to the date hereof but which has not been so publicly announced or disclosed.

4 . ***REPRESENTATIONS AND WARRANTIES OF THE PURCHASER. THE PURCHASER HEREBY MAKES THE FOLLOWING REPRESENTATIONS AND WARRANTIES TO THE COMPANY.***

4.1 Organization: Authority. The Purchaser is an entity duly organized, validly existing and in good standing under the laws of the State of Israel. The Purchaser has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder. The execution, delivery and performance by the Purchaser of the Transaction Documents to which it is a party have been duly authorized by all necessary action on the part of the Purchaser. Each Transaction Document to which the Purchaser is a party has been (or upon delivery will have been) duly executed by the Purchaser and, when delivered by the Purchaser in accordance with terms hereof, will constitute the valid and legally binding obligations of the Purchaser, enforceable against it in accordance with its terms.

4.2 No Conflicts. The execution, delivery and performance of the Transaction Documents by the Purchaser and the consummation by the Purchaser of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of the Purchaser's certificate of incorporation, bylaws or other organizational or charter documents, (b) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Purchaser debt or otherwise) or other understanding to which the Purchaser is a party or by which any property or asset of the Purchaser is bound or affected, or (c) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Purchaser is subject (assuming the accuracy of the Company's representations and warranties and compliance by the Company with its respective covenants as set forth in this Agreement), including federal and state securities laws and regulations and the rules and regulations of any self-regulatory organization to which the Purchaser or its securities are subject, or by which any property or asset of the Purchaser is bound or affected.

4.3 The Purchaser's Status. At the time the Purchaser was offered the Shares, it was, and at the date hereof it is: an "accredited investor" as defined in Rule 501(a) under the 1933 Act. The Purchaser is not a broker-dealer, or required to be registered as a broker-dealer, under Section 15 of the 1934 Act.

4.4 Investor as Principal. The Purchaser is purchasing the Shares as principal, the acquisition cost of the Shares to the Purchaser is not less than CDN$150,000 paid in cash at Closing and the Purchaser was not created or used solely to purchase or hold the Shares in reliance on the exemptions from the prospectus and dealer registration requirements in Sections 2.10(1) and 3.10(1) of National Instrument 45-106 of the Canadian Securities Administrators.

4.5 Experience of the Purchaser. The Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares, and has so evaluated the merits and risks of such investment, and the Purchaser has had available such information with respect to the Company as the Purchaser deems necessary or appropriate to make such evaluation and an informed investment decision with respect thereto. The Purchaser is able to bear the economic risk of an investment in the Shares and, at the present time, is able to afford a complete loss of such investment.

4.6 Investment Decision. Purchaser's decision to purchase the Shares was based solely upon the representations and warranties set forth herein, and the Purchaser has not relied upon any other information or representations made by or on behalf of the Company.

4.7 General Solicitation. The Purchaser is not purchasing the Shares as a result of any advertisement, article, notice or other communication regarding the Shares published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

4.8 No Public Sale or Distribution; Investment Intent. The Purchaser is acquiring the Shares in the ordinary course of business for its own account for investment purposes only and not with a view towards, or for resale in connection with, the public sale or distribution thereof, and the Purchaser does not have a present intention nor a present arrangement to effect any distribution of the Shares to or through any Person or entity; provided, however, that by making the representations herein, the Purchaser is not agreeing to hold any of the Shares for any minimum or other specific term and reserves the right to dispose of the Shares at any time in accordance with or pursuant to an effective registration statement or an exemption under the 1933 Act and other applicable securities laws.

4.9 Other Applicable Securities Laws. The acquisition of the Shares by, and the issuance and delivery of the Shares to, the Purchaser does not and will not contravene any of the applicable laws in the jurisdiction in which the Purchaser resides and does not give rise to any obligation of the Company to prepare and file a registration statement, prospectus or similar document or to register any of the Shares, or to be registered with or to file any report or notice with or obtain any approval from any governmental or regulatory authority in such jurisdiction.

4.10 Beneficial Ownership of Company Securities. Taking into effect the transactions contemplated hereby, the Purchaser will, upon Closing, Beneficially Own less than 15% of the outstanding shares of common stock of the Company.

