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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008.

OR

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

For the transition period from _____ to _____.

Commission file number 000-27748

OPKO Health, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	75-2402409
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4400 Biscayne Blvd., Suite 1180
Miami, FL 33137
(Address of Principal Executive Offices)

(305) 575-4138
(Registrant's Telephone Number, Including Area Code)

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 reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☐ NO ☒

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 ☒ (Do not check if a smaller reporting company)	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 July 30, 2008, the registrant had 184,651,391 shares of common stock, par value $0.01, outstanding.

PART I. FINANCIAL INFORMATION

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements," as that term is defined under the Private Securities Reform Litigation Act of 1995, or PSLRA, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements about our expectations, beliefs or intentions regarding our product development efforts, business, financial condition, results of operations, strategies or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These factors include those described below and elsewhere in this Quarterly Report on Form 10-Q, in "Item 1A-Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2007, and such factors as are described from time to time in our reports filed with the Securities and Exchange Commission. We do not undertake any obligation to update forward-looking statements. We intend that all forward-looking statements be subject to the safe-harbor provisions of the PSLRA. These forward-looking statements are only predictions and reflect our views as of the date they are made with respect to future events and financial performance.

Risks and uncertainties, the occurrence of which could adversely affect our business, include the following:

- We have a history of operating losses and we do not expect to become profitable in the near future.
- Our technologies are in an early stage of development and are unproven.
- Our drug research and development activities may not result in commercially viable products.
- We will require substantial additional funding during the first half of 2009, which may not be available to us on acceptable terms, or at all.
- We are highly dependent on the success of our lead product candidate, bevasiranib, and we cannot give any assurance that it will receive regulatory approval or be successfully commercialized.
- The results of previous clinical trials may not be predictive of future results, and our current and planned clinical trials may not satisfy the requirements of the FDA or other non-United States regulatory authorities.
- If our competitors develop and market products that are more effective, safer or less expensive than our future product candidates, our commercial opportunities will be negatively impacted.
- The regulatory approval process is expensive, time consuming and uncertain and may prevent us or our collaboration partners from obtaining approvals for the commercialization of some or all of our product candidates.
- Failure to recruit and enroll patients for clinical trials may cause the development of our product candidates to be delayed.
- Even if we obtain regulatory approvals for our product candidates, the terms of approvals and ongoing regulation of our products may limit how we manufacture and market our product candidates, which could materially impair our ability to generate anticipated revenues.
- We may not meet regulatory quality standards applicable to our manufacturing and quality processes.
- We may be unable to resolve issues relating to an FDA warning letter in a timely manner.
- Even if we receive regulatory approval to market our product candidates, the market may not be receptive to our products.
- If we fail to attract and retain key management and scientific personnel, we may be unable to successfully develop or commercialize our product candidates.
- As we evolve from a company primarily involved in development to a company also involved in commercialization, we may encounter difficulties in managing our growth and expanding our operations successfully.
- If we fail to acquire and develop other products or product candidates at all or on commercially reasonable terms, we may be unable to diversify or grow our business.

- We have no experience manufacturing our pharmaceutical product candidates and we therefore rely on third parties to manufacture and supply our pharmaceutical product candidates, and would need to meet various standards necessary to satisfy FDA regulations when we commence manufacturing.
- We currently have no pharmaceutical marketing, sales or distribution organization. If we are unable to develop our sales and marketing and distribution capability on our own or through collaborations with marketing partners, we will not be successful in commercializing our pharmaceutical product candidates.
- Independent clinical investigators and contract research organizations that we engage to conduct our clinical trials may not be diligent, careful or timely.
- The success of our business may be dependent on the actions of our collaborative partners.
- If we are unable to obtain and enforce patent protection for our products, our business could be materially harmed.
- If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology and products could be adversely affected.
- We rely heavily on licenses from third parties.
- We license patent rights to certain of our technology from third-party owners. If such owners do not properly maintain or enforce the patents underlying such licenses, our competitive position and business prospects will be harmed.
- Our commercial success depends significantly on our ability to operate without infringing the patents and other proprietary rights of third parties.
- Medicare prescription drug coverage legislation and future legislative or regulatory reform of the health care system may affect our ability to sell our products profitably.
- Failure to obtain regulatory approval outside the United States will prevent us from marketing our product candidates abroad.
- Acquisitions may disrupt our business, distract our management and may not proceed as planned; and we may encounter difficulties in integrating acquired businesses.
- Non-United States governments often impose strict price controls, which may adversely affect our future profitability.
- Our business may become subject to economic, political, regulatory and other risks associated with international operations.
- The market price of our common stock may fluctuate significantly.
- Directors, executive officers, principal stockholders and affiliated entities own a significant percentage of our capital stock, and they may make decisions that you do not consider to be in your best interests or in the best interests of our other stockholders.
- Compliance with changing regulations concerning corporate governance and public disclosure may result in additional expenses.
- If we are unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as they apply to us, or our internal controls over financial reporting are not effective, the reliability of our financial statements may be questioned and our common stock price may suffer.
- We may be unable to maintain our listing on the American Stock Exchange, which could cause our stock price to fall and decrease the liquidity of our common stock.
- Future issuances of common stock and hedging activities may depress the trading price of our common stock.
- Provisions in our charter documents and Delaware law could discourage an acquisition of us by a third party, even if the acquisition would be favorable to you.
- We do not intend to pay cash dividends on our common stock in the foreseeable future.

Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to the "Company", "OPKO", "we", "our", "ours", and "us" refers to OPKO Health, Inc., a Delaware corporation, including our wholly-owned subsidiaries.

Item 1. Financial Statements:

OPKO Health, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited) (in thousands except share data)

	June 30, 2008	December 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	$ 5,484	$ 23,373
Accounts receivable, net	1,131	1,689
Inventory	3,230	2,214
Prepaid expenses and other current assets	1,713	1,936
Total current assets	11,558	29,212
Property and equipment, net	598	410
Intangible assets, net	8,594	9,931
Other assets	162	15
Total assets	$ 20,912	$ 39,568
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 2,635	$ 3,319
Accrued expenses	4,567	3,858
Capital lease obligations and current portion of note payable, net unamortized discount of $0 and$8, respectively	70	2,546
Total current liabilities	7,272	9,723
Long-term liabilities and capital lease obligations	1,143	1,372
Line of credit with related party, net unamortized discount of $214 and $311, respectively	11,786	11,689
Total liabilities	20,201	22,784
Commitments and contingencies		
Shareholders' equity		
Series A Preferred stock - $0.01 par value, 4,000,000 shares authorized; 876,767 and 954,799 shares issued and outstanding (liquidation value of $2,302 and $2,387) at June 30, 2008 and December 31, 2007, respectively	9	10
Series C Preferred Stock - $0.01 par value, 500,000 shares authorized; no shares issued or outstanding	-	-
Common Stock - $0.01 par value, 500,000,000 shares authorized; 184,529,281 and 178,344,608 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively	1,845	1,783
Additional paid-in-capital	290,008	284,273
Accumulated deficit	(291,151)	(269,282)
Total shareholders' equity	711	16,784
Total liabilities and shareholders' equity	$ 20,912	$ 39,568

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

OPKO Health, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except share data)

	For the three months ended June 30,		For the six months ended June 30,	
	2008	2007	2008	2007
Revenue	$ 879	$ -	$ 3,703	$ -
Cost of goods sold	1,025	-	4,355	-
Gross margin (deficit)	(146)	-	(652)	-
Operating expenses:				
Selling, general and administrative	3,218	5,339	8,562	5,428
Research and development	5,479	5,434	9,835	11,507
Write-off of acquired in-process research and development	1,398	-	1,398	243,761
Other operating expenses, principally amortization of intangible assets	428	-	854	-
Total operating expenses	10,523	10,773	20,649	260,696
Operating loss	(10,669)	(10,773)	(21,301)	(260,696)
Other (expense) income, net	(249)	(165)	(518)	(178)
Loss before income taxes and loss from OTI	(10,918)	(10,938)	(21,819)	(260,874)
Income taxes	39	-	60	-
Net loss before loss from OTI	(10,879)	(10,938)	(21,759)	(260,874)
Loss from OTI	-	(35)	-	(35)
Net loss	(10,879)	(10,973)	(21,759)	(260,909)
Preferred stock dividend	(55)	(113)	(110)	(122)
Net loss attributable to common shareholders	$ (10,934)	$ (11,086)	$ (21,869)	$ (261,031)
Loss per share, basic and diluted	$ (0.06)	$ (0.09)	$ (0.12)	$ (2.86)
Weighted average number of shares outstanding - basic and diluted	183,707,302	117,871,000	182,139,632	91,399,000

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

OPKO Health, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	For the six months ended June 30,	
	2008	2007
Cash flows from operating activities		
Net loss	$ (21,759)	$ (260,909)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	906	8
Write-off of acquired in-process research and development	1,398	243,761
Accretion of debt discount related to notes payable	109	69
Loss from investment in OTI	-	35
Share based compensation - employees and non-employees	4,209	11,947
Changes in:		
Accounts receivable, net	558	-
Inventory	(1,015)	-
Prepaid expenses and other current assets	222	86
Other assets	(148)	(7)
Accounts payable	(812)	(577)
Accrued expenses and long-term liabilities	882	(744)
Net cash used in operating activities	(15,450)	(6,331)
Cash flows from investing activities		
Acquisition of OTI	-	(5,000)
Acquisition of businesses, net of cash	48	1,135
Capital expenditures	(239)	(21)
Net cash used in investing activities	(191)	(3,886)
Cash flows from financing activities:		
Issuance of common stock	-	16,284
Insurance financing	190	-
Proceeds from the exercise of stock options and warrants	269	-
Repayments of notes payable and capital lease obligations	(2,707)	-
Net cash (used in) provided by financing activities	(2,248)	16,284
Net (decrease) increase in cash and cash equivalents	(17,889)	6,067
Cash and cash equivalents at beginning of period	23,373	116
Cash and cash equivalents at end of period	$ 5,484	$ 6,183
SUPPLEMENTAL INFORMATION		
Interest paid	$ 98	$ 163
NON-CASH INVESTING AND FINANCING ACTIVITES		
Issuance of Capital Stock to acquire Vidus and Acuity in 2008 and 2007	$ 1,319	$ 243,623

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

NOTE 1 BUSINESS AND ORGANZIATION

We are a specialty healthcare company focused on the discovery, development, and commercialization of proprietary pharmaceuticals, imaging and diagnostic systems, and instruments for the treatment, diagnosis, and management of ophthalmic disorders. Our objective is to establish industry-leading positions in large and rapidly growing segments of ophthalmology by leveraging our preclinical and development expertise and our novel and proprietary technologies. We actively explore opportunities to acquire complementary pharmaceuticals, compounds, and technologies, which could, individually or in the aggregate, materially increase the scale of our business. We also intend to explore strategic opportunities in other medical markets that would allow us to benefit from our business and global distribution expertise, and which have operational characteristics that are similar to ophthalmology, such as dermatology. We are a Delaware corporation, headquartered in Miami, Florida, with instrumentation operations in Toronto, Ontario (Canada) and clinical operations in Morristown, New Jersey.

The three and six month periods ended June 30, 2007 includes our minority interest results for OTI, which we acquired on April 13, 2007. We acquired the remaining stock of OTI on November 28, 2007 and as a result, the 2008 period reflects the full operations of OTI.

NOTE 2 LIQUIDITY

We have not generated positive cash flow from operations since our inception, and we expect to incur losses from operations for the foreseeable future. We expect to incur substantial research and development expenses, including expenses related to the hiring of personnel and additional clinical trials. We expect that selling, general and administrative expenses will also increase as we expand our sales, marketing and administrative staff and add infrastructure.

We do not have the cash and cash equivalents on hand at June 30, 2008 sufficient to meet our anticipated cash requirements for operations and debt service for the next 12 months, and we will require additional funding during the first half of 2009. If we accelerate our product development programs or initiate additional clinical trials, we will need additional funds earlier. Our future cash requirements will depend on a number of factors, including the continued progress of our research and development of product candidates, the timing and outcome of clinical trials and regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending, and enforcing patent claims and other intellectual property rights, the status of competitive products, the availability of financing, and our success in developing markets for our product candidates. If we are not able to secure additional funding when needed, we may have to delay, reduce the scope of, or eliminate one or more of our clinical trials or research and development programs, and take other actions designed to reduce our cost of operations, all of which may not significantly extend the period of time that we will be able to continue operations without raising additional funding.

We intend to finance additional research and development projects, clinical trials and our future operations with a combination of private placements, payments from potential strategic research and development, licensing and/or marketing arrangements, the issuance of debt or equity securities, debt financing and revenues from future product sales, if any. To the extent we raise additional capital by issuing equity securities or obtaining borrowings convertible into equity, ownership dilution to existing stockholders will result and future investors may be granted rights superior to those of existing stockholders. Other than as set forth in Note 10, we do not currently have any commitments for future external funding and there can be no assurance that additional capital will be available to us on acceptable terms, or at all.

NOTE 3 SUMMARY OF SIGNIFICANT ACCCOUNTING POLICIES

Basis of Presentation. The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of only normal recurring adjustments) considered necessary to present fairly the Company's results of operations, financial position and cash flows have been made. The results of operations and cash flows for the six months ended June 30, 2008 are not necessarily indicative of the results of operations and cash flows that may be reported for the remainder of 2008 or for future periods. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2007.

Principles of consolidation: The accompanying unaudited condensed consolidated financial statements include the accounts of OPKO Health, Inc. and our wholly-owned subsidiaries. All significant inter-company accounts and transactions are eliminated in consolidation.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comprehensive income or loss. Our comprehensive loss has no components other than net loss for all periods presented.

Reclassifications: Certain prior period amounts have been reclassified to conform to the current year's presentation.

Recent accounting pronouncements:

Fair Value. We have adopted the provisions of Statement of Financials Standards No. 157 *Fair Value Measurements*, or SFAS 157 as of January 1, 2008, for financial assets and liabilities. Although the adoption of SFAS 157 did not materially impact our financial condition, results of operations, or cash flows, we are now required to provide additional disclosures as part of our financial statements.

SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of June 30, 2008, we held money market funds that are required to be measured at fair value on a recurring basis.

Any future fluctuation in fair value related to these instruments that is judged to be temporary, including any recoveries of previous write-downs, would be recorded in accumulated other comprehensive income. If we determine that any future valuation adjustment was other-than-temporary, we would record a charge to earnings as appropriate.

Our financial assets measured at fair value on a recurring basis, subject to the disclosure requirements of SFAS 157 are as follows (in thousands):

	Fair Value Measurements at June 30, 2008			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Assets:				
Money market funds	$ 4,896	$ —	$ —	$ 4,896
Total	$ 4,896	$ —	$ —	$ 4,896

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities, or SFAS 159, which gives companies the option to measure eligible financial assets, financial liabilities, and firm commitments at fair value (i.e., the fair value option), on an instrument-by-instrument basis, that are otherwise not permitted to be accounted for at fair value under other accounting standards. The election to use the fair value option is available when an entity first recognizes a financial asset or financial liability or upon entering into a firm commitment. Subsequent changes in fair value must be recorded in earnings. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. We adopted SFAS 159 in the first quarter of 2008 and the adoption did not have any impact on our financial position or results of operations as we elected not to apply fair value on an instrument-by-instrument basis.

In June 2007, the Emerging Issues Task Force (Task Force) of the FASB reached a consensus on Issue No. 07-3 ("EITF 07-3"), Accounting for Nonrefundable Advance Payments for Goods or Services to Be Used in Future Research and Development Activities. Under EITF 07-3, nonrefundable advance payments for goods or services that will be used or rendered for research and development activities should be deferred and capitalized. Such payments should be recognized as an expense as the goods are delivered or the related services are performed, not when the advance payment is made. If a company does not expect the goods to be delivered or services to be rendered, the capitalized advance payment should be charged to expense. EITF 07-3 is effective for new contracts entered into in fiscal years beginning after December 15, 2007, and interim periods within those fiscal years. Earlier application is not permitted. We have adopted EITF 07-3 as of January 1, 2008. The adoption of EITF 07-3 did not have a material effect on our consolidated results of operations or financial condition.

In December 2007, the FASB issued SFAS No. 141R, Business Combinations. SFAS 141R will require, among other things, the expensing of direct transaction costs, including deal costs and restructuring costs as incurred, acquired in-process research and development assets to be capitalized, certain contingent assets and liabilities to be recognized at fair value and earn-out arrangements, including contingent consideration, may be required to be measured at fair value until settled, with changes in fair value recognized each period into earnings. In addition, material adjustments made to the initial acquisition purchase accounting will be required to be recorded back to the acquisition date. This will cause companies to revise previously reported results when reporting comparative financial information in subsequent filings. SFAS No. 141R is effective for the Company on a prospective basis for transactions occurring beginning on January 1, 2009 and earlier adoption is not permitted. SFAS No. 141R may have a material impact on the Company's consolidated financial position, results of operations and cash flows if we enter into material business combinations after January 1, 2009.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB No. 51" ("SFAS No. 160"). SFAS No. 160 requires minority interests to be recharacterized as noncontrolling interests and reported as a component of equity. In addition, SFAS No. 160 requires that purchases or sales of equity interests that do not result in a change in control be accounted for as equity transactions and, upon a loss of control, requires the interests sold, as well as any interests retained, to be recorded at fair value with any gain or loss recognized in earnings. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008, with early adoption prohibited. We do not expect a material impact on our financial statements from the adoption of this standard.

NOTE 4 ACQUISITION

On May 6, 2008, we completed the acquisition of Vidus Ocular, Inc. ("Vidus"), a privately-held company that is developing Aquashunt™, a shunt to be used in the treatment of glaucoma. Pursuant to a Securities Purchase Agreement with Vidus, each of its stockholders, and the holders of convertible promissory notes issued by Vidus, we acquired all of the outstanding stock and convertible debt of Vidus in exchange for (i) the issuance and delivery at closing of 658,080 shares of our common stock (the "Closing Shares"); (ii) the issuance of 488,420 shares of our common stock to be held in escrow pending the occurrence of certain development milestones (the "Milestone Shares"); and (iii) the issuance of options to acquire 200,000 shares of our common stock. Additionally, in the event that the stock price for our common stock at the time of receipt of approval or clearance by the U.S. Food & Drug Administration of a pre-market notification 510(k) relating to the Aquashunt is not at or above a specified price, we will be obligated to issue an additional 413,850 shares of its common stock. A portion of the Closing Shares and the Milestone Shares will remain in escrow for a period of one year to satisfy indemnification claims.

We have accounted for this acquisition as an asset acquisition. We valued our common stock issued to Vidus' stockholders at the average closing price on the date of the acquisition and the two days prior to the transaction, or $1.65 per share. In addition, we valued the options to acquire our common stock that were issued to the founders of Vidus using the black-scholes pricing model and recorded the value of those options as part of the purchase price of Vidus, or $1.17 per common stock option. All other contingent consideration will be valued and added to the purchase price if the milestones occur.

The table below reflects the estimated fair value of the net assets acquired at the date of acquisition:

(in thousands)	
Current assets (cash of $48)	$ 48
In-process research and development	1,398
Accounts payable and accrued expenses	(127)
Total purchase price	$ 1,319

The portion of the purchase price allocated to in-process research and development of $1.4 million was immediately expensed. The purchase consideration issued and the purchase price allocations are preliminary pending completion and review of related valuation procedures. As a result the amounts above are subject to change.

The following tables include the pro forma results for the three and six month periods ended June 30, 2008 and June 30, 2007, respectively, of the combined companies as though the acquisition of Vidus had been completed as of the beginning of each period, respectively. The operating results of Vidus after May 6, 2008 have been included in our operating results in the accompanying condensed consolidated financial statements.

(in thousands, except per share amounts)	For the three months ended June 30, 2008	For the three months ended June 30, 2007
Revenue	$ 879	$ -
Net loss attributable to common shareholders	$ (11,189)	$ (11,348)
Basic and diluted loss per share	$ (0.06)	$ (0.10)

(in thousands, except per share amounts)	For the six months ended June 30, 2008	For the six months ended June 30, 2007
Revenue	$ 3,703	$ -
Net loss attributable to common shareholders	$ (22,415)	$ (261,412)
Basic and diluted loss per share	$ (0.12)	$ (2.84)

NOTE 5 LOSS PER SHARE

Basic loss per share is computed by dividing our net loss attributable to common shareholders by the weighted average number of shares outstanding during the period. When the effects are not anti-dilutive, diluted earnings per share is computed by dividing our net loss by the weighted average number of shares outstanding and the impact of all dilutive potential common shares, primarily stock options. The dilutive impact of stock options and warrants are determined by applying the "treasury stock" method.

A total of 29,515,241 and 43,104,781 common stock equivalents have been excluded from the calculation of net loss per share in the three months ended June 30, 2008 and June 30, 2007, respectively, and a total of 26,856,410 and 24,710,590 common stock equivalents have been excluded from the calculation of net loss per share in the six months ended June 30, 2008 and June 30, 2007, respectively, because their inclusion would be anti-dilutive.

NOTE 6 COMPOSITION OF CERTAIN FINANCIAL STATEMENT CAPTIONS

(in thousands)	June 30, 2008	December 31, 2007
Accounts receivable, net:		
Accounts receivable	$ 1,596	$ 2,154
Less allowance for doubtful accounts	(465)	(465)
	$ 1,131	$ 1,689
Inventories:		
Raw materials (components)	$ 2,493	$ 1,913
Finished products	737	301
	$ 3,230	$ 2,214
Intangible assets, net:		
Technology	$ 4,597	$ 4,597
Customer relationships	2,978	2,978
Covenants not to compete	317	317
Tradename	195	195
Other	262	262
Less amortization	(1,004)	(150)
Goodwill	1,249	1,732
	$ 8,594	$ 9,931

On November 28, 2007, we acquired Ophthalmic Technologies, Inc. ("OTI"), for approximately $11.7 million. We allocated the purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on their respective fair values under the provisions of SFAS No. 141, Business Combinations (SFAS No. 141). We believe the estimated fair values assigned to the OTI assets acquired and liabilities assumed are based on reasonable assumptions. However, the fair value estimates for the purchase price allocation may change during the allowable allocation period under SFAS No. 141, which is up to one year from the acquisition date, if additional information becomes available that would require changes to our estimates.

