Orchid Chemicals & Pharmaceuticals Ltd.

Corp. Off. 'Orchid Towers' 313, Valluvarkottam High Road, Nungambakkam, Chennai - 600 034. India. Tel : (91) - 44- 2821 1000 Fax : (91) - 44 - 2821 1002

April 18, 2013

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No: C/1
G - Block, Bandra - Kurla Complex
Bandra (East),
Mumbai - 400 051

Dear Sir,

In accordance with the requirements of the Listing Agreement, we enclose a press release conveying about Orchid entering into a strategic partnership with Allecra Therapeutics for development of Novel antibiotics.

Thanking you,

Yours truly,

L Chandrasekar
Executive V P – Finance & Secretary.

Encl.: a/a

Orchid Chemicals & Pharmaceuticals Ltd.

BSE: 524372 NSE: ORCHIDCHEM Bloomberg: OCP@IN Reuters: ORCD.BO

Media release **Chennai, India - April 18, 2013**

Orchid enters into strategic partnership with Allecra Therapeutics for development of novel antibiotics

Company's investment by way of assignment of IP pertaining to a lead antibiotic compound

Chennai-based global pharma major, Orchid Pharma ('Orchid') today announced that it has entered into a strategic partnership with Europe-based venture capital funded Allecra Therapeutics to develop novel antibiotics to combat multi-drug resistant bacterial infections. As part of its investment into Allecra, Orchid has assigned to Allecra IP (Intellectual Property) related to an antibiotic discovery program which will then be pursued through further trials by Allecra.

Under the terms of the Agreement, together with shareholding, Orchid will also be paid an upfront sum and is eligible to receive further royalties and exit bonuses based on Allecra's progress.

Allecra's €15 million Series A financing round was co-led by Edmond de Rothschild Investment Partners and Forbion Capital Partners. EMBL Ventures also participated.

Bacterial resistance to current antibiotics is widespread and growing exponentially leading to increased urgency to combat what has been called the "epidemic of antibiotic-resistance". Allecra will aim to contribute to this cause by developing new treatments which overcome emerging bacterial resistance mechanisms, thereby saving lives of patients whose infections may otherwise be inadequately treated.

Commenting on this partnership, Orchid's Chairman & Managing Director Mr K Raghavendra Rao said, "We have always believed in building collaborative business models to achieving our vision. This strategic partnership with Allecra is yet another demonstration of how we can create value by harnessing the relative strengths of each company."

Nicholas Benedict, Allecra's CEO said, "To combat the increasing threat of bacterial resistance the medical community is trying to conserve the use of currently available antibiotics. At the same time, the biopharmaceutical industry is working to find new antibiotics. These objectives are complimentary activities in the increasingly urgent battle against bacterial resistance. Allecra has been formed in order to find new cures for some of the most widespread and hardest to treat resistant infections."

ORCHID CHEMICALS & PHARMACEUTICALS LTD. "Orchid Towers" 313, Valluvar Kottam High Road Nungambakkam Chennai-600 034

Orchid Chemicals & Pharmaceuticals Ltd.

Orchid was represented by the law firm Latham and Watkins.

About Allecra Therapeutics

Allecra is a biopharmaceutical company established in 2013 in the European BioValley Life Sciences cluster which is located in the Upper Rhein valley encompassing northwest Switzerland, south-eastern Germany and the Alsace Region of France. Allecra is focussed on the development of novel treatments to combat multi drug-resistant bacterial infections. The company is based on a strategic partnership between its Founders, Orchid Chemicals and Pharmaceuticals Ltd. (Chennai, India) and its lead investors Forbion Capital Partners and Edmond de Rothschild Investment Partners. Allecra's mission is to contribute towards the global effort to combat antibiotic resistance by developing new treatments which overcome emerging resistance mechanisms thereby saving lives of patients whose infections may otherwise be inadequately treated.

For more information on Allecra please visit www.allecra.com

For ORCHID CHEMICALS & PHARMACEUTICALS LTD.

Executive Vice President - Finance & Secretary