5. ***COVENANTS AND AGREEMENTS.***

5.1 Transfer Restrictions.

(a) Until such time as the resale of the Shares may be registered under the 1933 Act or such time as the Shares may be transferred pursuant to the provisions of Rule 144 under the 1933 Act, to the extent applicable, each certificate or other document evidencing any of the Shares shall be endorsed with the legend set forth below, and the Purchaser covenants that, except to the extent such restrictions are waived by the Company, the Purchaser shall not transfer the Shares represented by any such certificate, other than to its Affiliates in compliance with applicable securities laws to the satisfaction of the Company, acting reasonably, without complying with the restrictions on transfer described in the following legend endorsed on such certificate:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES OR BLUE SKY LAWS. THE COMPANY MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT ANY PROPOSED OFFER, SALE, TRANSFER OR OTHER DISPOSITION IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Any such legend may be removed if the Purchaser delivers to the Company or its transfer agent the certificate(s) evidencing the Shares together with an opinion of counsel reasonably satisfactory to the Company and its transfer agent to the effect that such legend is not required under applicable requirements of the 1933 Act (including judicial interpretations and pronouncements issued by the Staff of the SEC) and state securities laws. Following such time, the Company will use commercially reasonable efforts to deliver or cause to be delivered to the Purchaser a certificate representing the Shares that is free from all restrictive and other legends.

(b) The certificates representing the Shares will bear, as of the Closing Date, a legend substantially in the following form and with the necessary information inserted:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE _____, 2010. <INSERT DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE CLOSING DATE>

5.2 Listing or Quotation of Shares. At such time as the Shares are eligible to be traded on the Trading Market, the Company shall, to the extent required under the rules and regulations of the applicable Trading Market, (i) in the time and manner required by the Trading Market, prepare and file with the Trading Market an additional shares listing application or other required notification covering all of the Shares issued or issuable under the Transaction Documents, (ii) take all steps necessary to cause such Shares to be approved or designated for listing or quotation on the Trading Market as soon as possible thereafter, (iii) provide to the Purchasers evidence of such listing or quotation, and (iv) as long as the Company's Common Stock is listed or quoted on the Trading Market, maintain the listing or quotation of such Shares on the Trading Market.

5.3 Reports and Filing. Upon execution of this Agreement, the Company shall fully cooperate with the Purchaser in preparing, drafting and filing the reports the Purchaser must file with the relevant government authorities, agencies, offices and other institutions in connection with the acquisition of foreign securities by the Purchaser. The Purchaser shall fully cooperate with the Company in preparing, drafting and filing any reports and documents pursuant to the relevant securities laws and regulations.

5.4 General Indemnity. The Company shall indemnify and hold harmless the Purchaser and its directors, officers, Affiliates, agents, successors and permitted assigns from an against any and all losses, liabilities, deficiencies, costs, damages and expenses (including, without limitation, reasonable attorneys' fees, charges and disbursements) incurred by the Purchaser as a result of any inaccuracy in or breach of the representations, warranties or covenants made by the Company herein. The Purchaser shall indemnify and hold harmless the Company and its directors, officers, Affiliates, agents, successors and permitted assigns from and against any and all losses, liabilities, deficiencies, costs, damages and expenses (including, without limitation, reasonable attorneys' fees, charges and disbursements) incurred by the Company as a result of any inaccuracy in or breach of the representations, warranties or covenants made by the Purchaser herein.

5.5 Compliance with Laws. So long as the Purchaser Beneficially Owns any of the Shares, the Company will use reasonable efforts to comply with all applicable laws, rules, regulations, orders and decrees of all governmental authorities, except to the extent noncompliance (in one instance or in the aggregate) would not have a Material Adverse Effect.