NOTE 7 TERM LOAN

On January 11, 2008, we repaid, in full, all outstanding amounts and terminated all of our commitments under our $4.0 million term loan with Horizon Financial Funding Company, LLC, which was being repaid monthly since August 2007 and was to be paid in full by August 2008. During the first quarter of 2008, the total amount we repaid in satisfaction of our obligations under the term loan was $2.4 million.

NOTE 8 COMMITMENTS AND CONTINGENCIES

On May 7, 2007, Ophthalmic Imaging Systems filed a lawsuit against one of our former employees for breach of fiduciary duty, intentional interference with contract and intentional interference with prospective economic advantage. The Company agreed to indemnify the former employee, who has since been terminated. On April 14, 2008, the plaintiff was granted leave to file a Second Amended Complaint to add claims for tortious interference with prospective business advantage and aiding and abetting against the Company and The Frost Group, LLC, (a related party) seeking in excess of $7 million in damages. Discovery in this matter is ongoing. The Company believes this action is without merit and is vigorously defending itself against the claims. It is too early to assess the probability of a favorable or unfavorable outcome, or the loss or range of loss or indemnification obligation, if any, and therefore, no amounts have been accrued relating to this action.

We are a party to other litigation in the ordinary course of business. We do not believe that any such other litigation will have a material adverse effect on our business, financial condition, or results of operations.

Upon the termination of an employee of OTI, we became obligated at the former employee's sole option to acquire up to 10% of the shares issued to the employee in connection with the acquisition of OTI at a price of $3.55 per share. The total potential obligation for this former employee is approximately $0.1 million. In addition, an existing employee of OTI has the same provision within his employment arrangement with a potential obligation of approximately $0.3 million. We have recorded approximately $0.2 million in accrued expenses as of June 30, 2008 based on the estimated fair value of these put options.

On March 25, 2008, OTI received a warning letter in connection with a FDA inspection of OTI's Toronto facility in July and August of 2007. The warning letter cited several deficiencies in OTI's quality, record keeping, and reporting systems relating to certain of OTI's products, including the OTI Scan 1000, OTI Scan 2000, and OTI OCT/SLO combination imaging system. Based upon the observations noted in the warning letter, OTI is not currently in compliance with cGMP. The FDA indicated that it issued an Import Alert and may refuse admission of these products into the United States. As a result, we are not currently permitted to sell these devices in the United States, and our pending 510(k) pre-market notification submission for the OCT/SLO combination imaging system will be delayed until the violations have been corrected. We have determined that a limited number of the OCT/SLO imaging systems were shipped to customers in the United States prior to our receipt of the warning letter and prior to clearance of a 510(k) submission. We have contacted our customers to recover the limited number of OCT/SLO products at issue and are in the process of reimbursing customers for such products. We are also evaluating the amount of any reimbursement made by federal health care programs for procedures utilizing the OCT/SLO device.

We are cooperating fully with the FDA, and will continue to work with the agency on all of the above-referenced issues. Upon receipt of the warning letter, we immediately began to take corrective action to address the FDA's concerns and to assure the quality of OTI's products. We are committed to providing high quality products to our customers, and we plan to meet this commitment by working diligently to remedy these deficiencies and to implement updated and improved quality systems and concepts throughout the OTI organization.

In connection with our acquisition of Vidus, we are required to release from escrow, or issue, up to 902,270 shares our common stock upon the achievement of certain milestones. Refer to Note 4.

NOTE 9 RELATED PARTY TRANSACTIONS

Our principal corporate office is located at 4400 Biscayne Blvd, Suite 1180, Miami, Florida. We lease this space from Frost Real Estate Holdings, LLC, an entity which is controlled by Dr. Phillip Frost, our Chairman of the Board and Chief Executive Officer. Pursuant to the lease agreement with Frost Real Estate Holdings (the "Lease"), we lease approximately 8,300 square feet, which encompasses space for our corporate offices, administrative services, preclinical research and development, project management and pharmacology. The Lease is for a five-year term and currently requires annual rent of approximately $221,000, which amount increases by approximately 4.5% per year.

Effective as of January 1, 2008, we began leasing an additional 1,100 square feet of general office and laboratory space on a ground floor annex of our corporate office building. Pursuant to an addendum to the Lease, we will be required to pay annual rent of $19,872 per year for the annex space, which amount will be subject to a 4.5% increase each year, and shall otherwise be governed by the terms of the Lease.

We reimburse Dr. Frost for Company-related use by Dr. Frost and our other executives of an airplane owned by a company that is beneficially owned by Dr. Frost. We reimburse Dr. Frost in an amount equal to the cost of a first class airline ticket between the travel cities for each executive, including Dr. Frost, traveling on the airplane for Company-related business. We do not reimburse Dr. Frost for personal use of the airplane by Dr. Frost or any other executive nor do we pay for any other fixed or variable operating costs of the airplane. During the three and six months ended June 30, 2008, we reimbursed Dr. Frost approximately $44,000 and $86,000, respectively, for Company-related travel by Dr. Frost and other OPKO executives.

During the three and six months ended June 30, 2008, we reimbursed SafeStitch Medical, Inc. ("SafeStitch") approximately $37,000, for time SafeStitch's personnel spent assisting us with the implementation of certain quality and control standard operating procedures at our manufacturing facility in Toronto, Ontario. Jane Hsiao, our Vice Chairman and Chief Technical Officer, serves as chairman of the board of directors for SafeStitch; and Steven Rubin, our Executive Vice President-Administration, and Richard Pfenniger, each of whom are members of our board of directors also serve on the board of directors of SafeStitch.

We have a fully utilized $12.0 million line of credit with The Frost Group, LLC, or the Frost Group, a related party. The Frost Group members include a trust controlled by Dr. Phillip Frost, who is the Company's Chief Executive Officer and Chairman of the board of directors, Dr. Jane H. Hsiao, who is the Vice Chairman of the board of directors and Chief Technical Officer, Steven D. Rubin who is Executive Vice President - Administration and a director of the Company, and Rao Uppaluri who is the Chief Financial Officer of the Company. We are obligated to pay interest upon maturity, capitalized quarterly, on outstanding borrowings under the line of credit at a 10% annual rate, which is due July 11, 2009. The line of credit is collateralized by all of our personal property except our intellectual property.

NOTE 10 SUBSEQUENT EVENT

Pursuant to a Stock Purchase Agreement, dated as of August 8, 2008, a group of investors, which included members of The Frost Group, LLC, a private investment group controlled by Dr. Phillip Frost, M.D., Chairman and CEO of the Company, have agreed to make a $15 million investment in the Company. Under the terms of the investment, the Company will issue to investors 13,513,514 shares of the Company's common stock, par value $.01 (the "Shares"), at $1.11 per share, representing an approximately 40% discount to the five-day average closing price of the common stock on the American Stock Exchange (the "Investment"). The Closing of the Investment and the issuance and delivery of the Shares will occur approximately twenty (20) days after the mailing of an Information Statement to stockholders, which we currently anticipate will be on or around September 10, 2008.

The Shares issued in the Investment will be restricted securities, subject to a two year lockup, and no registration rights have been granted. The issuance of the Shares will be exempt from the registration requirements under the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof, because the transaction does not involve a public offering.

In addition to Frost Gamma Investments Trust, of which Phillip Frost, M.D., is the sole trustee, The Frost Group also includes Dr. Jane Hsiao, Vice Chairman and Chief Technical Officer of OPKO, Dr. Rao Uppaluri, the Company's Chief Financial Officer, and Mr. Steven D. Rubin, the Company's Executive Vice President-Administration.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

You should read this discussion together with the Financial Statements, related Notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2007 (the " Form 10-K"). The following discussion contains assumptions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under "Risk Factors," in Part I, Item 1A of our Form 10-K. These risks could cause our actual results to differ materially from those anticipated in these forward-looking statements.

We are a specialty healthcare company focused on the discovery, development, and commercialization of proprietary pharmaceuticals, imaging and diagnostic systems, and instruments for the treatment, diagnosis, and management of ophthalmic disorders. Our objective is to establish industry-leading positions in large and rapidly growing segments of ophthalmology by leveraging our preclinical and development expertise and our novel and proprietary technologies. We actively explore opportunities to acquire complementary pharmaceuticals, compounds, and technologies, which could, individually or in the aggregate, materially increase the scale of our business. We also intend to explore strategic opportunities in other medical markets that would allow us to benefit from our business and global distribution expertise, and which have operational characteristics that are similar to ophthalmology, such as dermatology.

We expect to incur substantial losses as we continue the development of our product candidates, particularly bevasiranib, continue our other research and development activities, and establish a sales and marketing infrastructure in anticipation of the commercialization of our product candidates. We currently have limited commercialization capabilities, and it is possible that we may never successfully commercialize any of our pharmaceutical product candidates. To date, we have devoted a significant portion of our efforts towards research and development. As of June 30, 2008, we had an accumulated deficit of $291.2 million. Since we do not generate revenue from any of our pharmaceutical product candidates and have only generated limited revenue from our instrumentation business, we expect to continue to generate losses in connection with the continued clinical development of bevasiranib and the research and development activities relating to our technology and other product candidates. Such research and development activities are budgeted to expand over time and will require further resources if we are to be successful. As a result, we believe that our operating losses are likely to be substantial over the next several years. We will need to obtain additional funds during the first half of 2009 to further develop our research and development programs, and there can be no assurance that additional capital will be available to us on acceptable terms, or at all.

RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED JUNE 30, 2008 AND 2007

The three month period ended June 30, 2007 includes our minority interest results for OTI, which we acquired on April 13, 2007. We acquired the remaining stock of OTI on November 28, 2007 and as a result, the 2008 period reflects the full operations of OTI.

Revenue. Revenue for the three months ended June 30, 2008 was $0.9 million. All revenue was generated from sales of OTI's ophthalmic instrumentation products. Until the acquisition of OTI on November 28, 2007, we did not generate any revenue. There were limited sales of OTI's OCT/SLO product internationally and no sales of the OCT/SLO product in the U.S. during the quarter ended June 30, 2008. Commencement of sales for this product in the U.S. will not occur until we have received clearance of the premarket notification 510(k) for the device by the U.S. Food and Drug Administration ("FDA") and have satisfied the FDA with our response to the March 25, 2008 warning letter received by OTI. We expect revenue to increase during the second half of 2008 and first half of 2009 as we complete the transition of manufacturing our OCT/SLO product in-house and begin selling the OCT/SLO product in the U.S. following receipt of clearance of the premarket notification 510(k) for the device by the FDA.

Gross margin (deficit). Gross deficit for the three months ended June 30, 2008 was ($0.1) million and was entirely related to our ophthalmic instrumentation product sales. The gross deficit was negatively impacted by manufacturing costs associated with the introduction of our new OCT/SLO model internationally. In addition, gross deficit was impacted as we incurred approximately $0.4 million to bring manufacturing of our OCT/SLO product in-house, including excess capacity costs.

Selling, General and Administrative Expense. Selling, general and administrative expense for the three months ended June 30, 2008 was $3.2 million compared to $5.3 million of expense for the comparable period of 2007. Selling, general and administrative expense primarily related to personnel costs, including stock-based compensation of $0.9 million and $2.6 million, for the three months ended June 30, 2008 and June 30, 2007, respectively, and professional fees. The 2007 period primarily reflects personnel costs including approximately $2.6 million of expense related to stock-based compensation and professional fees. As we prepare to sell OTI's OCT/SLO product in the U.S., we anticipate sales and marketing expenses will increase in the later part of 2008 and thereafter.

Research and Development Expense. Research and development expense during the three months ended June 30, 2008 was $5.5 million compared to $5.4 million for the comparable period of 2007. The expense during the three months ended June 30, 2008 primarily reflects the cost of our ongoing Phase III clinical trial for bevasiranib, including costs of clinical trial site and monitoring expenses, clinical supplies, personnel costs and outside professional fees. Also included in personnel costs for the 2008 three-month period was $0.6 million of stock-based compensation expense. Research and development expense for the 2007 three-month period primarily relates to stock based compensation expense of $3.3 million, of which $2.0 million was reversed in the third quarter of 2007 as a result of the termination of a consulting agreement. Under SFAS 123R, when a stock based compensation award is forfeited prior to vesting, all compensation expense recorded in previous periods is reversed in the period of forfeiture.

Write-off of Acquired In-Process Research and Development. On May 6, 2008, we acquired Vidus Ocular, Inc. ("Vidus"), a privately held company that is developing Aquashunt™, for the treatment of glaucoma, in a stock for stock transaction. We recorded the assets and liabilities at fair value, and as a result, we recorded acquired in-process research and development expense and recorded a charge of $1.4 million. We did not have any such activity during the three months ended June 30, 2007.

Other operating expenses. Other operating expenses primarily include amortization of intangible assets acquired from OTI on November 28, 2007. We did not record any amortization expense during the quarter ended June 30, 2007.

Other Income and Expenses. Other expense was $0.2 million, net of $0.1 million of interest income for the second quarter of 2008 compared to $0.2 million of other expense for the 2007 period, net of $0.1 million of other income. Other income primarily consists of interest earned on our cash and cash equivalents and interest expense reflects the interest incurred on our line of credit.

Income taxes. The income tax benefit for the three months ended June 30, 2008 reflects our estimated Canadian provincial tax credit that is refundable once we file our tax return. This credit relates to Research and Development expenses incurred at our OTI locations. We did not have similar refundable credits during the three months ended June 30, 2007.

FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND 2007

The six month period ended June 30, 2008 includes our operations, as well as the operations of OTI, which we acquired on November 28, 2007. The six months ended June 30, 2007 include our results for the full period and the results of operations from Acuity Pharmaceuticals, Inc., or Acuity, subsequent to our acquisition on March 27, 2007.

Revenue. Revenue for the six months ended June 30, 2008 was $3.7 million. All revenue was generated from sales of OTI's ophthalmic instrumentation products. Until the acquisition of OTI, we did not generate any revenue. During 2008, the majority of our revenue has been from international sales. There were no OCT/SLO product sales in the U.S. during the first six months of 2008. Commencement of sales for this product in the U.S. will not occur until we have received clearance of the premarket notification 510(k) for the device by the FDA and have satisfied the FDA with our response to the March 25, 2008 warning letter received by OTI. We anticipate revenue will increase during the remainder of 2008 and first half of 2009 as we move production of components for the OCT/SLO in-house and begin selling the OCT/SLO product in the U.S. once we receive clearance of the premarket notification 510(k) for the device by the FDA.

Gross margin (deficit). Gross deficit for the six months ended June 30, 2008 was ($0.7) million and was entirely related to our ophthalmic instrumentation product sales. The gross deficit was negatively impacted by manufacturing costs associated with the introduction of our new OCT/SLO model internationally. In addition, during the first six months of 2008, gross deficit was impacted as we incurred approximately $0.9 million to bring manufacturing of our OCT/SLO product in-house, including costs associated with production development and excess capacity costs. We anticipate that our margin will improve as we begin manufacturing more components in-house and as we begin selling the OCT / SLO product in the U.S.

Selling, General and Administrative Expense. Selling, general and administrative expense for the six months ended June 30, 2008 was $8.6 million compared to $5.4 million of expense for the comparable period of 2007. Selling, general and administrative expense for the six months ended June 30, 2008 primarily related to personnel costs, including stock-based compensation of $2.9 million and professional fees. In addition, as a result of our acquisition of OTI on November 28, 2007, our selling expenses reflect a full six months of post acquisition activity for OTI. As we prepare to sell OTI's OCT/SLO product in the U.S., we anticipate these expenses will increase in the later part of 2008 and thereafter. We acquired Acuity on March 27, 2007 and we had limited operations prior to that, resulting in limited operating expenses during a portion of the 2007 period. The 2007 period includes approximately $2.7 million of expense related to stock-based compensation and professional fees.

Research and Development Expense. Research and development expense during the six months ended June 30, 2008 was $9.8 million compared to $11.5 million for the comparable period of 2007. The 2008 period expense primarily reflects the cost of our ongoing Phase III clinical trial for bevasiranib, including costs of clinical trial sites and monitoring expenses, clinical supplies, personnel costs and outside professional fees. Also included in personnel costs for the 2008 six month period was $1.3 million in stock based compensation expense. Research and development expense for the six month period of 2007 primarily relates to stock based compensation expense of $9.3 million, of which $7.9 million was reversed in the third quarter of 2007 as a result of the termination of a consulting agreement. Under SFAS 123R, when a stock based compensation award is forfeited prior to vesting, all compensation expense recorded in previous periods is reversed in the period of forfeiture.

Write-off of Acquired In-Process Research and Development. On May 6, 2008, we acquired Vidus in a stock for stock transaction. We recorded the assets and liabilities at fair value, and as a result, we recorded acquired in-process research and development expense and recorded a charge of $1.4 million. On March 27, 2007, we acquired Acuity in a stock for stock transaction. We recorded the assets and liabilities at fair value, and as a result, we recorded acquired in-process research and development expense and recorded a charge of $243.8 million. We did not have any such activity during the 2008 period.

Other operating expenses. Other operating expenses primarily include amortization of our intangible assets acquired from OTI on November 28, 2007. We did not record any amortization expense during the first six months of 2007.

Other Income and Expenses. Other expense was $0.5 million, net of $0.2 million of interest income for the first six months of 2008 compared to $0.2 million of interest expense for the 2007 period. Other income primarily consists of interest earned on our cash and cash equivalents and interest expense reflects the interest incurred on our line of credit.

Income taxes. The income tax benefit for the first six months of 2008 reflects our estimated Canadian provincial tax credit that is refundable once we file our tax return. This credit relates to Research and Development expenses incurred at our OTI locations. We acquired OTI on November 28, 2007 and as a result, did not have similar refundable credits during the first six months of 2007.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2008, we had cash and cash equivalents of approximately $5.5 million as compared to $23.4 million at December 31, 2007. We used approximately $15.5 million of cash in operations during the six months ended June 30, 2008. Cash was primarily used in our on-going Phase III clinical trial for bevasiranib and personnel costs supporting that trial and selling, general and administrative activities. Since our inception, we have not generated positive cash flow from operations and our primary source of cash has been from the private placement of stock and through credit facilities available to us.

On January 11, 2008, we repaid in full all outstanding amounts and terminated all of our commitments under the term loan with Horizon Financial Funding Company, LLC, or Horizon. The loan had an interest rate of 12.23%, and the principal was payable in 12 equal monthly installments which commenced August 2007. The total amount repaid in satisfaction of our obligations under the term loan was $2.4 million.

We currently have a fully utilized $12.0 million line of credit with The Frost Group, LLC, or the Frost Group, a related party. The Frost Group members include a trust controlled by Dr. Phillip Frost, who is the Company's Chief Executive Officer and Chairman of the board of directors, Dr. Jane H. Hsiao, who is the Vice Chairman of the board of directors and Chief Technical Officer, Steven D. Rubin who is Executive Vice President - Administration and a director of the Company, and Rao Uppaluri who is the Chief Financial Officer of the Company. We are obligated to pay interest upon maturity, capitalized quarterly, on outstanding borrowings under the line of credit at a 10% annual rate, which is due July 11, 2009. The line of credit is collateralized by all of our personal property except our intellectual property.

On August 8, 2008, in exchange for a $15 million cash investment in the Company, we agreed to issue 13,513,514 shares of our common stock, par value $.01, to a group of investors which included members of The Frost Group. The shares will be issued at a price of $1.11 per share, representing an approximately 40% discount to the average trading price of our stock on the American Stock Exchange. The shares issued in the private placement will be restricted securities, subject to a two year lockup, and no registration rights have been granted. Refer to Note 10.

We have not generated positive cash flow from operations, and we expect to incur losses from operations for the foreseeable future. We expect to incur substantial research and development expenses, including expenses related to the hiring of personnel and additional clinical trials. We expect that selling, general and administrative expenses will also increase as we expand our sales, marketing and administrative staff and add infrastructure.

We do not have the cash and cash equivalents on hand at June 30, 2008 sufficient to meet our anticipated cash requirements for operations and debt service for the next 12 months and we will require additional funding during the first half of 2009. If we accelerate our product development programs or initiate additional clinical trials, we will need additional funds earlier. Our future cash requirements will depend on a number of factors, including the continued progress of our research and development of product candidates, the timing and outcome of clinical trials and regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending, and enforcing patent claims and other intellectual property rights, the status of competitive products, the availability of financing, and our success in developing markets for our product candidates. If we are not able to secure additional funding when needed, we may have to delay, reduce the scope of, or eliminate one or more of our clinical trials or research and development programs, and take other actions designed to reduce our cost of operations, all of which may not significantly extend the period of time that we will be able to continue operations without raising additional funding.

We intend to finance additional research and development projects, clinical trials and our future operations with a combination of private placements, payments from potential strategic research and development, licensing and/or marketing arrangements, the issuance of debt or equity securities, debt financing and revenues from future product sales, if any. To the extent we raise additional capital by issuing equity securities or obtaining borrowings convertible into equity, ownership dilution to existing stockholders will result and future investors may be granted rights superior to those of existing stockholders. Other than as described in this section, we do not currently have any commitments for future external funding and there can be no assurance that additional capital will be available to us on acceptable terms, or at all.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Accounting Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Stock-Based Compensation. As of June 23, 2006 (the date of inception), we adopted Statement of Financial Accounting Standards, or SFAS No. 123(R). Share-Based Payments SFAS No. 123(R) replaces SFAS No. 123, Accounting for Stock-Based Compensation, and supersedes APB No. 25. SFAS No. 123(R) requires that all stock-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. Equity-based compensation arrangements to non-employees are accounted for in accordance with SFAS No. 123(R) and Emerging Issues Task Force Issue No. 96-18 (EITF 96-18), "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services," which requires that these equity instruments are recorded at their fair value on the measurement date. As prescribed under SFAS 123(R), we estimate the grant-date fair value of our stock option grants using a valuation model known as the Black-Scholes-Merton formula or the "Black-Scholes Model" and allocate the resulting compensation expense over the corresponding requisite service period associated with each grant. The Black-Scholes Model requires the use of several variables to estimate the grant-date fair value of stock options including expected term, expected volatility, expected dividends and risk-free interest rate. We perform significant analyses to calculate and select the appropriate variable assumptions used in the Black-Scholes Model. We also perform significant analyses to estimate forfeitures of equity-based awards as required by SFAS 123(R). We are required to adjust our forfeiture estimates on at least an annual basis based on the number of share-based awards that ultimately vest. The selection of assumptions and estimated forfeiture rates is subject to significant judgment and future changes to our assumptions and estimates may have a material impact on our Consolidated Financial Statements.

