

## **CardioGenics Announces Update Regarding Status of Merck Agreement**

*Merck Chimie Delivers Second Shipment of Encapsulated Beads to CardioGenics for Testing*

MISSISSAUGA, Ontario- May 27, 2010 - CardioGenics Holdings Inc. (OTC Bulletin Board: CGNH), developer of the ultra-sensitive QL Care™ Point-Of-Care analyzer and products for the immunoassay segment of the In-Vitro Diagnostics (IVD) market, announced today a further update regarding the status of its agreement with Merck Chimie S.A.S. ("Merck Chimie"), one of the largest manufacturers and distributors of magnetic beads for the diagnostics market.

This week the Company received from Merck Chimie a second shipment of CardioGenics' proprietary silver-plated magnetic beads (the "CardioGenics Beads") encapsulated by Merck Chimie and will begin bench testing those beads this week. This shipment includes 10 different sets of the CardioGenics Beads, encapsulated by several processes by Merck Chimie. The testing process determines the chemical stability and biological compatibility of the encapsulated beads. After completing the testing of the encapsulated beads of this shipment, the Company will review the testing results with Merck Chimie. If the parties determine that no further technical adjustments are necessary to the encapsulation process, the Company and Merck Chimie intend to finalize commercialization plans by which Merck Chimie would increase production of the final encapsulated CardioGenics Beads to commercial size lots for distribution to Merck Chimie's customers.

In the Company's prior announcement on this matter, the Company noted that, after analyzing the first shipment of the CardioGenics Beads that were encapsulated by Merck Chimie, both parties agreed that Merck Chimie would undertake certain technical adjustments to the encapsulation process to optimize performance of the CardioGenics Beads during commercialization and then deliver to the Company a second shipment of encapsulated CardioGenics Beads for further testing by the Company.

*About Merck Chimie S.A.S.*

Merck Chimie S.A.S. is part of the Chemicals business sector of the Merck Group. The Merck Group is a global pharmaceutical and chemical enterprise operating in 64 countries with total revenues of approximately euro 7.7 billion (2009). The Pharmaceuticals business sector comprises innovative prescription drugs as well as over-the-counter products. The Chemicals business sector offers specialty products for the electronics, printing, coatings, cosmetics, pharmaceutical and biotech industries. Merck Chimie S.A.S. includes R&D and production activities for Estapor Microspheres, which are sold all over the world, primarily to the diagnostics market.

*About CardioGenics Holdings Inc.*

Through its operating subsidiaries, the Company develops its Point-Of-Care analyzer and products targeting the immunoassay segment of the IVD market. It has developed the QL Care™ Analyzer, a proprietary and ultra-sensitive Point-Of-Care immuno-analyzer, which will run a number of diagnostic tests under development, the first of which will be a series of cardiovascular diagnostic tests. As part of its core proprietary technology, the Company has also developed a proprietary method for silver coating magnetic beads (a fundamental platform component of immunoassay equipment), which improve instrument sensitivity to light. The Company's principal offices are located in Mississauga, Ontario, Canada. For more information please visit [www.cardiogenics.com](http://www.cardiogenics.com).

*Safe Harbor Statement - Certain statements made herein that are not historical are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995 and may contain forward-looking statements, with words such as "Anticipate," "believe," "expect," "future," "may," "will," "should," "plan," "projected," "intend," and similar expressions to identify forward-looking statements. These statements are based on the Company's beliefs and the assumptions it made using information currently available to it. Because these statements reflect the Company's current views concerning future events, these statements involve risks, uncertainties and assumptions. The actual results could differ materially from the results discussed in the forward-looking statements. In any event, undue reliance should not be placed on any forward-looking statements, which apply only as of the date of this press release. Accordingly, reference should be made to the Company's periodic filings with the Securities and Exchange Commission.*

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