6. ***MISCELLANEOUS.***

6.1 Entire Agreement. The Transaction Documents, together with the Exhibits and Schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

6.2 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section 6.2 prior to 5:30 p.m. (New York City time) on a Business Day, (b) the Business Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Agreement later than 5:30 p.m. (New York City time) on any date, (c) the Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company:
Oncogenex Pharmaceuticals, Inc.
1522 217th Place S.E.
Bothell, Washington
Attn: Chief Executive Officer
Fax No.: 604-736-3687

With a copy to:
Dorsey & Whitney LLP
701 Fifth Avenue, Suite 6100
Seattle, WA 98104-7043
Attn: Christopher Doerksen
Fax No.: 206.260.9072

If to the Purchaser:
Teva Pharmaceutical Industries Limited
5 Basel Street
Petah Tiqva 49131, Israel
Attn: Chief Executive Officer
Fax No.: 972-3-926-7472

With a copy to:
Teva Pharmaceutical Industries Ltd.
5 Basel Street
Petah Tiqva 49131, Israel
Attention: General Counsel, Legal Department
Fax No.: 972-3-926-7429

; or such other address as may be designated in writing hereafter, in the same manner, by such Person.

6.3 Amendments; Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed by the parties hereto. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

6.4 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

6.5 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

6.6 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except that each party able to be indemnified pursuant to Section 5.4 is an intended third party beneficiary.

6.7 Governing Law; Venue; Waiver Of Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without regard to conflicts of laws principles. Each party hereby irrevocably submits to the exclusive jurisdiction of any federal or state court located in the City of New York, County of New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the transaction documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, or that such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. the company and the purchaser hereby waive all rights to a trial by jury.

6.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or e-mail, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or e-mail signature page were an original.

6.9 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provisions shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

6.10 Replacement of Shares. If any certificate or instrument evidencing any Shares is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested.

6.11 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agree to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

6.12 Adjustments in Share Numbers and Prices. In the event of any stock split, subdivision, dividend or distribution payable in shares of Common Stock (or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly shares of Common Stock), combination or other similar recapitalization or event occurring after the date hereof and prior to the Closing, each reference in this Agreement to a number of shares or a price per share shall be amended to appropriately account for such event.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ONCOGENEX PHARMACEUTICALS, INC.

By: /s/ Scott Cormack
Name: Scott Cormack
Title: President & CEO

By: /s/ Stephen Anderson
Name: Stephen Anderson
Title: CFO

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

By: /s/ Moshe Manor
Name: Moshe Manor
Title: Group VP — Global Branded Products

By: /s/ Chen Schor
Name: Chen Schor
Title: VP, Business Development, Global Branded Products

[Signature page to Stock Purchase Agreement]

SCHEDULE 5.1(e)

EXCEPTIONS TO 5.1(e)

5.1(e) — [***]

SCHEDULE 5.1(f)(i)

THIRD PARTY CLAIMS — OGX

OGX is a party to the License Agreement dated November 15, 2001 (commencing Nov. 1, 2001) with the University of British Columbia pursuant to which OGX is granted an exclusive, world-wide, royalty-bearing license to certain intellectual property related to antisense inhibitors of Clusterin together with Amending Agreement dated August 30, 2006, August 7, 2008 and December 20, 2009.

OGX is a party to the Amended and Restated License Agreement effective July 2, 2008 with Isis Pharmaceuticals, Inc. regarding the unilateral development of OGX-011 pursuant to which OGX is granted a world-wide, royalty-bearing license to certain intellectual property related to antisense inhibitors of Clusterin together with Amendment No. 1 to Amended and Restated License Agreement dated December 19, 2009.

SCHEDULE 5.1(f)(ii)