Goodwill and Intangible Assets. The allocation of the purchase price for acquisitions requires extensive use of accounting estimates and judgments to allocate the purchase price to the identifiable tangible and intangible assets acquired, including in-process research and development, and liabilities assumed based on their respective fair values under the provisions of SFAS No. 141, Business Combinations (SFAS No. 141). Additionally, we must determine whether an acquired entity is considered to be a business or a set of net assets, because a portion of the purchase price can only be allocated to goodwill in a business combination.

Appraisals inherently require significant estimates and assumptions, including but not limited to, determining the timing and estimated costs to complete the in-process R&D projects, projecting regulatory approvals, estimating future cash flows, and developing appropriate discount rates. We believe the estimated fair values assigned to the Vidus and OTI assets acquired and liabilities assumed are based on reasonable assumptions. However, the fair value estimates for the purchase price allocation may change during the allowable allocation period under SFAS No. 141, which is up to one year from the acquisition date, if additional information becomes available that would require changes to our estimates.

Allowance for Doubtful Accounts and Revenue Recognition. Generally, we recognize revenue from product sales when goods are shipped and title and risk of loss transfer to our customers. Certain of our products are sold directly to end-users and require that we deliver, install and train the staff at the end-users' facility. As a result, we do not recognize revenue until the product is delivered, installed and training has occurred. Return policies in certain international markets for our medical device products provide for stringent guidelines in accordance with the terms of contractual agreements with customers. Our estimates for sales returns are based upon the historical patterns of products returned matched against the sales from which they originated, and management's evaluation of specific factors that may increase the risk of product returns. The allowance for doubtful accounts recognized in our consolidated balance sheets at June 30, 2008 and December 31, 2007 was $0.5 million and $0.5 million, respectively.

Recent accounting pronouncements: In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities, or SFAS 159, which gives companies the option to measure eligible financial assets, financial liabilities, and firm commitments at fair value (i.e., the fair value option), on an instrument-by-instrument basis, that are otherwise not permitted to be accounted for at fair value under other accounting standards. The election to use the fair value option is available when an entity first recognizes a financial asset or financial liability or upon entering into a firm commitment. Subsequent changes in fair value must be recorded in earnings. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. We adopted SFAS 159 in the first quarter of 2008 and the adoption did not have any impact on our financial position or results of operations as we elected not to apply fair value on an instrument-by-instrument basis.

In June 2007, the Emerging Issues Task Force (Task Force) of the FASB reached a consensus on Issue No. 07-3 ("EITF 07-3"), Accounting for Nonrefundable Advance Payments for Goods or Services to Be Used in Future Research and Development Activities. Under EITF 07-3, nonrefundable advance payments for goods or services that will be used or rendered for research and development activities should be deferred and capitalized. Such payments should be recognized as an expense as the goods are delivered or the related services are performed, not when the advance payment is made. If a company does not expect the goods to be delivered or services to be rendered, the capitalized advance payment should be charged to expense. EITF 07-3 is effective for new contracts entered into in fiscal years beginning after December 15, 2007, and interim periods within those fiscal years. Earlier application is not permitted. We have adopted EITF 07-3 as of January 1, 2008. The adoption of EITF 07-3 did not have a material effect on our consolidated results of operations or financial condition.

In December 2007, the FASB issued SFAS No. 141R, Business Combinations. SFAS 141R will require, among other things, the expensing of direct transaction costs, including deal costs and restructuring costs as incurred, acquired in-process research and development assets to be capitalized, certain contingent assets and liabilities to be recognized at fair value and earn-our arrangements, including contingent consideration, may be required to be measured at fair value until settled, with changes in fair value recognized each period into earnings. In addition, material adjustments made to the initial acquisition purchase accounting will be required to be recorded back to the acquisition date. This will cause companies to revise previously reported results when reporting comparative financial information in subsequent filings. SFAS No. 141R is effective for the Company on a prospective basis for transactions occurring beginning on January 1, 2009 and earlier adoption is not permitted. SFAS No. 141R may have a material impact on the Company's consolidated financial position, results of operations and cash flows if we enter into material business combinations after January 1, 2009.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB No. 51" ("SFAS No. 160"). SFAS No. 160 requires minority interests to be recharacterized as noncontrolling interests and reported as a component of equity. In addition, SFAS No. 160 requires that purchases or sales of equity interests that do not result in a change in control be accounted for as equity transactions and, upon a loss of control, requires the interests sold, as well as any interests retained, to be recorded at fair value with any gain or loss recognized in earnings. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008, with early adoption prohibited. We do not expect a material impact on our financial statements from the adoption of this standard.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of doing business, we are exposed to the risks associated with foreign currency exchange rates and changes in interest rates. We do not engage in trading market risk sensitive instruments or purchasing hedging instruments or "other than trading" instruments that are likely to expose us to significant market risk, whether interest rate, foreign currency exchange, commodity price, or equity price risk.

Our exposure to market risk relates to our cash and investments and to our borrowings. We maintain an investment portfolio of money market. The securities in our investment portfolio are not leveraged, and are, due to their very short-term nature, subject to minimal interest rate risk. We currently do not hedge interest rate exposure. Because of the short-term maturities of our investments, we do not believe that a change in market interest rates would have a significant negative impact on the value of our investment portfolio except for reduced income in a low interest rate environment. At June 30, 2008, we had cash and cash equivalents of $5.5 million. The weighted average interest rate related to our cash and cash equivalents for the year ended June 30, 2008 was 3.4%. As of June 30, 2008, the principal outstanding on our credit line was $12.0 million, which bears a weighted average interest rate of 10.0%.

The primary objective of our investment activities is to preserve principal while at the same time maximizing yields without significantly increasing risk. To achieve this objective, we invest our excess cash in debt instruments of the U.S. Government and its agencies, bank obligations, repurchase agreements and high-quality corporate issuers, and money market funds that invest in such debt instruments, and, by policy, restrict our exposure to any single corporate issuer by imposing concentration limits. To minimize the exposure due to adverse shifts in interest rates, we maintain investments at an average maturity of generally less than one month.

Item 4. Controls and Procedures

The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Securities and Exchange Commission ("SEC") Rule 13a-15(e) as of June 30, 2008. Based on that evaluation, management has concluded that the Company's disclosure controls and procedures are effective to ensure that information the Company is required to disclose in reports that it files or submits under the Securities Exchange Act is communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

Beginning in the fourth quarter of 2007 and continuing through the first six months of 2008, we have implemented standards and procedures at OTI, upgrading and establishing controls over accounting systems, and adding employees who are trained and experienced in the preparation of financial statements in accordance with U.S. GAAP to ensure that we have in place appropriate internal control over financial reporting at OTI. Other than as set forth above with respect to OTI, there have been no changes to the Company's internal control over financial reporting that occurred during the Company's second quarter of 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On May 7, 2007, Ophthalmic Imaging Systems, or OIS, sued Steven Verdooner, its former president and our then Executive Vice President, Instrumentation, in California Superior Court for the County of Sacramento. The complaint sought damages for breach of fiduciary duty, intentional interference with contract and intentional interference with prospective economic advantage. On August 31, 2007, OIS filed a First Amended Complaint, re-alleging its claims and seeking damages in excess of $7,000,000 from Mr. Verdooner. The Company agreed to indemnify Mr. Verdooner in connection with this action as a former officer. His employment with the Company was terminated on January 11, 2008.

On April 14, 2008, OIS was granted leave to file a Second Amended Complaint to add claims for tortious interference with contractual relations and prospective business advantage and aiding and abetting against the Company and The Frost Group, LLC. The Frost Group members include a trust controlled by Dr. Phillip Frost, the Company's Chief Executive Officer and Chairman, Dr. Jane H. Hsiao, Vice Chairman of the board of directors and Chief Technical Officer, Steven D. Rubin, Executive Vice President - Administration and a director of the Company, and Rao Uppaluri, the Chief Financial Officer of the Company. OIS filed the Second Amended Complaint on April 23, 2008, claiming in excess of $7,000,000 in damages against the Company and the Frost Group for intentional interference, conspiracy and aiding and abetting, along with enhanced damages, injunctive relief and costs and attorneys' fees. The Company believes this action is without merit and is vigorously defending itself against the claims. Discovery is ongoing in this matter

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors described in the "Risk Factors" section in our Annual Report on Form 10-K for the year ended December 31, 2007, which could materially affect our business, results of operations, financial condition or liquidity. The risks described in our Annual Report are not the only risk facing us. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may materially adversely affect our business, results of operations, financial condition or liquidity. Other than as set forth below, there have been no material changes to the risks described in our Annual Report.

We do not have the cash and cash equivalents on hand at June 30, 2008 sufficient to meet our anticipated cash requirements for operations and debt service for the next 12 months, and we will require additional funding during the first half of 2009. We have based this estimate on assumptions that may prove to be wrong or subject to change, and we may be required to use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials. Our future capital requirements will depend on a number of factors, including the continued progress of our research and development of product candidates, the timing and outcome of clinical trials and regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending, and enforcing patent claims and other intellectual property rights, the status of competitive products, the availability of financing, and our success in developing markets for our product candidates.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On May 6, 2008, the Company completed the acquisition of all of the stock of Vidus Ocular, Inc. ("Vidus"), a privately-held company (the "Vidus Shares"). Pursuant to a Securities Purchase Agreement with Vidus, each of its stockholders, and the holders of convertible promissory notes issued by Vidus, the Company acquired all of the outstanding stock and convertible debt of Vidus in exchange for (i) the issuance and delivery at closing of 658,080 shares of our common stock (the "Closing Shares"); and (ii) the issuance of 488,420 shares of our common stock to be held in escrow pending the occurrence of certain development milestones (the "Milestone Shares"). Neither the Closing Shares or the Milestone Shares were registered under the Securities Act of 1933, as amended, and were offered in exchange for the Vidus Shares in reliance upon the exemption provided in Section 4(2) of the Securities Act for nonpublic offerings

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

The following matter was approved at our annual stockholders meeting, which was held on June 11, 2008.

A. The election to the Board of Directors of the following nominees:

Name of Nominee	Number of Votes Cast For	Number of Votes Withheld
Phillip Frost, M.D.	141,067,653	125,844
Jane H. Hsiao, Ph.D.	140,825,239	368,258
Steven D. Rubin	141,067,996	125,501
Robert A. Baron	141,074,546	118,951
Thomas E. Beier	141,074,796	118,701
Pascal J. Goldschmidt, M.D.	141,062,808	130,689
Richard A. Lerner, M.D.	141,069,908	123,589
John A. Paganelli	141,065,396	128,101
Richard C. Pfenniger, Jr.	140,916,694	276,803
Michael Reich	140,882,899	310,598

Item 5. Other Information

On August 5, 2008, the Audit Committee of the Board of Directors of the Company approved forms of indemnification agreements to be entered into with the directors and board-elected officers of the Company (the "Indemnification Agreements"). Pursuant to the Indemnification Agreements, the Company will indemnify the directors and board-elected officers from liability under specified circumstances, including without limitation, as a result of any claim asserted against such indemnitee, or as a resulting of any proceeding to which the indemnitee is named as a party, subject or witness, by reason of his or her serving on behalf of the Company.

The above summary of the Indemnification Agreements is qualified in its entirety by reference to the Indemnification Agreement forms attached to this Quarterly Report on Form 10-Q as Exhibits 10.1 and 10.2.

Pursuant to a Stock Purchase Agreement, dated as of August 8, 2008, a group of investors, which included members of The Frost Group, LLC, a private investment group controlled by Dr. Phillip Frost, M.D., Chairman and CEO of the Company, have agreed to make a $15 million investment in the Company. Under the terms of the investment, the Company will issue to investors 13,513,514 shares of the Company's common stock, par value $.01 (the "Shares"), at $1.11 per share, representing an approximately 40% discount to the five-day average closing price of the common stock on the American Stock Exchange (the "Investment").

The Investment was approved by the Company's Board of Directors and Audit Committee, and by stockholders holding a majority of the voting power of the outstanding capital stock of the Company. Stockholder approval was sought in order to comply with applicable rules of the American Stock Exchange. Stockholder approval of the Investment was in the form of a written consent of stockholders in lieu of a special meeting in accordance with the relevant sections of the Delaware General Corporation Law. The Company intends to file with the Securities and Exchange Commission and mail to stockholders an Information Statement informing our stockholders of the Investment and the approval of the issuance of the Shares. The Closing of the Investment and the issuance and delivery of the Shares is expected to occur approximately twenty (20) days after the mailing of the Information Statement to stockholders, which we currently anticipate will be on or around September 10, 2008.

The Shares issued in the Investment will be restricted securities, subject to a two year lockup, and no registration rights have been granted. The issuance of the Shares will be exempt from the registration requirements under the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof, because the transaction does not involve a public offering.

In addition to Frost Gamma Investments Trust, of which Phillip Frost, M.D., is the sole trustee, The Frost Group also includes Dr. Jane Hsiao, Vice Chairman and Chief Technical Officer of OPKO, Dr. Rao Uppaluri, the Company's Chief Financial Officer, and Mr. Steven D. Rubin, the Company's Executive Vice President-Administration and a director.

Item 6. Exhibits.

Exhibit Number	Description
2.1+	Securities Purchase Agreement dated May 6, 2008, among Vidus Ocular, Inc., OPKO Instrumentation, LLC, OPKO Health, Inc., and the individual sellers and noteholders named therein.
3.1 (1)	Amended and Restated Certificate of Incorporation.
3.2 (2)	Amended and Restated By-Laws.
10.1	Form of Indemnification Agreement for Directors
10.2	Form of Indemnification Agreement for Officers
31.1	Certification by Phillip Frost, Chief Executive Officer, pursuant to Exchange Act Rules 13a-14 and 15d-14.
31.2	Certification by Rao Uppaluri, Chief Financial Officer, pursuant to Exchange Act Rules 13a-14 and 15d-14.
32.1	Certification by Phillip Frost, 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 by Rao Uppaluri, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Filed with the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on June 11, 2007, and incorporated herein by reference.

(2) Filed with the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2008 for the Company's fiscal year ended December 31, 2007, and incorporated herein by reference.

+ Certain confidential material contained in the document has been omitted and filed separately with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 8, 2008

OPKO Health, Inc.

/s/ Adam Logal

Adam Logal
Executive Director of Finance, Chief Accounting Officer and Treasurer

EXHIBIT INDEX

2.1[+]	Securities Purchase Agreement dated May 6, 2008, among Vidus Ocular, Inc., OPKO Instrumentation, LLC, OPKO Health, Inc., and the individual sellers and noteholders named therein.
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[+] Certain confidential material contained in the document has been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 2.1

CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE SUCH OMISSIONS.

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement is entered into as of May 2, 2008, among VIDUS OCULAR, INC., a Delaware corporation (the "Company"), the individuals and entities listed on Schedule A hereto (individually a "Seller" and collectively the "Sellers"), the individuals and entities listed on Schedule B hereto (individually a "Noteholder" and collectively the "Noteholders"), OPKO HEALTH, INC., a Delaware corporation ("OPKO"), and OPKO INSTRUMENTATION, LLC, a Delaware limited liability company and wholly-owned subsidiary of OPKO ("Buyer").

Preliminary Statements

A. The Sellers collectively own all of the outstanding shares of capital stock of the Company, and desire to sell to Buyer, and Buyer desires to acquire all of the capital stock of the Company, on the terms and subject to the conditions set forth in this Agreement.

B. The Noteholders collectively hold all of the Notes (as defined in Article 1), and desire to sell to Buyer, and Buyer desires to acquire all of the Notes and the indebtedness represented thereby in exchange for certain shares of OPKO Common Stock, on the terms and subject to the conditions set forth in this Agreement.

Agreement

In consideration of the preliminary statements and the respective mutual covenants, representations and warranties contained in this Agreement, the parties agree as set forth below.

ARTICLE 1

Definitions

In addition to terms defined elsewhere in this Agreement, the following terms when used in this Agreement shall have the meanings indicated below:

"Affiliate" of a specified Person means a Person who directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the specified Person. As used in the foregoing sentence, the term "control" (including, with correlative meaning, the terms "controlling," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, or such other relationship as, in fact, constitutes actual control.

"Agreement" means this Agreement together with all exhibits and schedules referred to herein.

"AMEX" means the American Stock Exchange, LLC.

"Aquashunt" means the Company's glaucoma drainage device, as improved and modified from time to time.

"Consideration Shares" means, collectively, the *** Shares, the *** Shares, the True-Up Shares (each as defined in Section 2.1), the Yale Shares and the shares of OPKO Common Stock issued upon exercise of the Stock Options (as defined in Section 2.1).

"Contracts" means all contracts, agreements, covenants, commitments and other instruments of any kind, whether oral or written, to which the Company is a party or to which the assets or properties of the Company are bound.

"Core IP Assets" means the Yale License and all of the Company's Intellectual Property as of the Closing Date (including, without limitation, the Aquashunt), together with all preclinical and clinical studies and data related to the Company's Intellectual Property whether or not existing as of the Closing Date.

"Debt" means any and all monies owed by the Company to any of the Sellers.

"Environmental Laws" means any Law including any Law relating to pollution or protection of the environment or natural resources, or the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agent" means Akerman Senterfitt.

"Escrow Agreement" shall mean that escrow agreement dated the date hereof and substantially in the form attached hereto as Schedule C.

"Escrow Shares" means 286,624 shares of OPKO Common Stock held in escrow pursuant to the Escrow Agreement to satisfy Claims under Section 8.5, as described on Schedule D attached hereto.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"FDA" means the United States Food and Drug Administration.

"Founders" shall mean Ben R. Bronstein, James R. McNab, Jr., Milton Bruce Shields and Nicholas Fish Warner.

"GAAP" means United States generally accepted accounting principles as in effect on the date hereof.

"Guaranty" means, as to any Person, any contract, agreement or understanding of such Person pursuant to which such Person guarantees the indebtedness, liabilities or obligations of others, directly or indirectly, in any manner, including agreements to purchase such indebtedness, liabilities or obligations, or to supply funds to or in any manner invest in others, or to otherwise assure the holder of such indebtedness, liabilities or obligations against loss.

"Hazardous Materials" means (a) any petroleum, petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials or polychlorinated byphenyls or (b) any chemical, material or substance defined or regulated as toxic or hazardous or as a pollutant or contaminant or waste under any applicable Environmental Law.

"Indemnifying Noteholder" means JM Medical, LLC, a Delaware limited liability company.

"Intellectual Property" means any or all of the following owned, used or controlled by the Company: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents and patent applications, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof; (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith; (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith; (d) all trade secrets and confidential business information (including, to the extent such items are confidential or proprietary to the Company, databases, ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); (e) all proprietary computer programs and software (including data and source and object codes and related documentation); (f) all other proprietary rights, licenses and sublicenses granted by or to the Company that relate to any of the foregoing; and (g) all copies and tangible embodiments thereof (in whatever form or medium).

"Knowledge" means the actual knowledge of the Founders as of the date of this Agreement.

"Law" means any federal, state or local law, statute, ordinance, rule, regulation, order, writ, judgment or decree.

"Liabilities" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due), damages, claims, fines, penalties, assessments, costs or expenses.

"Liens" means any liens, claims, charges, pledges, security interests, mortgages, title defects or encumbrances.

"Material Adverse Effect" means any change in or effect on the business of a Person that is, or would reasonably be expected to be, materially adverse to the business, assets (including intangible assets), liabilities (contingent or otherwise), condition (financial or otherwise), or results of operations of such Person taken as a whole; provided, however, that "Material Adverse Effect" shall not include the effect of any circumstance, change, development, event or state of facts arising out of or attributable to any of the following: (a) the industry and markets in which such Person operates generally, (b) general economic or political conditions, (c) the failure of such Person to meet projections of earnings, revenues or other financial measures, including a decline in stock price, in and of itself, (d) acts of war (whether or not declared), sabotage or terrorism, military actions or the escalation thereof or other force majeure events (such as natural disasters, acts of God or other events not within the reasonable control of such Person), (e) any changes in applicable Laws or accounting rules, or (f) with respect to the Company, the taking of any action required by this Agreement or consented to by Buyer or OPKO, or, with respect to OPKO, the taking of any action required by this Agreement or consented to by the Company or the Sellers.

"Notes" means those certain 8% convertible promissory notes issued by the Company in favor of the Noteholders in the aggregate original principal amount of $1,275,000.

"OPKO Affiliate" shall mean any Affiliate of OPKO or Buyer, including without limitation, Phillip Frost, Frost Gamma Investments Trust, The Frost Group, LLC or any of their respective members or Affiliates.

"OPKO Common Stock" means the common stock of OPKO, par value $.01 per share.

"Organizational Documents" means any and all documents pursuant to which an entity is organized and/or operates under the applicable laws of its jurisdiction.

"Person" means any natural person, corporation, limited liability company, unincorporated organization, partnership, association, joint stock company, joint venture, trust or government, or any agency or political subdivision of any government, or any other entity.

"SEC" means the United States Securities and Exchange Commission.

"Securities" means all of the issued and outstanding capital stock of the Company.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Seller Representative" shall mean James R. McNab, Jr.

"Subsidiary" of any Person means any Person, whether or not capitalized, in which such Person owns, directly or indirectly, an equity interest of 50% or more.

"Tax" means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, all gross receipts, sales, use, *ad valorem,* value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, assets, minimum income, environmental, customs, duties, real property, personal property, capital stock, social security obligations or contributions, unemployment, disability, payroll, license, employee or other withholding, or other tax or governmental charge, of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing; the foregoing shall include any transferee or secondary liability for a Tax and any liability assumed by agreement or arising as a result of being (or ceasing to be) a member of any affiliated group (or being included, or required to be included, in any tax return relating thereto).

