

CardioGenics Ships Biologics Beads to Merck

Merck Chimie Begins Marketing CardioGenics Beads Designed To Double Antibody Manufacturing Yields

MISSISSAUGA, Ontario – August 12, 2010 - CardioGenics Holdings Inc. (OTC Bulletin Board: CGNH), developer of the ultra-sensitive QL Care™ Point-Of-Care (POC) analyzer and products for the immunoassay segment of the In-Vitro Diagnostics market, said its CardioGenics Inc. subsidiary completed its first shipment of commercial product of beads linked to biological material to Merck Chimie S.A.S. for use by Merck's customers in the production of antibodies and biologic drugs. CardioGenics' proprietary linking technology enables the beads to double the yields of antibody production processes.

The shipment marks the success and the fulfillment of the second of two bead supply agreements between the two companies. The first covers a 10-year supply agreement for CardioGenics paramagnetic beads that Merck will distribute to manufacturers of medical laboratory analyzers. As announced last week, shipments of those beads to Merck customers is scheduled to begin next month under an arrangement that provides CardioGenics with 30 percent of net revenue generated by Merck from sale of the beads. Merck is one of the largest suppliers of diagnostic beads, a \$1 billion product category.

The second agreement, the subject of today's announcement, covers beads designed to overcome the time consuming limitations of extracting antibody-based drugs from production media via stationary chromatography. The CardioGenics-linked beads provide an enhanced magnetic particle extraction of the antibodies, increasing extraction speed and lowering production costs. Beads for antibody extraction, which is a new product line for Merck, are roughly a \$350 million market today, expected to double in the next five years.

"The CardioGenics-enhanced beads offer one of the most innovative and nearly seamless ways to increase antibody drug yields using traditional culturing media," stated Yahia Gawad, MD, Chief Executive Officer of CardioGenics. "Their use could have a significant impact on production costs and capital outlays."

The magnetic beads covered by both Merck agreements are distinct from the proprietary magnetic beads used by CardioGenics in its portable QL Care™ Analyzer. The company expects to submit a 510K application to the FDA for the QL Care™ Analyzer and a test for Troponin-I, a key cardiac marker, during the first quarter of next year. The QL Care™ provides lab-like test accuracy in 15 minutes vs. the 2.8 hours required for results from a central lab.

About CardioGenics Holdings Inc.

Through its operating subsidiaries, the Company develops ultra-sensitive analyzers and other products targeting the immunoassay segment of the Point-Of-Care IVD testing

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 paramagnetic microspheres (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.

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SOURCE CardioGenics Holdings Inc.

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