THIRD PARTY CLAIMS — TEVA

None

SCHEDULE 5.2

OGX DISCLOSURE SCHEDULE

In connection with that certain Collaboration and License Agreement, dated as of December 20, 2009, by and between OncoGenex Technologies Inc., a corporation organized under the laws of British Columbia, Canada (the "Company"), and Teva Pharmaceutical Industries Ltd., a corporation organized under the laws of Israel (the "Agreement"), the Company hereby delivers this Disclosure Schedule relating to the Company's representations and warranties given in the Agreement. This Disclosure Schedule and the information and disclosures contained herein are intended only to (i) provide certain information specified in the Agreement, or (ii) qualify and limit the representations, warranties and covenants of the Company contained in the Agreement, and shall not be deemed to expand in any way the scope or effect of any of such representations, warranties or covenants. The section numbers in this Disclosure Schedule correspond to the section numbers in the Agreement; *provided, however*, that any information disclosed herein under any section number shall be deemed to be disclosed and incorporated in any other section of the Agreement where such disclosure would be appropriate and reasonably apparent on its face. Disclosure of any information or document herein is not a statement or admission that it is material or required to be disclosed herein. References to any document do not purport to be complete and are qualified in their entirety by the document itself. Capitalized terms used but not defined herein shall have the same meanings given them in the Agreement.

5.2(a)(ii) — Certain [***] have been [***] in [***].

5.2(b); 5.2(c)(ii); and 5.2(h)

[***] patent [***]. The patent [***].

5.2(k)

Capitalized terms used in this Schedule have the meanings ascribed to them in the agreements to which they relate.

Pursuant to the [***] and [***] dated [***] with [***] regarding [***] shall provide OGX an [***] with [***] to [***] interest in any Intellectual Property specific to [***] and use of Product.

Pursuant to the [***] effective [***] between OGX and [***] and [***] with respect to clinical study [***], any [***] that are [***] to, [***], or (where applicable) [***] or [***] of the [***] or [***] that arise from performance of [***]; or occur [***] and based or subject to claims of [***] are the sole property of [***]. Any [***] arising out of [***] solely by the [***] that are not covered by provisions above are the sole property of the [***]. OGX has the [***] to [***] an [***] to such [***] arising out of [***].

Pursuant to the [***] and [***] effective [***] with [***], [***] that [***] and [***] to [***] or [***] shall be [***] to [***] an [***] accompanied by [***] of such [***] at [***].

5.2(m)

Capitalized terms used in this Schedule have the meanings ascribed to them in the agreements to which they relate.

Pursuant to the [***] effective [***] between [***], the [***], [***] and OGX, the [***] is the [***] for the [***] referenced in the agreement and all [***] in and to any [***] is the exclusive property of [***]. Under the License Agreement dated November 15, 2001 with UBC, OGX has an exclusive license to the technology pertaining to the Study Drug.

Pursuant to the [***] effective [***] between [***] at [***] in the style and cause of the [***] with respect to [***] study. OGX and its Affiliates have the [***]. [***] or [***] made by [***] which [***] to [***] are the property of [***] and [***] shall [***] the [***] for [***] and [***].

Pursuant to the [***] dated [***] between [***] at [***] in the style and cause of the [***] with respect to [***] study, OGX and its Affiliates have the [***]. [***] or [***] made by [***] which [***] to [***] are the property of [***] and [***] shall [***] the [***] for [***] and [***].

SCHEDULE 7.3

OGX PUBLICATIONS

Planned Publications for [***] based on [***].

[***]

SCHEDULE 10.7

OGX EMPLOYEES

A senior employee with sufficient knowledge and experience to perform the [***] designated by the [***] for [***].

A senior employee with sufficient knowledge and experience to perform the [***] designated by the [***] for [***].

EXHIBIT A: Summary of Clinical Development Plan

This Exhibit is aimed to present a summary of the near term Clinical Development Plan as agreed upon by the Parties. It is agreed by the Parties that following the Effective Date, pursuant to the terms of the Agreement, the Parties will initiate three Phase III Clinical Studies to be run in parallel:

1. A Randomized, Placebo-Controlled, Double-Blind, Phase 3 Study Evaluating the Clinical Benefit of Adding Custirsen to Docetaxel Retreatment/Prednisone as an Option for Second-line Therapy in Men with Castrate Resistant Prostate Cancer. This study is expected to be initiated in [***]2010, initiated by OncoGenex. The study referenced above is Study OGX-011-10 dated [***] and approved by FDA under the Special Protocol Assessment process on April 21, 2009. The primary endpoint is based on durable pain palliation as compared to the control arm. The secondary endpoint is based on a longer time to pain progression as compared to the control arm. The study sample size is approximately 292 patients.