"Transaction Documents" means this Agreement and all other documents to be executed and delivered by any party pursuant to or in connection with this Agreement and consummation of the transactions contemplated hereby.

"Triggering Event" means any of the following events occurring after the Closing: (a) the closing of the acquisition of fifty percent (50%) or more of the combined voting power of the then outstanding voting securities of the Company, Buyer or OPKO, as the case may be, entitled to vote generally in the election of directors or managers (the "Outstanding Voting Securities") of the Company, Buyer or OPKO, respectively, by any Person (including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), other than an OPKO Affiliate; (b) the closing of a merger, conversion or consolidation of the Company, Buyer or OPKO in which the Company, Buyer, OPKO or an OPKO Affiliate is not the surviving or resulting entity unless, following such merger, conversion or consolidation, fifty percent (50%) or more of the Outstanding Voting Securities of the surviving or resulting entity is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Voting Securities immediately prior to such merger, conversion or consolidation of the Company, Buyer or OPKO, as applicable; (c) the closing of a sale, transfer or other disposition of all or substantially all of the assets of the Company, Buyer or OPKO to any Person other than an OPKO Affiliate (including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended); or (d) the closing of a sale or transfer (including an exclusive license or sub-license to all or substantially all of the Intellectual Property relating to the Aquashunt, including, without limitation, an exclusive license or any sublicense of the Yale License) to any Person other than an OPKO Affiliate or the Founders in accordance with Section 8.1(b) of all or substantially all of the properties, assets or rights related to the Aquashunt.

"Yale" means Yale University, a corporation organized and existing under and by virtue of a charter granted by the general assembly of the Colony and State of Connecticut.

"Yale License" means that certain Exclusive License Agreement effective as of February 13, 2007 by and between Yale and the Company.

"Yale Shares" means 33,080 shares of OPKO Common Stock.

ARTICLE 2

Purchase of Securities; Purchase of Notes; Release by Escrow Agent

2.1 Purchase of Securities.

(a) Purchase and Sale of Securities. Subject to the terms and conditions set forth herein, on the Closing Date, each Seller shall sell, assign, transfer and deliver to Buyer, and Buyer shall purchase from such Seller, all of such Seller's right, title and interest in and to the Securities indicated next to such Seller's name on Schedule A under the heading *"Securities Owned"*. To give effect to such sale, each of the Sellers hereby waives any preemption rights it may have in relation to any of the Securities.

(b) Consideration. As consideration for the sale, assignment, transfer and delivery of the Securities by the Sellers to Buyer, Buyer shall issue and deliver to the Sellers (or the Escrow Agent on behalf of the Sellers, as applicable), on the terms and conditions set forth herein, the following number of shares of OPKO Common Stock and options to acquire shares of OPKO Common Stock:

(i) On or before the Closing Date, OPKO's Board of Directors (or compensation committee thereof) shall grant to each Founder and, on the Closing Date, Buyer shall issue and deliver to each Founder, stock options representing the right to acquire 50,000 shares of OPKO Common Stock, at an exercise price equal to the closing sale price for OPKO Common Stock on the AMEX on the Closing Date (the "Stock Options"). Each Founder's Stock Options shall (i) have the terms set forth in Schedule E ("Option Terms"), (ii) be for a term of seven (7) years, (iii) vest ratably over four (4) years vest, and (iv) be governed by the terms and conditions of OPKO's 2007 Equity Incentive Plan (the "OPKO Stock Option Plan") as in effect on the Closing Date (including, without limitation, with respect to accelerated vesting upon a Change in Control (as such term is defined in the OPKO Stock Option Plan), provided, however, that the Stock Options shall become fully vested and exercisable immediately upon the occurrence of a Triggering Event. For the avoidance of doubt, notwithstanding anything to the contrary in this Agreement, the Stock Options or the OPKO Stock Option Plan, vesting of the Stock Options shall be subject only to the passage of time and shall not be contingent upon service by the Founders as employees or consultants of the Company, Buyer or OPKO under any circumstances.

(ii) On the Closing Date, Buyer shall issue and deliver a certificate to Yale representing 24,810 shares of OPKO Common Stock (or 75% of the Yale Shares), and issue to Yale, and deliver to the Escrow Agent to be held in escrow pursuant to the terms of this Agreement and the Escrow Agreement, a certificate representing 8,270 shares of OPKO Common Stock (or 25% of the Yale Shares).

(iii) On the Closing Date, Buyer shall issue certificates to each Seller representing the number of shares of OPKO Common Stock set forth opposite the name of such Seller on Schedule A under the heading *"*** Shares"* (the "*** Shares"), and deliver such certificates to the Escrow Agent to be held in escrow pursuant to the terms of this Agreement and the Escrow Agreement.

(iv) On the Closing Date, Buyer shall issue certificates to each Seller representing the number of shares of OPKO Common Stock set forth opposite the name of such Seller on Schedule A under the heading *"*** Shares"* (the "*** Shares"), and deliver such certificates to the Escrow Agent to be held in escrow pursuant to the terms of this Agreement and the Escrow Agreement.

(c) Additional Consideration. In the event the average closing sale price for OPKO Common Stock on the AMEX for the ten (10) trading days preceding the date of the 510(k) Approval is less than $*** per share, then Buyer shall issue and deliver (as soon as possible and in any event within *** business days of the date of the 510(k) Approval) to each Seller a certificate representing the number of shares of OPKO Common Stock set forth opposite the name of such Seller on Schedule A under the heading *"True-Up Shares"* (the "True-Up Shares").

2.2 Purchase of Notes.

(a) Purchase and Sale of Notes. Subject to the terms and conditions set forth herein, on the Closing Date, each Noteholder shall sell, assign, transfer and deliver to Buyer, and Buyer shall purchase from such Noteholder, all of such Noteholder's right, title and interest in and to the Note(s) including the aggregate indebtedness represented thereby (including the aggregate original principal amount thereof and the accrued and unpaid interest thereon) indicated next to such Noteholder's name on Schedule B.

(b) Consideration. As consideration for the sale, assignment, transfer and delivery of the Notes, on the Closing Date, Buyer shall (i) issue and deliver to each Noteholder a certificate representing the number of shares of OPKO Common Stock set forth opposite the name of such Noteholder on Schedule B under the heading *"Note Shares"* (the "Note Shares"); and (ii) issue to the Indemnifying Noteholder a certificate representing the number of shares of OPKO Common Stock set forth opposite the name of the Indemnifying Noteholder on Schedule B under the heading *"Note Indemnity Shares"* (the "Note Indemnity Shares"), and deliver such certificate to the Escrow Agent to be held in escrow pursuant to the terms of this Agreement and the Escrow Agreement; following which each of the Notes shall be deemed fully repaid, canceled and of no further effect.

2.3 Release By Escrow Agent.

(a) Release of *** Shares. Subject to Section 2.3(c) and Section 2.3(d), Buyer and the Seller Representative shall direct the Escrow Agent to immediately release the *** Shares, other than the *** shares constituting part of the Escrow Shares, to the Sellers immediately after the earlier to occur of (i) ***, as determined by OPKO in its sole discretion, of *** (defined in Section 8.1(a)), and (ii) a ***. Unless a *** has occurred, Buyer and the Seller Representative shall direct the Escrow Agent to immediately release the *** Shares to Buyer in the event that OPKO determines in its sole discretion that the *** in accordance with Section 8.1(a) hereof.

(b) Release of *** Shares. Subject to Section 2.3(c) and Section 2.3(d), Buyer and the Seller Representative shall direct the Escrow Agent to immediately release the *** Shares, other than the *** Shares constituting part of the Escrow Shares, to the Sellers immediately after the earliest to occur of (i) ***, and ***. Unless a *** has occurred, Buyer and the Seller Representative shall direct the Escrow Agent to immediately release the *** Shares to Buyer in the event *** (defined in Section 8.1(a)).

(c) Escrow Shares. Subject to Section 2.3(a), Section 2.3(b) and Section 2.3(d), Buyer and the Seller Representative shall direct the Escrow Agent to immediately release the Escrow Shares to the Sellers and the Indemnifying Noteholder on the earlier of (i) the *** anniversary of the Closing Date, unless a Claim asserted in writing by a Buyer Indemnified Party remains unresolved as of such date, and (ii) ***.

(d) *** Escrow Shares. Notwithstanding anything in Section 2.3(a), Section 2.3(b), or Section 2.3(c) to the contrary, none of the *** Shares or *** Shares constituting part of the Escrow Shares shall be released or delivered to the Sellers, if ever, until the *** (i) ***, as determined by Buyer in its sole discretion, of ***, ***, respectively, and (ii) the occurrence of a ***.

ARTICLE 3

Representations and Warranties of Buyer and OPKO

In order to induce the Company and Sellers to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer and OPKO make the representations and warranties set forth below to Sellers.

3.1 Organization. Each of Buyer and OPKO has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, as the case may be. Each of Buyer and OPKO is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary. Each of Buyer and OPKO has all requisite right, power and authority to (a) own or lease and operate its properties and (b) conduct its business as presently conducted.

3.2 Authorization; Enforceability. Each of Buyer and OPKO has all requisite right, power and authority to execute and deliver the Transaction Documents and to consummate the transactions contemplated thereby. The execution and delivery of the Transaction Documents by Buyer and OPKO and the consummation by Buyer and OPKO of the transactions contemplated thereby have been duly authorized by all requisite corporate and limited liability company action, as the case may be. The Transaction Documents have been duly executed and delivered by Buyer and OPKO, and constitute the legal, valid and binding obligation of Buyer and OPKO, enforceable in accordance with their respective terms except as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights and (b) general principles of equity that may restrict the availability of equitable remedies.

3.3 No Violation or Conflict. The execution and delivery of the Transaction Documents by Buyer and OPKO, the consummation by Buyer and OPKO of the transactions contemplated thereby, and compliance by Buyer and OPKO with the provisions hereof: (a) do not and will not violate or, if applicable, conflict with any provision of Law, or any provision of Buyer's or OPKO's Organizational Documents; and (b) do not and will not, with or without the passage of time or the giving of notice, result in the breach of, or constitute a default, cause the acceleration of performance or require any consent under, any instrument or agreement to which Buyer or OPKO is a party or by which Buyer, OPKO or their properties may be bound or affected.

3.4 Capitalization. The authorized and outstanding capital stock of OPKO is as set forth on its consolidated balance sheet comprising a part of the most recent SEC Report. All of OPKO's issued and outstanding capital stock is duly authorized, validly issued, fully paid and nonassessable and was issued in compliance with applicable state and federal securities laws. As of the date hereof, there are outstanding options to purchase approximately 12,300,000 shares of OPKO Common Stock under the OPKO Stock Option Plan, and options to purchase 18,300,000 shares of OPKO Common Stock remain available for grant thereunder.

3.5 **Validity of Shares; Listing**. When issued and delivered to the Sellers and the Noteholders in accordance with this Agreement, the Note Shares, the Note Indemnity Shares and the Consideration Shares shall be (a) duly and validly authorized, issued and outstanding, (b) fully paid and nonassessable, and (c) listed for trading on the AMEX.

3.6 **SEC Reports; Absence of Undisclosed Liabilities**.

(a) Except as set forth on Schedule 3.6(a), OPKO has duly filed with and furnished to the SEC all required reports, schedules, forms, certifications, prospectuses, registrations, proxy and other statements since March 27, 2007 (collectively, "SEC Reports"). Each SEC Report complied, at the time such SEC Report was filed, in all material respects with all applicable requirements of the Securities Act and the Exchange Act and applicable rules and regulations promulgated thereunder.

(b) Neither OPKO nor any of its subsidiaries has any Liabilities which, if known, would be required to be reflected or reserved against on a consolidated balance sheet of OPKO prepared in accordance with GAAP or the notes thereto, except Liabilities (i) reflected or reserved against on the audited consolidated balance sheet of OPKO and its subsidiaries as of December 31, 2007 and the footnotes thereto set forth in OPKO's annual report on Form 10-K, for the fiscal year ended December 31, 2007, or (ii) incurred after December 31, 2007 in the ordinary course of business and that, individually or in the aggregate, have not had a Material Adverse Effect.

3.7 **Absence of Certain Changes or Events**. Except as disclosed in the SEC Reports, (a) since December 31, 2007, there has not occurred any Material Adverse Effect, and (b) OPKO and its subsidiaries have carried on and operated their respective businesses in all material respects in the ordinary course of business consistent with past practices.

3.8 **Legal Proceedings.** Except as set forth in the SEC Reports, (a) OPKO is not a party to any pending or, to the knowledge of OPKO, threatened, legal, administrative or other proceeding, arbitration, mediation or out-of-court settlement negotiation, and (b) to the knowledge of OPKO, no Person who is or was a director or officer of OPKO is a party to any pending legal, administrative or other proceeding, arbitration, mediation or out-of-court settlement negotiation in their capacity as directors or officers of OPKO. OPKO is not subject to any order, writ, injunction, decree or other judgment of any court or governmental or regulatory authority.

3.9 **Compliance with Laws**. Except as discussed in the SEC Reports, OPKO is in compliance in all material respects with all Laws and other legal requirements applicable to it or its properties and OPKO has not received written notification from any governmental or regulatory authority asserting that it is not in compliance with or has violated any of the Laws, which such governmental or regulatory authority enforces, or threatening to revoke any Permit (as hereinafter defined), and OPKO is not subject to any agreement or consent decree with any governmental or regulatory authority arising out of previously asserted violations.

3.10 Consent of Governmental Authorities. No consent, approval or authorization of, or registration, qualification or filing with any governmental or regulatory authority is required to be made by OPKO in connection with the execution, delivery or performance of this Agreement by OPKO or the consummation by OPKO of the transactions contemplated hereby.

3.11 Brokers. Buyer has not employed any financial advisor, broker or finder and has not incurred and will not incur any broker's, finder's, investment banking or similar fees, commissions or expenses, in connection with the transactions contemplated by this Agreement, which would be payable by Sellers.

ARTICLE 4

Representations and Warranties of the Company

In order to induce Buyer and OPKO to enter into this Agreement and to consummate the transactions contemplated hereby, the Company hereby makes the representations and warranties set forth below to Buyer and OPKO, which are subject to the qualifications and limitations set forth in the disclosure schedules attached hereto (the "Disclosure Schedules").

4.1 Organization. The Company has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation. The Company is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary. The Company has all requisite right, power and authority to (a) own or lease and operate its properties, (b) conduct its business as presently conducted and (c) engage in and consummate the transactions contemplated hereby. The Company is not in default under its Organizational Documents. The Company does not have any Subsidiaries.

4.2 Authorization; Enforceability. The Company has all requisite right, power and authority to execute and deliver the Transaction Documents and consummate the transactions contemplated thereby. The execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all requisite corporate action. The Transaction Documents have been duly executed and delivered and constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms except as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights and (b) general principles of equity that may restrict the availability of equitable remedies.

4.3 No Violation or Conflict. Except as set forth on Schedule 4.3, the execution and delivery of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby, and compliance by the Company with the provisions hereof: (a) do not and will not violate or conflict with any provision of Law or any provision of the Company's Organizational Documents; and (b) do not and will not, with or without the passage of time or the giving of notice, result in the breach of, or constitute a default, cause the acceleration of performance or require any consent under, or result in the creation of any Lien upon any property or assets of the Company pursuant to any instrument or agreement to which the Company is a party or by which the Company's properties may be bound or affected.

4.4 Organizational Documents and Corporate Records. A true and complete copy of (a) the Organizational Documents of the Company, as amended, and (b) copies of the minute books of the Company have been delivered to Buyer. Such minute books contain records of all meetings and other corporate actions of the Board of Directors, committees of the Board of Directors, and shareholders of the Company from the date of its incorporation to the date hereof, and such records are complete and accurate in all material respects. All matters requiring the authorization or approval of the Board of Directors, a committee of the Board of Directors, or the shareholders of the Company have been duly and validly authorized and approved by them.

4.5 Capitalization. The authorized share capital of the Company is as set forth on Schedule 4.5. Schedule 4.5 sets forth all Securities which are issued and outstanding, all of which have been duly authorized, are validly issued, fully paid and nonassessable and were issued in compliance with applicable state and federal securities laws. All outstanding Securities are owned by the Sellers, free and clear of all Liens, rights of first refusal and limitations on the Sellers' voting rights, and there are no voting agreements or shareholder agreements among the Sellers with respect to the Securities. The Company has not made any investment or equity interest in any other Person. None of the Securities was issued in violation of any preemptive rights or rights of first refusal, or other agreements or rights. At the Closing, the Sellers will transfer and convey and Buyer will acquire good and valid title to the Securities free and clear of all Liens. No written or oral agreement or understanding with respect to the disposition of the Securities or any rights therein, other than this Agreement exists. The Company does not have any liability or obligation of any nature whatsoever to any former shareholder of the Company.

4.6 Rights, Warrants, Options. There are no stock options, warrants, stock appreciation, phantom stock or other rights, arrangements or commitments of any character to which the Company is a party or by which the Company is bound relating to the issued or unissued capital stock or equity interests of the Company or obligating the Company to issue or sell any shares of capital stock of, or other equity interests in, the Company. There are no outstanding obligations of the Company to redeem or otherwise acquire any of the Securities. There are no outstanding contractual obligations of the Company to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in any Person.

4.7 Financial Statements. The Company has delivered to Buyer a true and complete copy of (A) the unaudited consolidated balance sheet of the Company for the fiscal year ended on December 31, 2007, and the unaudited consolidated profit and loss statement for the fiscal year ended on December 31, 2007, and (B) the unaudited balance sheet of the Company as of March 31, 2008, and the unaudited consolidated profit and loss statement of the Company for the two-month period then ended (collectively, the "Financial Statements"). The Financial Statements: (a) have been prepared in accordance with the books of account and records of the Company; (b) fairly present in all material respects the financial position of the Company as of the dates and for the periods specified in such statements; and (c) have been prepared in accordance with United States generally accepted accounting principles, consistently applied with prior periods, subject to year-end adjustments and the addition of appropriate footnotes.

4.8 Absence of Undisclosed Liabilities. The Company has no debts, Liabilities, commitments or obligations of any nature whatsoever, whether accrued, absolute, contingent or otherwise, other than as provided for in this Agreement, disclosed in the Disclosure Schedules or accrued for or reserved against in the Financial Statements.

4.9 Guaranties. The Company is not a party to any Guaranty, and no Person is a party to any Guaranty for the benefit of the Company.

4.10 Accounts and Notes Receivable and Payable. Set forth in Schedule 4.10 is a true and complete aged list of unpaid accounts and notes receivable owing to and owed by the Company as of Closing. All of such accounts and notes receivable and payable constitute only bona fide, valid and binding claims arising in the ordinary course of the Company's business, subject, with regard to receivables, to no valid defenses, counterclaims or setoffs.

4.11 Absence of Material Adverse Effect. Except as set forth on Schedule 4.11, Since March 31, 2008, the Company has conducted its business only in the ordinary and usual course and in a manner consistent with past practices and, since such date: (a) there has been no Material Adverse Effect; and (b) the Company has not engaged or agreed to engage in any of the actions described below:

(a) amend or otherwise change its Organizational Documents;

(b) issue, sell or authorize for issuance or sale, shares of any class of its securities (including, but not limited to, by way of stock split or dividend) or any subscriptions, options, warrants, rights or convertible securities, or enter into any agreements or commitments of any character obligating it issue or sell any such securities;

(c) redeem, purchase or otherwise acquire, directly or indirectly, any shares of its capital stock or any option, warrant or other right to purchase or acquire any such shares;

(d) declare or pay any dividend or other distribution (whether in cash, stock or other property) with respect to its capital stock or repay any irrevocable capital contribution;

(e) sell, transfer, surrender, abandon or dispose of any of its assets or property rights (tangible or intangible);

(f) grant or make any Lien or subject itself or any of its properties or assets to any Lien;

(g) grant any license or sublicense of any right under or with respect to any Intellectual Property or disclose any proprietary or confidential information to any third party, except to Buyer or OPKO;

(h) create, incur or assume any indebtedness or any Liability in excess of $7,500;

(i) make or commit to make any capital expenditures in excess of $7,500;

(j) grant or become subject to any Guaranty;

(k) apply any of its assets to the direct or indirect payment, discharge, satisfaction or reduction of any amount payable directly or indirectly by, to or for the benefit of any Seller or any Affiliate thereof or to the prepayment of any such amounts or engage in any transactions with any Affiliate;

(l) write off the value of any assets, inventory or any accounts receivable or increase, the reserves for obsolete, damaged, spoiled or otherwise not usable inventory or doubtful or uncollectible receivables;

(m) increase the compensation payable or to become payable to directors, officers or employees (including, without limitation, any such increase pursuant to any Plan or otherwise), other than increases in the ordinary course of business and consistent with past practice or grant any rights to severance or termination pay to, or enter into any employment or severance agreement with, any director, officer or other employee of the Company, or establish, adopt, enter into or materially amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee;

(n) acquire (including, without limitation, by merger, consolidation or acquisition of stock or assets) any interest in any corporation, partnership, other business organization, Person or any division thereof or any assets;

(o) alter the manner of keeping its books, accounts or records, or change in any manner the accounting practices, methods or assumptions therein reflected;

(p) agree to accelerate or delay collection of notes or accounts receivable in advance of or beyond their regular dates or the date when the same could have been collected in the ordinary course of business consistent with past practices;

(q) waive, release, assign, settle or compromise any claims or litigation;

(r) make any Tax election or settle or compromise any federal, state or local or federal income Tax liability;

(s) take or omit to take any action which is intended to render any of the Company's representations or warranties untrue or misleading;

(t) take any action which would have a Material Adverse Effect; or

(u) agree, whether in writing or otherwise, to do any of the foregoing.

4.12 **List of Accounts.** Set forth on Schedule 4.12 is: (a) the name and address of each bank or other institution in which the Company maintains an account (cash, securities or other) or safe deposit box; (b) the name and phone number of the Company's contact person at such bank or institution; (c) the account number of the relevant account and a description of the type of account; and (d) the persons authorized to transact business in such accounts.

4.13 **Tax Matters**. Except as set forth on Schedule 4.13, all Tax returns required to be filed with respect to the Company have been timely filed with the appropriate governmental authorities in all jurisdictions in which such returns are required to be filed, all of the foregoing as filed are true, correct and complete in all material respects as of the applicable filing dates, and reflect accurately in all material respects all liabilities for Taxes of the Company for the periods to which such returns relate, and all amounts shown as owing thereon have been paid. All Taxes, if any, collectible or payable by the Company or relating to or chargeable against any of its assets, revenues or income through the Closing Date were or will be fully collected and paid by such date or provided for by adequate reserves in the Financial Statements. No claims or deficiencies have been asserted against the Company with respect to any Taxes which have not been paid or otherwise satisfied or for which accruals or reserves have not been made in the Financial Statements, and there exists no reasonable basis for the making of any such claims. The Company has not waived any restrictions on assessment or collection of Taxes or consented to the extension of any statute of limitations relating to taxation.

4.14 **Insurance.** Set forth on Schedule 4.14 is a list of all insurance policies providing insurance coverage of any nature to the Company. The Company has delivered to Buyer a true and complete copy of all of such insurance policies as amended. Such policies are reasonably sufficient for the compliance by the Company with all requirements of Law and all Contracts. All of such policies are in full force and effect and are valid and enforceable in accordance with their terms, and the Company has complied in all material respects with all terms and conditions of such policies, including the payment of premium payments. None of the insurance carriers has indicated to the Company an intention to cancel or not renew any such policy. The Company has no claim pending or reasonably anticipated against any of the insurance carriers under any of such policies and there has been no actual or alleged occurrence of any kind which may give rise to any such claim.

4.15 **Title to and Condition of Personal Property**.

(a) Except as set forth on Schedule 4.15, the Company has good and marketable title or leasehold interest to each item of equipment and other personal property, included as an asset in the Financial Statements, free and clear of all Liens.

(b) All of the buildings, structures, appurtenances, leasehold improvements, equipment, machinery, and other tangible property owned or used by the Company are: (a) in reasonable operating condition and repair, ordinary wear and tear excepted, (b) not in need of substantial maintenance or repairs, and (c) adequate and sufficient for the continuing conduct of the business of the Company as now conducted.

(c) Each item of equipment, personal property and asset of the Company, included as an asset in the Financial Statements shall remain with the Company as of the Closing Date. The parties agree that Schedule 4.15(c) sets forth the full and complete list of material assets which will be owned by the Company as of the Closing Date.

4.16 Intellectual Property. Other than inbound "shrink-wrap" and similar publicly available commercial binary code end-user licenses, set forth on Schedule 4.16 is a list and description of the Intellectual Property that is the subject of an application, certificate, filing, registration or other document issued by, filed with, or recorded by, any governmental authority. The Intellectual Property is owned or rightfully used by the Company pursuant to a license agreement free and clear of all Liens, and except as set forth on Schedule 4.16, no royalties, honorariums or fees are or will be payable by the Company by reason of the ownership or use of the Intellectual Property. No claims have been made against the Company or the Sellers or, to the Knowledge of the Company, threatened against the Company or the Sellers (or any of their respective officers, directors, employees or Affiliates) (i) asserting the invalidity, abuse, misuse, or unenforceability, or seeking the cancellation, of any of the Intellectual Property, or (ii) asserting that the Company's ownership or use of the Intellectual Property infringes or violates the rights of any other Person and, to the Company's Knowledge, there does not exist any valid basis for any such claim. To the Knowledge of the Company, there is no infringement or misappropriation of any Intellectual Property. The Intellectual Property includes all rights necessary for the Company to be legally entitled to conduct its business as presently being conducted. Subject to obtaining such consents set forth in Schedule 4.16, the consummation of the transactions contemplated hereby will not alter or impair any of the Intellectual Property. Except as set forth in Schedule 4.16, no interest in any of the Intellectual Property has been assigned, transferred, licensed or sublicensed by the Company to third parties.

4.17 Real Property. The Company does not own any real property. Schedule 4.17 sets forth the street address of each parcel of real property leased by the Company (the "Leased Property"). The Company has delivered to Buyer true and complete copies of all of the lease agreements, as amended to date (the "Leases") relating to the Leased Property. Except as set forth in Schedule 4.17, (i) no Person other than the Company has any right to use or occupy any part of the Leased Property, and (ii) the Company has no Knowledge that any Lease will not be renewed by the landlord upon its expiration date on terms and conditions substantially similar to the terms existing thereunder, if requested to do so by the Company. The Company has not made an construction or improvements on the Leased Property.

4.18 Compliance with Environmental Laws. The Company is in compliance in all material respects with all applicable Environmental Laws. There have been no governmental claims, citations, notices of violation, judgments, decrees or orders issued against the Company for impairment or damage, injury or adverse effect to the environment or public health and, to the Knowledge of the Company there have been no private complaints with respect to any such matters. To the Knowledge of the Company, there is no condition relating to any properties of the Company that would require any type of remediation, clean-up, response or other action under applicable Environmental Laws. The Company has complied in all material respects with all applicable Environmental Laws in the generation, treatment, transportation, storage and disposal of Hazardous Materials.

4.19 Employment Matters.

(a) Employment Agreements. Except as listed on Schedule 4.19(a), there are no (i) employment agreements, (ii) consulting agreements, (iii) severance agreements, (iv) agreements that include indemnification arrangements, or (v) agreements which contain change of control provisions, between the Company and any officer, director, consultant or employee ("Employment Agreements"). Sellers have delivered to Buyer true and complete copies of all of the Employment Agreements. No Employment Agreement (i) will require any payment by the Company or Buyer to any director, officer or employee of the Company, or any other party, by reason of the change in control of the Company resulting from the transactions contemplated by this Agreement, or (ii) provides for the acceleration or change in the award, grant, vesting or determination of options, warrants, rights, severance payments, or other contingent obligations of any nature whatsoever of the Company in favor of any such parties. The terms of employment or engagement of all directors, officers, employees, agents, consultants and professional advisers of the Company are such that their employment or engagement may be terminated at any time without liability for payment of compensation or damages (other than, with respect to employees of the Company, the payment of the statutory minimum compensation) and the Company has not entered into any agreement or arrangement for the management of its business or any part thereof other than with its directors or employees.

(b) Personnel. Schedule 4.19(b) contains the names, job descriptions and annual salary rates and other compensation of any kind of all officers, directors and consultants of the Company (including compensation paid or payable by the Company under the Plans (as hereafter defined)).

(c) Employment Laws. The Company has complied in all material respects with all applicable employment Laws, including payroll, withholding and related obligations, benefits, social security, and does not have any obligation in respect of any amount due to employees of the Company or government agencies, other than normal salary, other fringe benefits and contributions accrued but not payable on the date hereof.

(d) Policies. Schedule 4.19(d) contains a list of all employee policies (written or otherwise), employee manuals or other written statements of rules or policies concerning employment, including working conditions, vacation and sick leave, a complete copy of each of which (or a description, if unwritten) has been delivered to Buyer.

(e) Employee Benefit Plans.

(i) Except as set forth in Schedule 4.19, the Company does not and has never maintained and has no material liability with respect to (A) any employee pension benefit plan as defined in Section 3(2)A of ERISA, or (B) any other deferred compensation, stock purchase, stock bonus, stock ownership, stock option, profit sharing, savings, medical, disability, hospitalization, insurance, deferred compensation, bonus, incentive, welfare or any other employee benefit plan, policy, agreement, commitment, arrangement or practice currently or previously maintained by the Company for any of its directors, officers, consultants, employees or former employees (collectively, "Plans"). The Company has delivered to Buyer a true and complete copy of all of the Plans or, if oral, an accurate written summary thereof.

(ii) Schedule 4.19(e) contains a list setting forth each employee welfare benefit plan as defined in Section 3(1) of ERISA adopted by the Company (each, a "Welfare Plan"). Except as may be required by applicable Law, the Company is not obligated under any Welfare Plan to provide medical or death benefits with respect to any employee or former employee of the Company or its predecessors after termination of employment. The Company has complied with the notice and continuation coverage requirements of Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations thereunder with respect to each Welfare Plan that is a group health plan within the meaning of Section 5000(b)(1) of the Code. There are no reserves, assets, surplus or prepaid premiums under any Welfare Plan.

(iii) Each Plan and Welfare Plan has been administered in accordance with its terms and applicable Law. With respect to the Plans, (A) no event has occurred and there exists no condition, facts or circumstances which would reasonably be expected to give rise to any Liability of the Company under the terms of such Plans or any Law governing such Plans (other than Liabilities for benefits under such Plans in the ordinary course), (B) the Company has paid or accrued in accordance with its normal accounting practices all amounts required under applicable Law and any Plan to be paid as a contribution to each Plan through the date hereof, (C) the Company has set aside adequate reserves to meet contributions which are not yet due under any Plan, (D) the fair market value of the assets of each funded Plan, the liability of each insurer for any Plan funded through insurance or the book reserve established for any Plan, together with accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the Closing Date, with respect to all current and former participants in such Plan according to the actuarial assumptions and valuations most recently used to determine employee contributions to such Plan and no transaction contemplated by this Agreement shall cause such assets or insurance obligations to be less than such benefit obligations, and (E) each Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities.

(iv) On or after the date hereof, no Plan has been, or will be, (A) terminated, (B) amended in any manner which would directly or indirectly increase the benefits accrued, or which may be accrued, by any participant thereunder or (C) amended in any manner which would materially increase the cost to the Company or Buyer of maintaining such Plan. Except as set forth in Schedule 4.19(e), there are no material amounts due or owing to any employee of the Company for any accrued salary, remuneration, compensation and/or benefit, including, without limitation, amounts due for accrued vacation, sick leave or commissions.

4.20 **Labor Relations**. There is no strike or dispute pending or, to the Knowledge of the Company, threatened, involving the Company and any employees of the Company. To the Knowledge of the Company, none of the employees of the Company is a member of any labor union, and the Company is not a party to or otherwise bound by any labor or collective bargaining agreement. To the Knowledge of the Company, none of the employees of the Company is engaged in organizing any labor union or other employee group that is seeking recognition as a bargaining unit. There are no unfair labor practice complaints pending or, to the Knowledge of the Company, threatened, against the Company, and no Person has made any claim, and there is no basis for any claim, against the Company under any statute, regulation or ordinance relating to employees or employment practices, including without limitation those relating to age, sex and racial discrimination, conditions of employment, and wages and hours.

4.21 **Contracts**. Schedule 4.21 sets forth a list of all Contracts (other than those which are terminable upon no more than 30 days notice by the Company without penalty or other adverse consequence), including, without limitation:

(a) each partnership, joint venture or similar agreement of the Company with another Person;

(b) each contract or agreement under which the Company has created, incurred, assumed or guaranteed (or may create, incur, assume or guarantee) indebtedness in any amount or under which the Company has imposed (or may impose) a Lien on any of their respective assets, whether tangible or intangible securing indebtedness;

(c) each contract or agreement which involves an aggregate payment or commitment per contract or agreement on the part of the Company of more than US $5,000 per year;

(d) all leases and subleases from any third person to the Company, in each case requiring annual lease payments in excess of US $5,000;

(e) each contract or agreement to which the Company or any of its Affiliates is a party limiting the right of the Company or any of its Affiliates (i) to engage in, or to compete with any person in, any business, including each contract or agreement containing exclusivity provisions restricting the geographical area in which, or the method by which, any business may be conducted by the Company or any of its Affiliates or (ii) to solicit any customer or client;

(f) all licenses, licensing agreements and other agreements providing in whole or part for the use of any Intellectual Property by any third party; and

(g) each contract or agreement which contain anti-assignment, change of control or notice of assignment provisions.

Schedule 4.21 further identifies each Contract which would require that the Company give notice to, or obtain the consent of, another party to such Contract as a result of transactions contemplated by this Agreement. The Contracts are each in full force and effect and are the valid and legally binding obligations of the Company and, to the Company's Knowledge, are valid and binding obligations of the other parties thereto (in each case, except as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights and (b) general principles of equity that may restrict the availability of equitable remedies). The Company has not received written notice of default by the Company under any of the Contracts, and the Company is not in default under any Contract, and no event has occurred which with the giving of notice or lapse of time or both would constitute such a default. The Company has previously delivered or will deliver prior to the Closing Date to Buyer true, complete and correct copies of all contracts listed on Schedule 4.21.

None of the Contracts was entered into outside the ordinary course of business of the Company and none contains any provisions that would reasonably be expected to impair or adversely affect in any material way the operations of the Company, or would reasonably be expected to be performed at a material loss.

4.22 Related Parties. To the Knowledge of the Company, no current officer or director of the Company (a) owns, directly or indirectly, any interest in, or is a director, officer, employee, consultant or agent of, any Person which is a competitor of the Company; (b) owns, directly or indirectly, in whole or in part, any property, asset or right, real, personal or mixed, tangible or intangible, including any Intellectual Property, used in the conduct of the Company's business; (c) has an interest in or is, directly or indirectly, a party to any Contract; or (d) has any cause of action or claim whatsoever against, or is indebted to the Company on account of borrowed money.

4.23 Absence of Certain Business Practices. Neither the Company, nor, to the Knowledge of the Company, any of the Sellers or the current directors, officers, employees or consultants of the Company, acting alone or together, has: (a) received, directly or indirectly, any unlawful rebates, payments, commissions, promotional allowances or any other economic benefits, regardless of their nature or type, from any customer, supplier, employee or agent of any customer or supplier, official or employee of any government (domestic or foreign) or other Person; or (b) directly or indirectly, given or agreed to give any unlawful money, gift or similar benefit to any customer, supplier, employee or agent of any customer or supplier, official or employee of any government (domestic or foreign), or any political party or candidate for office (domestic or foreign) or other Person who was, is or may be in a position to help or hinder the business of the Company (or assist the Company in connection with any actual or proposed transaction).

4.24 Compliance with Laws. The Company is in compliance in all material respects with all Laws and other legal requirements applicable to it or its properties. The Company has not received written notification from any governmental or regulatory authority asserting that it is not in compliance with or has violated any of the Laws, which such governmental or regulatory authority enforces, or threatening to revoke any Permit (as hereinafter defined), and the Company is not subject to any agreement or consent decree with any governmental or regulatory authority arising out of previously asserted violations.

4.25 Governmental Authorizations. The Company has all authorizations, consents, approvals, franchises, licenses and permits required under applicable Law for the ownership of the Company's properties and operation of its business as presently operated (the "Permits"). No suspension nonrenewal or cancellation of any of the Permits is pending or, to the Knowledge of the Company, threatened, and there is no reasonable basis therefor. The Company is not, in any material respect, in conflict with, or in default or violation of any material Permits.

4.26 Legal Proceedings. Except as set forth in Schedule 4.26, (a) the Company is not a party to any pending or, to the Knowledge of the Company, threatened, legal, administrative or other proceeding, arbitration, mediation or out-of-court settlement negotiation, and (b) to the Knowledge of the Company, no Person who is or was a director or officer of the Company is a party to any pending or threatened legal, administrative or other proceeding, arbitration, mediation or out-of-court settlement negotiation in their capacity as directors or officers of the Company. The Company is not subject to any order, writ, injunction, decree or other judgment of any court or governmental or regulatory authority.

4.27 Assets and Rights. The assets and rights owned by the Company constitute all assets and rights required to operate the business of the Company as presently conducted.

4.28 Consent of Governmental Authorities. No consent, approval or authorization of, or registration, qualification or filing with any governmental or regulatory authority is required to be made by the Company in connection with the execution, delivery or performance of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby.

4.29 Brokers. Except as set forth in Schedule 4.29, the Company has not employed any financial advisor, broker or finder and has not incurred and will not incur any broker's, finder's, investment banking or similar fees, commissions or expenses in connection with the transactions contemplated by this Agreement, which would be payable by the Company or Buyer.

4.30 Disclaimer. Except for the representations and warranties contained in this Article 4 and any other agreement contemplated by this Agreement or delivered in connection with the transactions hereunder, the Company makes no other representations or warranties, express or implied, and the Company hereby disclaims any such other representations or warranties, whether by the Company or any of its officers, directors, employees, agents or representatives or any other Person with respect to this Agreement and the transactions contemplated hereby, notwithstanding the delivery or disclosure to Buyer or OPKO or any of their respective officers, directors, employees, agents or representatives or any other Person, of any documentation or other information by the Company or any of its officers, directors, employees, agents or representatives or any other Person, with respect to any of the foregoing.

ARTICLE 5

Representations and Warranties of The Sellers

In order to induce Buyer and OPKO to enter into this Agreement and to consummate the transactions contemplated hereby, each Seller, severally and not jointly, hereby makes the representations and warranties set forth below to Buyer and OPKO with respect to himself or itself (provided that Yale shall not be deemed to make the representations and warranties in either Section 5.5 or Section 5.8).

5.1 Title to Securities. Such Seller is the record and beneficial owner of the Securities listed opposite its name on Schedule A (the "Seller's Shares"), and the Seller's Shares are owned free and clear of any Liens whatsoever, including, without limitation, claims or rights under any voting trust agreements, shareholder agreements or other agreements. At the Closing, such Seller will transfer and convey, and Buyer will acquire, good and valid title to the Seller's Shares, free and clear of all Liens whatsoever.

5.2 Authorization; Enforceability. Such Seller has all requisite right, power and authority to execute and deliver the Transaction Documents and to consummate the transactions contemplated thereby. Such Seller has all requisite right, power and authority to transfer the Seller's Shares. The Transaction Documents have been duly executed and delivered by such Seller and constitute the legal, valid and binding obligations of such Seller, enforceable in accordance with their respective terms, except as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights and (b) general principles of equity that may restrict the availability of equitable remedies.

5.3 **No Consent, Violation or Conflict**. With respect to such Seller, the execution and delivery of the Transaction Documents by such Seller and the consummation by such Seller of the transactions contemplated hereby, and compliance by the Seller with the provisions hereof, (a) do not require any prior governmental or regulatory consent, approval, or notice of any kind, (b) do not and will not violate or, if applicable, conflict with any provision of Law, and (c) do not and will not, with or without the passage of time or the giving of notice, result in the breach of, or constitute a default, cause the acceleration of performance or require any consent under, or result in the creation of any Lien upon any property or assets of such Seller pursuant to any instrument or agreement to which such Seller is a party or by which such Seller or such Seller's properties may be bound or affected.

5.4 **Litigation**. There are no suits or proceedings pending or, to the knowledge of such Seller, threatened, before any court or by or before any governmental or regulatory authority, commission, bureau or agency or public regulatory body against such Seller which, if adversely determined, would interfere with Seller's ability to consummate the transactions contemplated hereby.

5.5 **Related Parties**. Such Seller does not own, directly or indirectly, any significant interest in, or is a director, officer, employee, consultant or agent of, any Person which is a competitor of the Company; (b) owns, directly or indirectly, in whole or in part, any property, asset or right, real, personal or mixed, tangible or intangible that is material to the business, financial condition, prospects or results of operations of the Company taken as a whole; or (c) has an interest in or is, directly or indirectly, a party to any Contract (other than as an employee, consultant or lender to the Company).

5.6 **Investment Intent; Securities Documents**. Such Seller understands and acknowledges that the Consideration Shares are being offered for exchange in reliance upon the exemption provided in Section 4(2) of the Securities Act for nonpublic offerings. Such Seller represents that it is acquiring the Consideration Shares hereunder for its own account, for investment and not with a view to, or for the sale in connection with, any distribution of any of the Consideration Shares, except in compliance with applicable state and federal securities laws. Such Seller has had the opportunity to obtain such information pertaining to Buyer and OPKO as has been requested, including but not limited to filings made by OPKO with the SEC under the Exchange Act. Such Seller represents that it is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act, and has such knowledge and experience in business or financial matters that it is capable of evaluating the merits and risks of an investment in the Consideration Shares.

5.7 **Restrictions on Resale**. Such Seller understands and acknowledges that the Consideration Shares have not been registered with the SEC under the Securities Act and the certificates representing the Consideration Shares shall bear an appropriate restrictive legend. Such Seller further understands and acknowledges that any sale, transfer or disposition by them of any of the Consideration Shares may, under current law, be made only in accordance with Rule 144 of the Securities Act or another exception to the Securities Act.

5.8 Company Representations and Warranties. Such Seller has read the representations and warranties of the Company set forth in Article 4 and, to the actual knowledge of such Seller as of the date of this Agreement (without any inquiry or investigation or duty of inquiry or investigation), each of the Company Representations, as qualified by the Disclosure Schedules, is true and correct in all material respects as of the date of this Agreement.

ARTICLE 6

Representations and Warranties of The Noteholders

In order to induce Buyer and OPKO to enter into this Agreement and to consummate the transactions contemplated hereby, each Noteholder, severally and not jointly, hereby makes the representations and warranties set forth below to Buyer and OPKO with respect to himself, herself or itself.

6.1 Title to Notes. Such Noteholder is the record and beneficial owner of the Note(s) listed opposite its name on Schedule B (the "Noteholder's Notes"), and the Noteholder's Notes are owned free and clear of any Liens whatsoever, including, without limitation, claims or rights under any voting trust agreements, shareholder agreements or other agreements. At the Closing, such Noteholder will transfer and convey, and Buyer will acquire, good and valid title to the Noteholder's Notes, free and clear of all Liens whatsoever.

6.2 Authorization; Enforceability. Such Noteholder has all requisite right, power and authority to execute and deliver the Transaction Documents and to consummate the transactions contemplated thereby. Such Noteholder has all requisite right, power and authority to transfer the Noteholder's Notes. The Transaction Documents have been duly executed and delivered by such Noteholder and constitute the legal, valid and binding obligations of such Noteholder, enforceable in accordance with their respective terms, except as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights and (b) general principles of equity that may restrict the availability of equitable remedies.