2. A Randomized Phase 3 Study Comparing Standard First-Line Docetaxel/Prednisone to Docetaxel/Prednisone in Combination with Custirsen (OGX-011) in Men with Metastatic Castrate Resistant Prostate Cancer. This study is expected to be initiated in [***]2010, initiated by Teva. The study referenced above is Study OGX-011-11 dated [***] approved by FDA under the Special Protocol Assessment process on June 12, 2009. The primary endpoint is based on longer survival time distribution compared to the control arm. The secondary endpoint is based on higher proportion of patients having a milestone Day 140 status of alive without event compared to the control arm. The study sample size is approximately 800 patients.

3. Proposed NSCLC Protocol: A Randomized Phase 3 Study Comparing Standard First-Line [***] to [***] in Combination with Custirsen (OGX-011) in Subjects with Advanced, Unresectable NSCLC. This study is expected to be initiated in [***]2011, initiated by Teva. The protocol for the study referenced above will be [***]. The primary endpoint will be based on longer survival time distribution compared to the control arm. The secondary endpoint is to be [***]. The study sample size will be at least approximately 700 patients.

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

OncoGenex Technologies Inc., incorporated under the federal laws of Canada

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-56933) pertaining to the OncoGenex Pharmaceuticals, Inc. Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan-1991;

(2) Registration Statement (Form S-8 No. 333-87897) pertaining to the OncoGenex Pharmaceuticals, Inc. Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan-1991, 1995 Stock Option Plan for Directors, Employee Stock Purchase Plan, and 1999 Nonqualified Stock Incentive Plan;

(3) Registration Statement (Form S-8 No. 333-49892) pertaining to the OncoGenex Pharmaceuticals, Inc. 1999 Nonqualified Stock Incentive Plan and 2000 Stock Incentive Plan;

(4) Registration Statement (Form S-8 No. 333-56704) pertaining to the OncoGenex Pharmaceuticals, Inc. 2000 Stock Incentive Plan and 401(k) Profit Sharing Plan and Trust;

(5) Registration Statement (Form S-8 No. 333-135697) pertaining to the OncoGenex Pharmaceuticals, Inc. 2000 Stock Incentive Plan;

(6) Registration Statement (Form S-8 No. 333-144552) pertaining to the OncoGenex Pharmaceuticals, Inc., #2007 Performance Incentive Plan and 401(k) Profit Sharing Plan and Trust;

(7) Registration Statement (Form S-8 No. 333-153206) pertaining to the OncoGenex Technologies, Inc. Amended and Restated Stock Option Plan;

(8) Registration Statement (Form S-3 No. 333-128030) pertaining to the registration for resale of shares of common stock of OncoGenex Pharmaceuticals, Inc. and in the related Prospectus;

(9) Registration Statement (Form S-3 No. 333-160251) pertaining to the registration of shares of common stock of OncoGenex Pharmaceuticals, Inc. and in the related Prospectus;

of our report dated March 8, 2010, with respect to the consolidated financial statements of OncoGenex Pharmaceuticals, Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2009.

/s/ Ernst & Young LLP

Vancouver, Canada
March 8, 2010

Exhibit 31.1

Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934

I, Scott Cormack, certify that:

1. I have reviewed this annual report on Form 10-K of OncoGenex Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2010

/s/ SCOTT CORMACK
Scott Cormack
President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934

I, Cameron Lawrence, certify that:

1. I have reviewed this annual report on Form 10-K of OncoGenex Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2010

/s/ CAMERON LAWRENCE
Cameron Lawrence
Principal Financial Officer

Exhibit 32.1

Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Scott Cormack, President and Chief Executive Officer of OncoGenex Pharmaceuticals, Inc. (the "Company"), certify, pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the annual period ended December 31, 2009 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 8, 2010

/s/ SCOTT CORMACK
Scott Cormack
President and Chief Executive Officer

Exhibit 32.2

Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Cameron Lawrence, Principal Financial Officer of OncoGenex Pharmaceuticals, Inc. (the "Company"), certify, pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the annual period ended December 31, 2009 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 8, 2010

/s/ CAMERON LAWRENCE
Cameron Lawrence
Principal Financial Officer