6.3 No Consent, Violation or Conflict. With respect to such Noteholder, the execution and delivery of the Transaction Documents by such Noteholder and the consummation by such Noteholder of the transactions contemplated hereby, and compliance by such Noteholder with the provisions hereof, (a) do not require any prior governmental or regulatory consent, approval, or notice of any kind, (b) do not and will not violate or, if applicable, conflict with any provision of Law, or any provision of such Noteholder's Organizational Documents, and (c) do not and will not, with or without the passage of time or the giving of notice, result in the breach of, or constitute a default, cause the acceleration of performance or require any consent under, or result in the creation of any Lien upon any property or assets of such Noteholder pursuant to any instrument or agreement to which such Noteholder is a party or by which such Noteholder or such Noteholder's properties may be bound or affected.

6.4 Litigation. There are no suits or proceedings pending or, to the knowledge of such Noteholder, threatened, before any court or by or before any governmental or regulatory authority, commission, bureau or agency or public regulatory body against Noteholders which, if adversely determined, would interfere with Noteholders' ability to consummate the transactions contemplated hereby.

6.5 **Related Parties**. Such Noteholder does not own, directly or indirectly, any significant interest in, or is a director, officer, employee, consultant or agent of, any Person which is a competitor of the Company; (b) owns, directly or indirectly, in whole or in part, any property, asset or right, real, personal or mixed, tangible or intangible that is material to the business, financial condition, prospects or results of operations of the Company taken as a whole; or (c) has an interest in or is, directly or indirectly, a party to any Contract (other than as an employee, consultant or lender to the Company).

6.6 **Investment Intent; Securities Documents**. Such Noteholder understands and acknowledges that the Note Shares are being offered for exchange in reliance upon the exemption provided in Section 4(2) of the Securities Act for nonpublic offerings. Such Noteholder represents that it is acquiring the Note Shares hereunder for its own account, for investment and not with a view to, or for the sale in connection with, any distribution of any of the Note Shares, except in compliance with applicable state and federal securities laws. Such Noteholder has had the opportunity to obtain such information pertaining to Buyer and OPKO as has been requested, including but not limited to filings made by OPKO with the SEC under the Exchange Act. Such Noteholder represents that it is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act, and has such knowledge and experience in business or financial matters that it is capable of evaluating the merits and risks of an investment in the Note Shares.

6.7 **Restrictions on Resale**. Such Noteholder understands and acknowledges that the Note Shares and the Note Indemnity Shares have not been registered with the SEC under the Securities Act and the certificates representing the Note Shares and the Note Indemnity Shares shall bear an appropriate restrictive legend. Such Noteholder further understands and acknowledges that any sale, transfer or disposition by them of any of the Notes Shares or the Note Indemnity Shares may, under current law, be made only in accordance with Rule 144 of the Securities Act or another exception to the Securities Act.

ARTICLE 7

Closing; Closing Deliverables

7.1 **Closing.** The closing of the transactions contemplated by, and the transfers and deliveries to be made pursuant to, this Agreement (the "Closing") shall take place by electronic exchange of signature pages simultaneously with the execution of this Agreement (the "Closing Date"). All proceedings to be taken and all documents to be executed at the Closing shall be deemed to have been taken, delivered and executed simultaneously, and no proceeding shall be deemed taken nor documents deemed executed or delivered until all have been taken, delivered and executed.

7.2 **OPKO Deliverables**. At or before the Closing, OPKO shall deliver or cause to be delivered:

(a) to the Company and the Seller's Representative:

(i) a true and complete copy, certified by the Secretary or Assistant Secretary of OPKO, of the resolutions duly and validly adopted unanimously by the Board of Directors of OPKO evidencing its authorization of the execution and delivery of the Transaction Documents and the consummation of the transactions contemplated thereby;

(ii) a certificate of OPKO, executed by a duly authorized officer of OPKO, that (i) the representations and warranties of OPKO contained in this Agreement are true and correct in all material respects (except for those representations and warranties which are by their terms qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects, and except to the extent such representations and warranties are as of another date, in which case as of such date), and (ii) the covenants and agreements of OPKO contained in this Agreement to be performed or complied with on or prior to the Closing Date shall have been duly performed or complied with in all material respects;

(iii) all filings, consents, approvals, permits and authorizations required to be obtained by OPKO in connection with this Agreement or the transactions contemplated thereby;

(iv) such other documents and instruments as the Company or the Seller's Representative may reasonably request (other than opinions of counsel); and

(b) to the Escrow Agent:

(i) an executed counterpart of the Escrow Agreement; and

(ii) certificates representing the *** Shares, the *** Shares, the Note Indemnity Shares and 25% of the Yale Shares;

(c) to the Noteholders:

(i) certificates representing the Note Shares;

(d) to Yale:

(i) a certificate representing 24,810 shares of OPKO Common Stock;

(e) to the Founders:

(i) a grant of Stock Options having the Option Terms described herein;

(f) to Ben R. Bronstein:

(i) an offer letter for employment with Buyer post-Closing in the form attached hereto as Schedule F-1;

(g) to Milton B. Shields:

(i) an amendment to his current Consulting Agreement with the Company providing for a consulting engagement with Buyer post-Closing in the form attached hereto as Schedule F-2; and

(h) to Nicholas F. Warner:

(i) an offer letter for employment with Buyer post-Closing in the form attached hereto as Schedule F-3.

7.3 Company Deliverables. At or before the Closing, the Company shall deliver or cause to be delivered to Buyer:

(a) a true and complete copy, certified by the Secretary or Assistant Secretary of the Company, of the resolutions duly and validly adopted unanimously by the Board of Directors of the Company evidencing its authorization of the execution and delivery of the Transaction Documents and the consummation of the transactions contemplated thereby;

(b) a certificate of the Company, executed by a duly authorized officer of the Company, that (i) the representations and warranties of the Company contained in this Agreement are true and correct in all material respects (except for those representations and warranties which are by their terms qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects, and except to the extent such representations and warranties are as of another date, in which case as of such date), and (ii) the covenants and agreements of the Company contained in this Agreement to be performed or complied with on or prior to the Closing Date shall have been duly performed or complied with in all material respects;

(c) all filings, consents, approvals, permits and authorizations to be obtained by the Company which Buyer reasonably deems necessary to consummate the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to Buyer and without the imposition of any material adverse terms or conditions which would materially adversely affect Buyer or its ability to operate the Company after the Closing;

(d) the effective written resignations of each of the directors and officers of the Company and the Founders (as employees or consultants), as may be requested by Buyer; and

(e) such other documents and instruments as Buyer may reasonably request (other than opinions of counsel).

7.4 Seller Deliverables. At or before the Closing, each Seller shall deliver or cause to be delivered to Buyer (a) certificates issued by the Company evidencing the ownership of the Seller's Shares; and (b) such other documents and instruments as Buyer may reasonably request (other than opinions of counsel).

7.5 **Noteholder Deliverables**. At or before the Closing, each Noteholder shall deliver or cause to be delivered to Buyer (a) the Noteholder's Notes; and (b) such other documents and instruments as Buyer may reasonably request (other than opinions of counsel).

ARTICLE 8

Additional Agreements

8.1 **OPKO Covenants and Commitments; Transfer of Core IP Assets**.

(a) As additional consideration for the sale of the Securities pursuant to this Agreement, OPKO agrees (i) to use commercially reasonable efforts to ***, (ii) to use commercially reasonable efforts to complete the same on or before *** (the "*** Completion Date"), and (iii) to use commercially reasonable efforts to ***, provided that each of the *** Date and the *** Date shall be extended *** Representative in the event OPKO determines in good faith it is unable to meet either deadline despite utilizing commercially reasonable efforts. OPKO shall make a determination, in its sole discretion, *** after the *** Completion Date, as amended (the "Determination Date") and immediately notify the Seller Representative of the same.

(b) In the event that (i) *** on or before the *** (as extended, if applicable), (ii) OPKO determines, in its sole discretion, ***. In the event of a ***, each of the Founders acknowledges and agrees that all unexercised Stock Options ***, and the Founders shall each represent and warrant, among other things, as to their ability to consummate the ***, ***, and that such shares ***, will be ***. OPKO, Buyer and the Company shall represent and warrant as to their ability to consummate the *** and that ***. Upon ***, (i) OPKO, Buyer and the Company, and (ii) the Founders (or their designee), shall execute mutual general releases in favor of the other. For the avoidance of doubt, (A) nothing in this Agreement shall operate to amend, modify or waive any of the terms of the Yale License as in effect on the date hereof, and (B) nothing in this Agreement shall operate or be interpreted as a consent by Yale to any assignment or purported assignment (or any license or sub-license to the rights and licenses granted thereunder) by the Company, Buyer or OPKO after the Closing.

8.2 **Investigation.** The representations, warranties and covenants set forth in this Agreement shall not be affected or diminished in any way by any investigation (or failure to investigate) at any time by or on behalf of the party for whose benefit such representations, warranties and covenants were made.

8.3 **Survival of the Representations and Warranties.** The representations and warranties of Buyer, OPKO, the Sellers, the Noteholders and the Company set forth in this Agreement shall survive the Closing Date for a period of one year.

8.4 **General Release.**

(a) As additional consideration for the sale of the Securities pursuant to this Agreement, each of the Sellers and the Noteholders hereby unconditionally and irrevocably releases and forever discharges, effective as of the Closing Date, each of the Company and its officers, directors, employees and agents (each, a "Seller Releasee"), from any and all rights, claims, demands, judgments, obligations, liabilities and damages, whether accrued or unaccrued, asserted or unasserted, and whether known or unknown, relating to the Company which ever existed, now exist, or may hereafter exist, by reason of any tort, breach of contract, violation of law or other act or failure to act which shall have occurred at or prior to the Closing Date, but excluding claims for breach by a Seller Releasee of any provision of this Agreement or any document or agreement executed and/or delivered pursuant hereto. Except as provided in the preceding sentence, the Sellers and the Noteholders expressly intend that the foregoing release shall be effective regardless of whether the basis for any claim or right hereby released shall have been known to or anticipated by the Sellers.

(b) As additional consideration for the sale of the Securities pursuant to this Agreement, each of the Company, Buyer and OPKO hereby unconditionally and irrevocably releases and forever discharges, effective as of the Closing Date, each of the Sellers and the Noteholders and their respective officers, directors, employees and agents, as applicable (each, a "Released Party"), from any and all rights, claims, demands, judgments, obligations, liabilities and damages, whether accrued or unaccrued, asserted or unasserted, and whether known or unknown, which ever existed, now exist, or may hereafter exist, by reason of any tort, breach of contract, violation of law or other act or failure to act which shall have occurred at or prior to the Closing Date, but excluding claims (i) for breach by a Released Party of any provision of this Agreement or any document or agreement executed and/or delivered pursuant hereto, (ii) for fraud, misappropriation, or willful misconduct, or (iii) in connection with or relating to any derivative action brought by any Seller or a former stockholder of the Company. Except as provided in the preceding sentence, the Company, Buyer and OPKO expressly intend that the foregoing release shall be effective regardless of whether the basis for any claim or right hereby released shall have been known to or anticipated by the Company, Buyer or OPKO.

8.5 Indemnification.

(a) Indemnification from the Escrow Shares. Subject in all cases to the limitations set forth in Section 8.5(d), Section 8.5(e) and Section 8.5(f), the Sellers and the Indemnifying Noteholder agree, severally and not jointly up to their respective Pro Rata Share (as defined in Section 8.5(f)), to indemnify and hold harmless, Buyer and OPKO and their respective directors, officers, employees and agents (collectively, "Buyer Indemnified Parties") from, against and in respect of, each of the following (collectively, "Claims"):

(i) (A) any and all Liabilities, arising from, in connection with, or incident to any breach or violation of any of the representations and warranties of any of the Sellers, the Noteholders or the Company contained in this Agreement or any certificate delivered by any of the Sellers at or prior to the Closing, or (B) any and all Liabilities arising from, in connection with, or incident to any breach or violation of the covenants or agreements of any of the Sellers, the Noteholders or the Company contained in this Agreement,

(ii) any and all Liabilities for Taxes attributable to all Tax years or portions thereof ending on or prior to the Closing Date imposed with respect to the Company,

(iii) any and all Taxes related to or arising from the transactions contemplated hereby or in contemplation hereof by reason of any Liability for Taxes of the Company or the Sellers and assessed by any taxing authority against the Sellers, their respective shareholders, the Company and/or any of their respective Affiliates either before or after the Closing Date,

(iv) any and all actions, suits, proceedings, demands, assessments or judgments, costs and expenses incidental to any of the foregoing, and

(v) any third party claim, action, suit or proceeding or of the occurrence of any event or the existence of any state of facts which may become the basis of a third party claim

(b) Indemnification Procedure.

(i) As soon as practicable after Buyer obtains knowledge of the existence or commencement of any Claim in respect of which a Buyer Indemnified Party is entitled to indemnification under this Agreement, Buyer shall notify the Seller Representative and the Escrow Agent of such Claim in writing; provided, however, that any failure to give notice (A) will not waive any rights of the Buyer Indemnified Parties and (B) will not relieve the Sellers of their obligations as hereinafter provided in this Section 8.5 after such notice is given, except to the extent that the Seller Representative shall have been materially adversely affected by such delay or failure and except that in any event such notice shall be given on or before the one year anniversary of the Closing Date. Such notice shall specify the amount of the Claim (or the Buyer Indemnified Party's good faith estimate of the amount of the Claim if the amount is not yet determined) and a reasonably detailed summary of the basis for such Claim.

(ii) If the Seller Representative does not dispute the basis or amount of any Claim within 30 days of receiving written notice thereof, Buyer shall have the right to promptly recover indemnity as and to the extent provided herein, and the Seller Representative and Buyer shall provide a Joint Written Direction (as defined in the Escrow Agreement) to the Escrow Agent containing instructions to that effect. If the Seller Representative disagrees with the basis of the Claim or the amount of damages caused or alleged to be caused thereby, then within 30 days of receiving written notice thereof, the Seller Representative shall give notice to Buyer and the Escrow Agent of such disagreement and, in that case, Buyer shall have no right to recover indemnity hereunder until such time, if at all, as (A) a court of competent jurisdiction issues a final, non-appealable order specifying the amount of Buyer's recovery or (B) Buyer and the Seller Representative agree in writing to the amount of recovery.

(iii) With respect to any Claim under Section 8.5(a)(v) as to which such notice is promptly given, the Seller Representative will assume the defense or otherwise settle such Claim with counsel reasonably satisfactory to Buyer experienced in the conduct of Claims of that nature at the Sellers' and the Indemnifying Noteholder's sole risk and expense; provided, however, that Buyer (A) shall be permitted to join the defense and settlement of such Claim and to employ counsel reasonably satisfactory to it at its expense, and (B) shall cooperate fully with the Seller Representative, the Sellers and the and the Indemnifying Noteholder in the defense and any settlement of such Claim in any manner reasonably requested by the Seller Representative. The Seller Representative shall not make any settlement of any claims without the written consent of Buyer, which consent shall not be unreasonably withheld or delayed. Without limiting the generality of the foregoing, it shall not be deemed unreasonable to withhold consent to any third party claim, action, suit or proceeding or of the occurrence of any event or the existence of any state of facts which may become the basis of a third party claim a settlement involving injunctive or other equitable relief against Buyer or its Affiliates or their assets, employees or business. For purposes of this Section, the firm of Foley Hoag LLP is satisfactory to Buyer and any conflict of interest of any form as to Foley Hoag LLP is hereby waived to the extent permitted by law.

(iv) If the Seller Representative fails to assume the defense of such Claim or, having assumed the defense and settlement of such Claim, fails reasonably to contest such Claim in good faith, or the remedy sought by the claimant with respect to such Claim is not solely for money damages, Buyer, without waiving its right to indemnification, may, but is not required to, assume the defense and settlement of such Claim at the Sellers' expense, provided, however, that (A) the Sellers shall cooperate with Buyer in the defense and settlement of such Claim in any manner reasonably requested by Buyer, and (B) Buyer shall not settle such Claim without the written consent of the Sellers and the Indemnifying Noteholder, which consent shall not be unreasonably withheld or delayed.

(c) Indemnification Payments Net of Taxes. All sums payable by the Sellers and the Indemnifying Noteholder as indemnification under this Section 8.5 shall be paid free and clear of all deductions or withholdings (including any Taxes or governmental charges of any nature) unless the deduction or withholding is required by law, in which event or in the event Buyer shall incur any liability for Tax chargeable or assessable in respect of any such payment, the Sellers and the Indemnifying Noteholder shall pay such additional amounts as shall be required to cause the net amount received by Buyer to equal the full amount which would otherwise have been received by it had no such deduction or withholding been made or no such liability for Taxes been incurred.

(d) Limitation on Indemnification. Satisfaction of Claims, other than with respect to Claims for fraud, shall be subject to the following limitations:

(i) the Buyer Indemnified Parties shall not be entitled to any indemnification under this Agreement for Claims ***; provided that after the Buyer Minimum Loss Limitation has been met, the Buyer Indemnified Parties shall be entitled to indemnification for all damages, costs and expenses, relating to Claims going back to the first dollar;

(ii) the Buyer Indemnified Parties shall not be entitled to any indemnification under this Agreement for any loss of use, interruption of business, special, punitive, consequential or incidental damages or loss of profit or goodwill; and

(iii) the amount of any indemnification under this Agreement payable hereunder with respect to any Claim shall be reduced by the proceeds of any insurance policy paid to any Buyer Indemnified Party with respect to such Claim.

(e) Escrow Shares. The Escrow Shares shall be the sole and exclusive source of recovery by the Buyer Indemnified Parties on account of any Claim for indemnification under this Section 8.5. Subject to the provisions of Section 8.5(f), recovery on account of an undisputed or otherwise resolved Claim for indemnification shall be made by set-off against the Escrow Shares by releasing from escrow and delivering to Buyer (in trust for the applicable Buyer Indemnified Party), in accordance with the terms of the Escrow Agreement, that number of shares of OPKO Common Stock equal to the dollar amount of the Claim, divided by the price per share of OPKO Common Stock which shall be valued at *** for OPKO Common Stock on the AMEX on the ***.

(f) Pro Rata Share. Any set-off against the Escrow Shares in satisfaction of an undisputed or otherwise resolved Claim for indemnification pursuant to this Agreement shall be made on a pro rata basis among the Sellers and the Indemnifying Noteholder, calculated by dividing (i) the number of Escrow Shares indicated next to such Seller's or Indemnifying Noteholder's name on Schedule D under the heading *"Escrow Shares"* , by (ii) the total number of Escrow Shares (each Seller's and the Indemnifying Noteholder's respective "Pro Rata Share"); *provided*, *however*, that (A) any Claim arising from, in connection with, or incident to any breach or violation of any of the representations and warranties of a Seller contained in Article 5 shall be made by set-off only against such Seller's Escrow Shares, and (B) any Claim arising from, in connection with, or incident to any breach or violation of any of the representations and warranties of any of the Noteholders contained in Article 6 shall be made by set-off only against the Indemnifying Noteholder's Escrow Shares.

(g) Exclusive Remedy. Other than with respect to Claims for fraud, the indemnification provided in this Section 8.5 will be the exclusive remedy for the Buyer Indemnified Parties with respect to Claims against the Sellers, the Noteholders, the Seller Representative or the Company with respect to any provision of this Agreement and the transactions contemplated hereby.

(h) Binding Effect. Buyer shall administer the requirements and provisions of this Agreement including the defense and/or settlement of any Claims for which the Buyer Indemnified Parties may be indemnified. All decisions and actions by Buyer, including the defense or settlement of any Claims for which the Buyer Indemnified Parties may be indemnified, shall be binding upon all of the Buyer Indemnified Parties, and no Buyer Indemnified Party shall have the right to object, dissent, protest or otherwise contest the same. The Seller Representative shall be able to rely conclusively on the instructions and decisions of Buyer as to the settlement of any Claims for indemnification of the Buyer Indemnified Parties or any other actions required to be taken by the Buyer Indemnified Parties hereunder.

8.6 Seller Representative.

(a) Appointment. In order to administer efficiently the requirements and provisions of this Agreement including the defense and/or settlement of any Claims for which the Buyer Indemnified Parties may be indemnified, the Sellers and the Indemnifying Noteholder irrevocably appoint the Seller Representative as their agent, attorney-in-fact and representative (with full power of substitution in the premises), and, by its execution hereof, the Seller Representative hereby accepts such appointment.

(b) Authorization. The Sellers and the Indemnifying Noteholder hereby authorize the Seller Representative (i) to take all action necessary in connection with the defense and/or settlement of any Claims for which the Buyer Indemnified Parties may be indemnified and (ii) to give and receive all notices required to be given under this Agreement, the Escrow Agreement and the other agreements contemplated hereby to which all of the Sellers and the Indemnifying Noteholder or their respective properties are subject.

(c) Replacement. In the event that the Seller Representative dies, becomes unable to perform his responsibilities hereunder or resigns from such position, the remaining Sellers shall, by election of the Sellers (or, if applicable, their respective heirs, legal representatives, successors and assigns) who held a majority of the voting power represented by the Securities issued and outstanding immediately prior to the Closing, select another representative to fill such vacancy and such substituted representative shall be deemed to be the Seller Representative for all purposes of this Agreement.

(d) Binding Effect. All decisions and actions by the Seller Representative, including the defense or settlement of any Claims for which the Buyer Indemnified Parties may be indemnified, shall be binding upon all of the Sellers and the Indemnifying Noteholder, and no Seller or the Indemnifying Noteholder has the right to object, dissent, protest or otherwise contest the same. The Sellers and the Indemnifying Noteholder agree that

(i) Buyer shall be able to rely conclusively on the instructions and decisions of the Seller Representative as to the settlement of any Claims for indemnification of the Buyer Indemnified Parties or any other actions required to be taken by the Seller Representative hereunder;

(ii) all actions, decisions and instructions of the Seller Representative shall be conclusive and binding upon all of the Sellers and the Indemnifying Noteholder and no Seller or the Indemnifying Noteholder shall have any cause of action against the Seller Representative for any action taken or not taken, decision made or instruction given by the Seller Representative under this Agreement, except for fraud, gross negligence, willful misconduct or bad faith by the Seller Representative;

(iii) each of the Sellers and the Indemnifying Noteholder shall indemnify and hold harmless, pro rata based upon and up to an amount not to exceed the respective amounts of Consideration Shares to which such Seller or the Indemnifying Noteholder is entitled after satisfaction of any Claims, the Seller Representative from all loss, liability or expense (including the reasonable fees and expenses of counsel) arising out of or in connection with the Seller's execution and performance of this Agreement and the Escrow Agreement, except for fraud, gross negligence, willful misconduct or bad faith by the Seller Representative;

(iv) the provisions of this Section 8.6 are independent and severable, are irrevocable and coupled with an interest and shall be enforceable notwithstanding any rights or remedies that any Seller may have in connection with the transactions contemplated by this Agreement; and

(v) the provisions of this Section 8.6 shall be binding upon the heirs, legal representatives, successors and assigns of each Seller and the Indemnifying Noteholder, and any references in this Agreement to a Seller or the Sellers or the Indemnifying Noteholder shall mean and include the successors to the rights of the Sellers and the Indemnifying Noteholder, hereunder, whether pursuant to testamentary disposition, the laws of descent and distribution or otherwise

(e) Escrow Agreement. The Seller Representative is authorized to enter into the Escrow Agreement on the behalf of the Sellers which agreement may require the Sellers and the Indemnifying Noteholder to indemnify the Escrow Agent for certain fees, expenses and other liabilities.

8.7 Confidentiality. The Sellers acknowledge that the Intellectual Property and all other confidential or proprietary information with respect to the business and operations of the Company are valuable, special and unique. Except as required by law or in connection with the defense, dispute or resolution of a Claim involving the Company, OPKO, Buyer or any other Buyer Indemnified Party, the Sellers shall not, at any time after the Closing Date, disclose, directly or indirectly, to any Person, or use or purport to authorize any Person to use any Intellectual Property, confidential or proprietary information with respect to the Company, Buyer or OPKO, whether or not for a Seller's own benefit, without the prior written consent of Buyer, including without limitation, information as to the financial condition, results of operations, customers, suppliers, products, products under development, inventions, sources, leads or methods of obtaining new products or business, Intellectual Property, pricing methods or formulas, cost of supplies, marketing strategies or any other information relating to the Company or Buyer which could reasonably be regarded as confidential, but not including information which is or shall become generally available to the public other than as a result of an unauthorized disclosure by a Seller or a Person to whom a Seller has provided such information. The Sellers acknowledge that Buyer would not enter into this Agreement without the assurance that all such confidential and proprietary information will be used for the exclusive benefit of the Company.

8.8 Dissolution. If the Company, Buyer or OPKO shall liquidate, dissolve or wind up or experience a Triggering Event at any time before OPKO and Buyer shall have satisfied in full all of their respective obligations under this Agreement, whether fixed or contingent (including, without limitation, the issuance and delivery and release by the Escrow Agent of all of the Note Shares, the Note Indemnity Shares and the Consideration Shares), Buyer shall notify the Seller Representative of the same as soon as possible under the circumstances and, in any event at least ten days before the consummation of the event giving rise to the notice.

8.9 Right of First Offer. The Company hereby waives its rights under Section 4(c) of each of the restricted stock purchase agreements between the Company and each Founder, dated as of January 30, 2007, with respect to the right of first offer in favor of the Company set forth therein, and consents to the sale of the Securities by the Founders to Buyer on the terms set forth herein.

ARTICLE 9

Miscellaneous

9.1 Further Assurances. Each party agrees (a) to furnish upon request to each other party such further information, (b) to execute and deliver to each other party such other documents, and (c) to do such other acts and things, all as another party may reasonably request for the purpose of carrying out the intent of this Agreement and the transactions contemplated by this Agreement.

9.2 Publicity. The parties agree to cooperate in issuing any press release or other public announcement concerning this Agreement or the transactions contemplated hereby. Nothing contained herein shall prevent any party from at any time furnishing any information to any governmental authority which it is by law or otherwise so obligated to disclose or from making any disclosure which its counsel deems necessary or advisable in order to fulfill such party's disclosure obligations under applicable Law or the rules of the SEC or AMEX.

9.3 Assignment of Rights. Each of parties shall, without the payment of any additional consideration by any other party, take all such actions as may be required to transfer all of his or its right, title and interest in and to all assets, Intellectual Property, contracts, agreements or other rights which are utilized by or for the benefit of the Company in the conduct of their respective businesses so as to ensure that all such rights, title and interest inure to the benefit of the Company.

9.4 Notices. Any notice or other communication under this Agreement shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested, postage prepaid, or sent by facsimile or prepaid overnight courier to the parties at the addresses set forth below their names on the signature pages of this Agreement (or at such other addresses as shall be specified by the parties by like notice). Such notices, demands, claims and other communications shall be deemed given when actually received or (a) in the case of delivery by overnight service with guaranteed next day delivery, the next day or the day designated for delivery, (b) in the case of facsimile, the date upon which the transmitting party received confirmation of receipt by facsimile, telephone or otherwise.

9.5 Entire Agreement. This Agreement, its schedules and exhibits, contain every obligation and understanding between the parties relating to the subject matter hereof, merges all prior discussions, negotiations and agreements, if any, between them, and none of the parties shall be bound by any representations, warranties, covenants, or other understandings, other than as expressly provided or referred to herein or therein.

9.6 Assignment. This Agreement may not be assigned by any party without the written consent of the other parties hereto; provided that Buyer may assign this Agreement to an Affiliate, whether such Affiliate currently exists or is formed in the future; and provided, further, that as a condition to and at the time of such assignment, such Affiliate is solvent and OPKO shall Guaranty in writing Buyer's obligations under the Transaction Documents, and shall remain bound by its obligations under the Transaction Documents in all respects. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, personal representatives, legal representatives, and permitted assigns.

9.7 Waiver and Amendment. Any representation, warranty, covenant, term or condition of this Agreement which may legally be waived, may be waived, or the time of performance thereof extended, at any time by the party hereto entitled to the benefit thereof, and any term, condition or covenant hereof may be amended by the parties hereto at any time. Any such waiver, extension or amendment shall be evidenced by an instrument in writing executed on behalf of the appropriate party by a person who, to the extent applicable, has been authorized by its Board of Directors to execute waivers, extensions or amendments on its behalf. No waiver by any party hereto, whether express or implied, of its rights under any provision of this Agreement shall constitute a waiver of such party's rights under such provisions at any other time or a waiver of such party's rights under any other provision of this Agreement. No failure by any party hereto to take any action against any breach of this Agreement or default by another party shall constitute a waiver of the former party's right to enforce any provision of this Agreement or to take action against such breach or default or any subsequent breach or default by such other party.

9.8 **No Third Party Beneficiary.** Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any Person other than the parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

9.9 **Severability.** In the event that any one or more of the provisions contained in this Agreement shall be declared invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect, and such invalid, void or unenforceable provision shall be interpreted as closely as possible to the manner in which it was written.

9.10 **Disclosure Generally**. Notwithstanding anything to the contrary contained in the Disclosure Schedules or in this Agreement, the information and disclosures contained in any Schedule of the Disclosure Schedules shall be deemed to be disclosed and incorporated by reference in any other Schedule of the Disclosure Schedules as though fully set forth in such Schedule for which applicability of such information and disclosure is reasonably apparent on its face. The fact that any item of information is disclosed in the Disclosure Schedules shall not be construed to mean that such information is required to be disclosed by this Agreement. Except as expressly set forth in this Agreement, such information and the thresholds (whether based on quantity, qualitative characterization, dollar amounts or otherwise) set forth herein shall not be used as a basis for interpreting the terms "material" or "Material Adverse Effect" or other similar terms in this Agreement.

9.11 **Expenses.** Each party agrees to pay, without right of reimbursement from any other party, the costs (hereafter referred to as "Costs") incurred by it incident to the performance of its obligations under this Agreement and the consummation of the transactions contemplated hereby, including, without limitation, costs incident to the preparation of this Agreement, and the fees and disbursements of counsel, accountants and consultants employed by such party in connection herewith.

9.12 **Headings.** The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provisions of this Agreement.

9.13 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

9.14 **Injunctive Relief.** It is possible that remedies at law may be inadequate and, therefore, the parties hereto shall be entitled to equitable relief including, without limitation, injunctive relief, specific performance or other equitable remedies in addition to all other remedies provided hereunder or available to the parties hereto at law or in equity.

9.15 **Time**. Time is of the essence with regard to all dates and time periods set forth or referred to in this Agreement.

9.16 **Governing Law.** This Agreement has been entered into and shall be construed and enforced in accordance with the laws of the State of New York without reference to the choice of law principles thereof.

IN WITNESS WHEREOF, the parties hereto have each executed and delivered this Agreement as of the day and year first above written.

OPKO HEALTH, INC.

By:_____
Name:
Title:

4400 Biscayne Boulevard, Suite 1180
Miami, Florida 33137
Attn: Kate Inman, Deputy General Counsel

OPKO INSTRUMENTATION, LLC

By:_____
Name:
Title:

4400 Biscayne Boulevard, Suite 1180
Miami, Florida 33137
Attn: Kate Inman, Deputy General Counsel

VIDUS OCULAR, INC.

By:_____
Name:
Title:

Sellers and Noteholders:

_____
J. Anderson Berly, III

_____
Ben R. Bronstein

BEN R. BRONSTEIN LIVING TRUST DA 03/04/96

By:_____
Name:
Title:

_____
Joseph M. Davie

JM MEDICAL, LLC

By:_____
Name:
Title:

_____
Robert E. Mason III

_____
James R. McNab, Jr.

JAMES R. AND MARY W. MCNAB OPERATING L.P.

By:_____
Name:
Title:

_____
Milton Bruce Shields

_____
Nicholas Fish Warner

_____
Jay Williams

_____
Jennifer Williams

YALE UNIVERSITY

By:_____
Name:
Title:

SCHEDULE A

Sellers

Seller	Securities Owned *(Shares of Company Common Stock)*	Yale Shares	*** Shares	*** Shares	True-Up Shares
Ben R. Bronstein	***	***	***	***	***
James R. McNab, Jr.	***	***	***	***	***
Milton Bruce Shields	***	***	***	***	***
Nicholas Fish Warner	***	***	***	***	***
Yale University	***	***	***	***	***
Total	3,710,769	33,080	227,670	260,750	413,850

*Other Schedules are omitted as permitted in accordance with Item 601 of Regulation S-K.

DIRECTOR INDEMNIFICATION AGREEMENT

This Agreement, dated as of __, is entered into between OPKO Health, Inc., a corporation organized under the laws of the State of Delaware (the "Company"), and «name» (the "Director").

Recitals

A. Highly competent persons are becoming more reluctant to serve publicly-held corporations as directors or as executive officers unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to, and activities on behalf of, the corporation.

B. The current impracticability of obtaining adequate insurance and the uncertainties relating to indemnification have increased the difficulty of attracting and retaining such persons.

C. The Bylaws of the Company presently provide, among other things, that the Company shall indemnify its directors and officers to the full extent permitted by law.

D. The Board has determined that the difficulty in attracting and retaining highly competent persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of protection against risks of such claims and actions against them in the future.

E. It is reasonable, prudent, and necessary for the Company contractually to obligate itself to indemnify such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

F. The Director is willing to serve or continue to serve as a director of the Company on the condition that the Director be so indemnified.

Agreement

In consideration of the recitals and the covenants contained herein, the Company and the Director covenant and agree as follows:

1. Definitions. As used in this Agreement the following terms shall have the meanings indicated below:

(a) "Related Party" shall refer to (i) any other corporation in which the Company has an equity interest of at least fifty percent (50%) and (ii) any other corporation or any limited liability company, partnership, joint venture, trust, employee benefit plan or any other enterprise or association in which the Director has served in any Indemnified Position, at the request of the Company or for the convenience of the Company or to represent the Company's interest.

(b) "Indemnified Position" shall refer to any position held by the Director, or pursuant to which the Director acts, as an officer, director, employee, partner, trustee, fiduciary, administrator or agent of the Company or a Related Party.

(c) "Indemnified Event" shall mean any claim asserted against the Director, whether civil, criminal, administrative or investigative in nature, for monetary or other relief; or any Proceeding to which the Director is named as a party or is a subject of or witness in, or with respect to which he or she is threatened to be named as a party, subject or witness, brought against the Director by reason of his or her serving or acting in any Indemnified Position or arising or allegedly arising directly or indirectly out of, or otherwise relating to, any action, omission, occurrence or event involving the Director in any Indemnified Position, including any Proceeding, formal or informal or otherwise, conducted or brought by the Securities and Exchange Commission or other governmental agency, or The National Association of Securities Dealers, Inc., a national stock exchange or similar organization.

(d) "Proceeding" shall mean any pending, threatened or completed action, suit, investigation, inquiry, arbitration, alternative dispute resolution mechanism or any other proceeding (or any appeals therefrom), whether civil, criminal, administrative or investigative in nature and whether in a court or arbitration, or before or involving a governmental, administrative or private entity (including, but not limited to, an investigation initiated by the Company, any Related Party or any affiliate thereof, or the board of directors, fiduciaries or partners of any thereof).

(e) "Indemnification Amount" shall refer to the amount of losses, claims, demands, costs, damages, liabilities (joint and several), judgments, fines (including any excise tax assessed with respect to an employee benefit plan), settlements, and other amounts (including Witness Liabilities), including interest on any of the foregoing, which the Director is liable to pay or has paid in connection with an Indemnified Event and amounts proposed to be paid in settlement by the Director in connection with any Indemnified Event.

(f) "Witness Liabilities" shall mean all Indemnification Amounts incurred by the Director in connection with his or her preparation to serve or service as a witness in any Proceeding in any way relating to the Company, any Related Party or any affiliate (as defined in Rule 405 under the Securities Act of 1933, as amended) of any of them (a "Securities Act Affiliate"), any associate (as defined in such Rule 405) of any of them or of any Securities Act Affiliate, or any Indemnified Event (including, but not limited to, the investigation, defense or appeal in connection with any such Proceeding).

(g) "Expenses" shall refer to all disbursements, costs or expenses of any nature reasonably incurred by the Director directly or indirectly in connection with any Indemnified Event, or Witness Liabilities, including, but not limited to, fees and disbursements of counsel, accountants or other experts employed by the Director in connection with any Indemnified Event, including all such expenses, disbursements and costs of investigation in connection with or prior to the initiation of any Proceeding relating to an Indemnified Event.

(h) "Indemnify" or "Indemnification" shall refer to the obligation of the Company herein to pay Expenses or Indemnification Amounts.

(i) "Change of Control" shall be deemed to have occurred if (A) any "Person" (as that term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), but excluding the Company and any of its wholly-owned subsidiaries, is or becomes (except in a transaction approved in advance by the Board) the beneficial owner (as defined in Rule 13d-3 under such Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities or (B) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof unless the election, or the nomination for election by the Company's stockholders, of each new director was approved by a vote of at least two-thirds of the directors still in office who were directors at the beginning of the period, or (C) the stockholders of the Company should approve any one of the following transactions: (x) any consolidation or merger of the Company in which the Company is not the surviving corporation, other than a merger of the Company in which the holders of the Company's common stock immediately prior to the merger have the same proportionate ownership of the surviving corporation immediately after the merger; or (y) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, the assets of the Company.

(j) "Final Disposition" shall refer to any judgment, order or award rendered in any Proceeding after the expiration of all rights of appeal.

2. Services to the Company. The Director will serve, and/or continue to serve, as a director of the Company, so long as he or she is duly elected and qualified in accordance with the provisions of the Certificate of Incorporation and Bylaws of the Company, or in any other Indemnified Position, at the will of the Company (or under separate contract, if any); provided that the Director may at any time and for any reason resign from such Indemnified Position (subject to any contractual obligations which the Director shall have assumed apart from this Agreement) but the obligations provided for herein shall continue after such termination.

3. Indemnity. The Company hereby agrees to indemnify the Director and hold the Director harmless to the full extent permitted or authorized by applicable law. Without limiting the generality of the foregoing, the Company agrees to indemnify the Director and hold the Director harmless from and against, and pay any and all, Expenses and Indemnification Amounts, including Witness Liabilities.

Notwithstanding the foregoing, except with respect to the indemnification specified in the second and third sentences of Section 7 or in Section 10 or Section 13(b) of this Agreement, the Company shall indemnify the Director in connection with a Proceeding (or part thereof) initiated by the Director only if authorization for the Proceeding (or part thereof) was not denied by the Board of Directors of the Company prior to the earlier of (i) 60 days after receipt of notice thereof from the Director and (ii) a Change of Control.

4. Payment of Expenses. The Company shall advance all Expenses within thirty (30) days after the receipt by the Company of a statement or statements from the Director requesting such advance payment or payments from time to time. Such statement or statements shall identify the nature and amount of the Expenses to be advanced with reasonable specificity. The Director shall also agree to undertake to repay any Expenses advanced if it shall ultimately be determined (which shall only be made after the Final Disposition of the Proceeding related to an Indemnified Event, as hereinafter provided) that the Director was not entitled to reimbursement of Expenses in connection with the Indemnified Event for which such Expenses were made.

5. Interval Protection. During the interval between the Company's receipt of the Director's request for indemnification or advances and the latest to occur of (a) payment in full to the Director of the indemnification or advances to which he or she is entitled hereunder, or (b) a final adjudication that the Director is not entitled to indemnification hereunder, the Company shall provide "Interval Protection" which, for purposes of this Agreement, shall mean the taking of the necessary steps (whether or not such steps require expenditures to be made by the Company at that time) to stay, pending a final determination of the Director's entitlement to indemnification (and, if the Director is so entitled, the payment thereof), the execution, enforcement or collection of any Indemnified Amount or Expenses or any other amounts for which the Director may be liable (and as to which the Director has requested indemnification hereunder) in order to avoid the Director's being or becoming in default with respect to any such amounts.

6. Indemnification by Court. Notwithstanding any other provision of this Agreement including without limitation the fourth sentence of Section 7, indemnification and advances shall also be made to the extent a court of competent jurisdiction, or the court in which a Proceeding was brought, shall determine that the Director, in view of all the circumstances of the case, is fairly and reasonably entitled to indemnification and/or advances for such Expenses as such court shall deem proper.

7. Indemnification Procedure. Any Indemnification or advance under this Agreement (other than Interval Protection) shall be made promptly and in any event within thirty (30) days upon the written request of the Director delivered to the Company. The right to Indemnification or advances as granted under this Agreement shall be enforceable by the Director in any court of competent jurisdiction if the Company denies such request, in whole or in part, or if no disposition thereof is made within thirty (30) days. The Director's costs and expenses incurred in connection with successfully establishing his or her right to indemnification or advances, in whole or in part, in any such action shall also be indemnified by the Company. It shall be a defense to any such action that there has been a judgment or other final adjudication adverse to the Director which established that the Director failed to meet the standard of conduct, if any, required for indemnification by applicable law, but the burden of proving such defense shall be on the Company. Neither the failure of the Company (including the Board or any committee thereof, its independent counsel and its stockholders) to have made a determination prior to the commencement of such action that indemnification of the Director is proper in the circumstances because he or she has met the applicable standard of conduct described in the preceding sentence, if any, nor the fact that there has been an actual determination by the Company (including the Board or any committee thereof, its independent counsel and its stockholders) that the Director has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

8. Presumptions and Effect of Certain Proceedings.

(a) The Director shall be presumed entitled to Indemnification hereunder unless clearly not entitled to such Indemnification by clear and convincing proof that such payment shall be unlawful.

(b) If the Company shall not have responded to the Director's request for Indemnification pursuant to Section 7 hereof within thirty (30) days after receipt by the Company of such request therefor, the Director shall be deemed to be entitled to such Indemnification.

(c) The termination of any Proceeding relating to an Indemnified Event or of any claim, issue, or matter therein by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself adversely affect the right of the Director to Indemnification or create a presumption that the Director did not meet any applicable standard of conduct.

(d) Notwithstanding any other provision of this Agreement, the Director shall in no event be required to repay any Expense payments advanced to the Director and no defense can or shall be raised by the Company to a request for Indemnification pursuant to Section 7 to the extent the Director has been successful on the merits or otherwise in defense of any Proceeding related to an Indemnified Event, or in defense of any claim, issue or matter involved in any Indemnified Event therein, whether as a result of the initial adjudication or on appeal or the abandonment thereof by a party.

9. Non-Exclusivity: Duration of Agreement; Insurance; Subrogation.

(a) The rights of Indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Director may at any time be entitled under applicable law, the Certificate of Incorporation, the By-laws, any other agreement, or any vote or consent of directors or stockholders or otherwise.

(b) This Agreement shall continue until and terminate upon the later of: (i) ten (10) years after the date that the Director shall have ceased to serve in any Indemnified Position; or (ii) the Final Disposition of all Indemnified Events.

(c) This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of the Director and his or her heirs, devisees, executors, and administrators or other legal representatives.

(d) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors or executive officers of the Company or for any person serving in any other Indemnified Position, the Director shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director or executive officer or person serving in such position under such policy or policies.

10. Proceedings.

(a) The parties hereto agree that except as otherwise provided for herein, any disputes arising with respect to the interpretation or enforcement of any provision hereof shall be submitted, at the sole election of the Director, either to arbitration or to judicial determination. Any arbitration shall be conducted in the City of Miami, Florida in accordance with the then existing rules of the American Arbitration Association ("AAA"). In any arbitration pursuant to this Agreement, the award or decision shall be rendered by a majority of the members of an arbitration panel consisting of three members chosen in accordance with the then existing rules of the AAA. The award or decision of the arbitration panel pursuant to this Section 10 shall be binding and conclusive on the parties, provided that enforcement of such award or decision may be obtained in any court having jurisdiction over the party against whom such enforcement is sought. The Company hereby agrees to bear all fees, costs and expenses imposed by the AAA, in connection with the arbitration, irrespective of the determination thereof. The provisions of Section 10(c) shall govern with respect to the proceedings referred to therein.

(b) In the event that, for any reason, the Company fails to pay any Indemnification or advance demanded, or the Company requests repayment of any Expenses advanced, the Director shall nevertheless be entitled, at his or her sole option, to a final judicial determination or may seek arbitration of his or her entitlement to Indemnification hereunder in respect of such claim. In the event the Director seeks a judicial determination, the Director shall commence an action in a court of the State of Florida. In the event the Director seeks an award in arbitration, (i) such arbitration shall be conducted in Miami, Florida pursuant to Section 10(a), and (ii) the arbitrator shall notify the parties of his or her decision within sixty (60) days following the initiation of such arbitration (or such other period proscribed by the rules of AAA). The Company further agrees that its execution of this Agreement shall constitute a stipulation by which it shall be bound in any court or arbitration in which such proceeding shall have been commenced, continued or appealed that (i) it shall not oppose the Director's right to seek any such adjudication or award in arbitration or any other claim by reason of any prior determination made by the Company with respect to the Director's right to Indemnification under this Agreement on such claim or any other claim, or, except in good faith, raise any objections not specifically relating to the merits of the Director's claim; and (ii) for purposes of this Agreement any such adjudication or arbitration shall be conducted de novo and without prejudice by reason of any prior determination that the Director is not entitled to Indemnification.

(c) Whether or not the court or arbitrators shall determine that the Director is entitled to payment of Indemnification Amounts or has to return the payment of Expenses or otherwise finds against the Director, the Company shall within thirty (30) days after written request therefor (and submission of reasonable evidence of the nature and amount thereof), and unless there is a specific judicial finding that the Director's suit or arbitration was frivolous, pay all Expenses incurred by the Director in connection with such adjudication or arbitration (including, but not limited to, any appellate proceedings).

11. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable for any reason whatsoever: (a) the validity, legality, and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section, paragraph or clause of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that is not itself invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or clause of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that is not itself invalid, illegal, or unenforceable) shall be deemed revised, and shall be construed, so as to give effect to the intent manifested by this Agreement (including the provision held invalid, illegal, or unenforceable).

12. Merger or Consolidation of the Company. In the event that the Company shall be a constituent corporation in a consolidation or merger, whether or not the Company is the resulting or surviving corporation, the Director shall stand in the same position under this Agreement with respect to the Company if its separate existence had continued.

13. Enforcement.

(a) The Company unconditionally and irrevocably stipulates and agrees that its execution of this Agreement shall also constitute a stipulation by which it shall be bound in any court or arbitration in which a proceeding by the Director for enforcement of his or her rights shall have been commenced, continued or appealed, that the obligations of the Company set forth herein are unique and special, and that failure of the Company to comply with the provisions of this Agreement will cause irreparable and irremediable injury to the Director, for which a remedy at law will be inadequate. As a result, in addition to any other right or remedy he or she may have at law or in equity with respect to a violation of this Agreement, the Director shall be entitled to injunctive or mandatory relief directing specific performance by the Company of its obligations under this Agreement.

(b) In the event that the Director is subject to or intervenes in any legal action in which the validity or enforceability of this Agreement is at issue or institutes any legal action, for specific performance or otherwise, to enforce his or her rights under, or to recover damages for breach of, this Agreement, the Director shall, within thirty (30) days after written request to the Company therefor (and submission of reasonable evidence of the amount thereof), and unless there is a specific judicial finding that the Director's suit was frivolous, be indemnified by the Company against all Expenses incurred by him or her in connection therewith.

14. Notification and Defense of Claim. The Director agrees to promptly notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding involving an Indemnification Event; provided, however, that the failure of the Director to give such notice to the Company shall not adversely affect the Director's rights under this Agreement except to the extent the Company shall have been materially prejudiced by such failure. Nothing in this Agreement shall constitute a waiver of the Company's right to seek participation, at its own expense, in any Proceeding which may give rise to Indemnification hereunder.

15. Headings. The headings of the Sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

16. Modification and Waiver. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand, or sent via telecopy or facsimile transmission, in each case receipted for by the party to whom said notice or other communication shall have been directed or transmitted, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, or (iii) delivered by overnight courier service:

(a) If to the Director, to:

«name»
«address»

(b) If to the Company, to:

OPKO Health, Inc.
4400 Biscayne Boulevard Suite 1180
Miami, FL 33137

Attention: Deputy General Counsel

or to such other address as may have been furnished to either party by the other party.

18. Entire Agreement. All prior and contemporaneous agreements and understandings between the parties with respect to the subject matter of this Agreement are superseded by this Agreement, and this Agreement constitutes the entire understanding between the parties. This Agreement may not be modified, amended, changed or discharged except by a writing signed by the parties hereto, and then only to the extent therein set forth.

19. Nonassignment. This Agreement may not be assigned by either of the parties hereto.

20. Governing Law. This Agreement, including its validity, interpretation and effect, and the relationship of the parties shall be governed by, and construed in accordance with, the laws of the State of Florida.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year first above written.

OPKO HEALTH, INC.

By: _____

DIRECTOR

By: _____
«name»

OFFICER INDEMNIFICATION AGREEMENT

This Agreement, dated as of __, is entered into between OPKO Health, Inc., a corporation organized under the laws of the State of Delaware (the "Company"), and «name» (the "Officer").

Recitals

A. Highly competent persons are becoming more reluctant to serve publicly-held corporations as directors or as executive officers unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to, and activities on behalf of, the corporation.

B. The current impracticability of obtaining adequate insurance and the uncertainties relating to indemnification have increased the difficulty of attracting and retaining such persons.

C. The Bylaws of the Company presently provide, among other things, that the Company shall indemnify its directors and officers to the full extent permitted by law.

D. The Board has determined that the difficulty in attracting and retaining highly competent persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of protection against risks of such claims and actions against them in the future.

E. It is reasonable, prudent, and necessary for the Company contractually to obligate itself to indemnify such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

F. The Officer is willing to serve or continue to serve as an officer of the Company on the condition that the Officer be so indemnified.

Agreement

In consideration of the recitals and the covenants contained herein, the Company and the Officer covenant and agree as follows:

1. Definitions. As used in this Agreement the following terms shall have the meanings indicated below:

(a) "Related Party" shall refer to (i) any other corporation in which the Company has an equity interest of at least fifty percent (50%) and (ii) any other corporation or any limited liability company, partnership, joint venture, trust, employee benefit plan or any other enterprise or association in which the Officer has served in any Indemnified Position, at the request of the Company or for the convenience of the Company or to represent the Company's interest.

(b) "Indemnified Position" shall refer to any position held by the Officer, or pursuant to which the Officer acts, as an officer, director, employee, partner, trustee, fiduciary, administrator or agent of the Company or a Related Party.

(c) "Indemnified Event" shall mean any claim asserted against the Officer, whether civil, criminal, administrative or investigative in nature, for monetary or other relief; or any Proceeding to which the Officer is named as a party or is a subject of or witness in, or with respect to which he or she is threatened to be named as a party, subject or witness, brought against the Officer by reason of his or her serving or acting in any Indemnified Position or arising or allegedly arising directly or indirectly out of, or otherwise relating to, any action, omission, occurrence or event involving the Officer in any Indemnified Position, including any Proceeding, formal or informal or otherwise, conducted or brought by the Securities and Exchange Commission or other governmental agency, or The National Association of Securities Dealers, Inc., a national stock exchange or similar organization.

(d) "Proceeding" shall mean any pending, threatened or completed action, suit, investigation, inquiry, arbitration, alternative dispute resolution mechanism or any other proceeding (or any appeals therefrom), whether civil, criminal, administrative or investigative in nature and whether in a court or arbitration, or before or involving a governmental, administrative or private entity (including, but not limited to, an investigation initiated by the Company, any Related Party or any affiliate thereof, or the board of directors, fiduciaries or partners of any thereof).

(e) "Indemnification Amount" shall refer to the amount of losses, claims, demands, costs, damages, liabilities (joint and several), judgments, fines (including any excise tax assessed with respect to an employee benefit plan), settlements, and other amounts (including Witness Liabilities), including interest on any of the foregoing, which the Officer is liable to pay or has paid in connection with an Indemnified Event and amounts proposed to be paid in settlement by the Officer in connection with any Indemnified Event.

(f) "Witness Liabilities" shall mean all Indemnification Amounts incurred by the Officer in connection with his or her preparation to serve or service as a witness in any Proceeding in any way relating to the Company, any Related Party or any affiliate (as defined in Rule 405 under the Securities Act of 1933, as amended) of any of them (a "Securities Act Affiliate"), any associate (as defined in such Rule 405) of any of them or of any Securities Act Affiliate, or any Indemnified Event (including, but not limited to, the investigation, defense or appeal in connection with any such Proceeding).

(g) "Expenses" shall refer to all disbursements, costs or expenses of any nature reasonably incurred by the Officer directly or indirectly in connection with any Indemnified Event, or Witness Liabilities, including, but not limited to, fees and disbursements of counsel, accountants or other experts employed by the Officer in connection with any Indemnified Event, including all such expenses, disbursements and costs of investigation in connection with or prior to the initiation of any Proceeding relating to an Indemnified Event.

(h) "Indemnify" or "Indemnification" shall refer to the obligation of the Company herein to pay Expenses or Indemnification Amounts.

(i) "Change of Control" shall be deemed to have occurred if (A) any "Person" (as that term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), but excluding the Company and any of its wholly-owned subsidiaries, is or becomes (except in a transaction approved in advance by the Board) the beneficial owner (as defined in Rule 13d-3 under such Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities or (B) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof unless the election, or the nomination for election by the Company's stockholders, of each new director was approved by a vote of at least two-thirds of the directors still in office who were directors at the beginning of the period, or (C) the stockholders of the Company should approve any one of the following transactions: (x) any consolidation or merger of the Company in which the Company is not the surviving corporation, other than a merger of the Company in which the holders of the Company's common stock immediately prior to the merger have the same proportionate ownership of the surviving corporation immediately after the merger; or (y) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, the assets of the Company.

(j) "Final Disposition" shall refer to any judgment, order or award rendered in any Proceeding after the expiration of all rights of appeal.

2. Services to the Company. The Officer will serve, and/or continue to serve, as an officer of the Company, so long as he or she is duly elected and qualified in accordance with the provisions of the Certificate of Incorporation and Bylaws of the Company, or in any other Indemnified Position, at the will of the Company (or under separate contract, if any); provided that the Officer may at any time and for any reason resign from such Indemnified Position (subject to any contractual obligations which the Officer shall have assumed apart from this Agreement) but the obligations provided for herein shall continue after such termination.

3. Indemnity. The Company hereby agrees to indemnify the Officer and hold the Officer harmless to the full extent permitted or authorized by applicable law. Without limiting the generality of the foregoing, the Company agrees to indemnify the Officer and hold the Officer harmless from and against, and pay any and all, Expenses and Indemnification Amounts, including Witness Liabilities.

Notwithstanding the foregoing, except with respect to the indemnification specified in the second and third sentences of Section 7 or in Section 10 or Section 13(b) of this Agreement, the Company shall indemnify the Officer in connection with a Proceeding (or part thereof) initiated by the Officer only if authorization for the Proceeding (or part thereof) was not denied by the Board of Directors of the Company prior to the earlier of (i) 60 days after receipt of notice thereof from the Director and (ii) a Change of Control.

4. Payment of Expenses. The Company shall advance all Expenses within thirty (30) days after the receipt by the Company of a statement or statements from the Officer requesting such advance payment or payments from time to time. Such statement or statements shall identify the nature and amount of the Expenses to be advanced with reasonable specificity. The Officer shall also agree to undertake to repay any Expenses advanced if it shall ultimately be determined (which shall only be made after the Final Disposition of the Proceeding related to an Indemnified Event, as hereinafter provided) that the Officer was not entitled to reimbursement of Expenses in connection with the Indemnified Event for which such Expenses were made.

5. Interval Protection. During the interval between the Company's receipt of the Officer's request for indemnification or advances and the latest to occur of (a) payment in full to the Officer of the indemnification or advances to which he or she is entitled hereunder, or (b) a final adjudication that the Officer is not entitled to indemnification hereunder, the Company shall provide "Interval Protection" which, for purposes of this Agreement, shall mean the taking of the necessary steps (whether or not such steps require expenditures to be made by the Company at that time) to stay, pending a final determination of the Officer's entitlement to indemnification (and, if the Officer is so entitled, the payment thereof), the execution, enforcement or collection of any Indemnified Amount or Expenses or any other amounts for which the Officer may be liable (and as to which the Officer has requested indemnification hereunder) in order to avoid the Officer's being or becoming in default with respect to any such amounts.

6. Indemnification by Court. Notwithstanding any other provision of this Agreement including without limitation the fourth sentence of Section 7, indemnification and advances shall also be made to the extent a court of competent jurisdiction, or the court in which a Proceeding was brought, shall determine that the Officer, in view of all the circumstances of the case, is fairly and reasonably entitled to indemnification and/or advances for such Expenses as such court shall deem proper.

7. Indemnification Procedure. Any Indemnification or advance under this Agreement (other than Interval Protection) shall be made promptly and in any event within thirty (30) days upon the written request of the Officer delivered to the Company. The right to Indemnification or advances as granted under this Agreement shall be enforceable by the Officer in any court of competent jurisdiction if the Company denies such request, in whole or in part, or if no disposition thereof is made within thirty (30) days. The Officer's costs and expenses incurred in connection with successfully establishing his or her right to indemnification or advances, in whole or in part, in any such action shall also be indemnified by the Company. It shall be a defense to any such action that there has been a judgment or other final adjudication adverse to the Officer which established that the Officer failed to meet the standard of conduct, if any, required for indemnification by applicable law, but the burden of proving such defense shall be on the Company. Neither the failure of the Company (including the Board or any committee thereof, its independent counsel and its stockholders) to have made a determination prior to the commencement of such action that indemnification of the Officer is proper in the circumstances because he or she has met the applicable standard of conduct described in the preceding sentence, if any, nor the fact that there has been an actual determination by the Company (including the Board or any committee thereof, its independent counsel and its stockholders) that the Officer has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

8. Presumptions and Effect of Certain Proceedings.

(a) The Officer shall be presumed entitled to Indemnification hereunder unless clearly not entitled to such Indemnification by clear and convincing proof that such payment shall be unlawful.

(b) If the Company shall not have responded to the Officer's request for Indemnification pursuant to Section 7 hereof within thirty (30) days after receipt by the Company of such request therefor, the Officer shall be deemed to be entitled to such Indemnification.

(c) The termination of any Proceeding relating to an Indemnified Event or of any claim, issue, or matter therein by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself adversely affect the right of the Officer to Indemnification or create a presumption that the Officer did not meet any applicable standard of conduct.

(d) Notwithstanding any other provision of this Agreement, the Officer shall in no event be required to repay any Expense payments advanced to the Officer and no defense can or shall be raised by the Company to a request for Indemnification pursuant to Section 7 to the extent the Officer has been successful on the merits or otherwise in defense of any Proceeding related to an Indemnified Event, or in defense of any claim, issue or matter involved in any Indemnified Event therein, whether as a result of the initial adjudication or on appeal or the abandonment thereof by a party.

9. Non-Exclusivity: Duration of Agreement; Insurance; Subrogation.

(a) The rights of Indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Officer may at any time be entitled under applicable law, the Certificate of Incorporation, the By-laws, any other agreement, or any vote or consent of directors or stockholders or otherwise.

(b) This Agreement shall continue until and terminate upon the later of: (i) ten (10) years after the date that the Officer shall have ceased to serve in any Indemnified Position; or (ii) the Final Disposition of all Indemnified Events.

(c) This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of the Officer and his or her heirs, devisees, executors, and administrators or other legal representatives.

(d) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors or executive officers of the Company or for any person serving in any other Indemnified Position, the Officer shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director or executive officer or person serving in such position under such policy or policies.

10. Proceedings.

(a) The parties hereto agree that except as otherwise provided for herein, any disputes arising with respect to the interpretation or enforcement of any provision hereof shall be submitted, at the sole election of the Officer, either to arbitration or to judicial determination. Any arbitration shall be conducted in the City of Miami, Florida in accordance with the then existing rules of the American Arbitration Association ("AAA"). In any arbitration pursuant to this Agreement, the award or decision shall be rendered by a majority of the members of an arbitration panel consisting of three members chosen in accordance with the then existing rules of the AAA. The award or decision of the arbitration panel pursuant to this Section 10 shall be binding and conclusive on the parties, provided that enforcement of such award or decision may be obtained in any court having jurisdiction over the party against whom such enforcement is sought. The Company hereby agrees to bear all fees, costs and expenses imposed by the AAA, in connection with the arbitration, irrespective of the determination thereof. The provisions of Section 10(c) shall govern with respect to the proceedings referred to therein.

(b) In the event that, for any reason, the Company fails to pay any Indemnification or advance demanded, or the Company requests repayment of any Expenses advanced, the Officer shall nevertheless be entitled, at his or her sole option, to a final judicial determination or may seek arbitration of his or her entitlement to Indemnification hereunder in respect of such claim. In the event the Officer seeks a judicial determination, the Officer shall commence an action in a court of the State of Florida. In the event the Officer seeks an award in arbitration, (i) such arbitration shall be conducted in Miami, Florida pursuant to Section 10(a), and (ii) the arbitrator shall notify the parties of his or her decision within sixty (60) days following the initiation of such arbitration (or such other period proscribed by the rules of AAA). The Company further agrees that its execution of this Agreement shall constitute a stipulation by which it shall be bound in any court or arbitration in which such proceeding shall have been commenced, continued or appealed that (i) it shall not oppose the Officer's right to seek any such adjudication or award in arbitration or any other claim by reason of any prior determination made by the Company with respect to the Officer's right to Indemnification under this Agreement on such claim or any other claim, or, except in good faith, raise any objections not specifically relating to the merits of the Officer's claim; and (ii) for purposes of this Agreement any such adjudication or arbitration shall be conducted de novo and without prejudice by reason of any prior determination that the Officer is not entitled to Indemnification.

(c) Whether or not the court or arbitrators shall determine that the Officer is entitled to payment of Indemnification Amounts or has to return the payment of Expenses or otherwise finds against the Officer, the Company shall within thirty (30) days after written request therefor (and submission of reasonable evidence of the nature and amount thereof), and unless there is a specific judicial finding that the Officer's suit or arbitration was frivolous, pay all Expenses incurred by the Officer in connection with such adjudication or arbitration (including, but not limited to, any appellate proceedings).

11. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable for any reason whatsoever: (a) the validity, legality, and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section, paragraph or clause of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that is not itself invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or clause of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that is not itself invalid, illegal, or unenforceable) shall be deemed revised, and shall be construed, so as to give effect to the intent manifested by this Agreement (including the provision held invalid, illegal, or unenforceable).

12. Merger or Consolidation of the Company. In the event that the Company shall be a constituent corporation in a consolidation or merger, whether or not the Company is the resulting or surviving corporation, the Officer shall stand in the same position under this Agreement with respect to the Company if its separate existence had continued.

13. Enforcement.

(a) The Company unconditionally and irrevocably stipulates and agrees that its execution of this Agreement shall also constitute a stipulation by which it shall be bound in any court or arbitration in which a proceeding by the Officer for enforcement of his or her rights shall have been commenced, continued or appealed, that the obligations of the Company set forth herein are unique and special, and that failure of the Company to comply with the provisions of this Agreement will cause irreparable and irremediable injury to the Officer, for which a remedy at law will be inadequate. As a result, in addition to any other right or remedy he or she may have at law or in equity with respect to a violation of this Agreement, the Officer shall be entitled to injunctive or mandatory relief directing specific performance by the Company of its obligations under this Agreement.

(b) In the event that the Officer is subject to or intervenes in any legal action in which the validity or enforceability of this Agreement is at issue or institutes any legal action, for specific performance or otherwise, to enforce his or her rights under, or to recover damages for breach of, this Agreement, the Officer shall, within thirty (30) days after written request to the Company therefor (and submission of reasonable evidence of the amount thereof), and unless there is a specific judicial finding that the Officer's suit was frivolous, be indemnified by the Company against all Expenses incurred by him or her in connection therewith.

14. Notification and Defense of Claim. The Officer agrees to promptly notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding involving an Indemnification Event; provided, however, that the failure of the Officer to give such notice to the Company shall not adversely affect the Officer's rights under this Agreement except to the extent the Company shall have been materially prejudiced by such failure. Nothing in this Agreement shall constitute a waiver of the Company's right to seek participation, at its own expense, in any Proceeding which may give rise to Indemnification hereunder.

15. Headings. The headings of the Sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

16. Modification and Waiver. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand, or sent via telecopy or facsimile transmission, in each case receipted for by the party to whom said notice or other communication shall have been directed or transmitted, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, or (iii) delivered by overnight courier service:

(a) If to the Officer, to:

«name»
«address»

(b) If to the Company, to:

OPKO Health, Inc.
4400 Biscayne Boulevard Suite 1180
Miami, FL 33137

Attention: Deputy General Counsel

or to such other address as may have been furnished to either party by the other party.

18. Entire Agreement. All prior and contemporaneous agreements and understandings between the parties with respect to the subject matter of this Agreement are superseded by this Agreement, and this Agreement constitutes the entire understanding between the parties. This Agreement may not be modified, amended, changed or discharged except by a writing signed by the parties hereto, and then only to the extent therein set forth.

19. Nonassignment. This Agreement may not be assigned by either of the parties hereto.

20. Governing Law. This Agreement, including its validity, interpretation and effect, and the relationship of the parties shall be governed by, and construed in accordance with, the laws of the State of Florida.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year first above written.

OPKO HEALTH, INC.

By: _____

OFFICER

By: _____

«name»

Exhibit 31.1

CERTIFICATIONS

I, Phillip Frost, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of OPKO Health, 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(s) 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(s) 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: August 8, 2008

/s/ Phillip Frost
Phillip Frost, M.D.
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Rao Uppaluri, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of OPKO Health, 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(s) 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(s) 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: August 8, 2008

/s/ Rao Uppaluri

Rao Uppaluri

Chief Financial Officer

Exhibit 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 73 of Title 18, United States Code)

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, Phillip Frost, Chief Executive Officer of OPKO Health, Inc. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2008 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2008

/s/ Phillip Frost
Phillip Frost
Chief Executive Officer

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 73 of Title 18, United States Code)

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, Rao Uppaluri, Chief Financial Officer of OPKO Health, Inc. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2008 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2008

/s/ Rao Uppaluri
Rao Uppaluri
Chief Financial Officer

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.