
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) December 5, 2008

ADHEREX TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

Canada

(State or other jurisdiction of incorporation)

001-32295

(Commission File Number)

20-0442384

(IRS Employer ID Number)

4620 Creekstone Drive, Suite 200, Durham, North Carolina

(Address of principal executive offices)

27703

(Zip Code)

Registrant's telephone number, including area code (919) 484-8484

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

We received a notice dated December 5, 2008 from the NYSE Alternext US LLC, formerly the American Stock Exchange indicating that we do not meet certain of the continued listing requirements of the Exchange and, failing the submission of a plan of compliance by January 5, 2009, will be subject to delisting proceedings by the Exchange.

The notice indicated that we have become subject to possible delisting because we fail to meet the minimum stockholders' equity requirement of at least US\$6 million and have sustained net losses in our five most recent fiscal years as provided in Section 1003(a)(iii) of the Exchange's Company Guide. We must submit a plan of compliance for review by Exchange staff by January 5, 2009 or become subject to delisting proceedings. We also have the right to appeal any decision of the Exchange to initiate delisting proceedings.

The notice also indicated that because our stock has had an average selling price of \$0.14 per share over the last six months, as part of its continued listing requirements, the Exchange would require us to effect a reverse stock split in accordance with Section 1003(f)(v) of the Exchange's Company Guide.

Given the continuing turmoil in the capital markets, our current financial condition and the Exchange's determination that we would need to effect a reverse stock split to address our low trading price, we do not currently plan to file a plan of compliance and therefore expect the Exchange to promptly initiate delisting proceedings. The last day of trading of our common stock on the Exchange is anticipated by early January 2009. Our stock listing will be noted with ".BC" after its trading symbol to reflect its non-compliance with the Exchange's listing requirements. Our common stock continues to trade under the symbol "AHX" on the Toronto Stock Exchange.

A copy of the press release announcing the receipt of the delisting notice is attached as an exhibit to this report.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements with Certain Officers.

On December 10, 2008, our Board of Directors adopted a Success-Based Incentive Program for our four executive officers. The purpose of the Program is to align the interests of our executive officers with those of our shareholders and allow us to retain individuals critical to our future success during a period where share price erosion has rendered our other incentive programs, including stock options, essentially worthless.

Under the Program, our four executive officers will be eligible for success-based cash bonuses upon the completion of a partnership, asset sale and/or merger transaction, provided we have entered into a definitive agreement for any such transaction on or before July 31, 2009. Each executive officer will be paid a success-based cash bonus equal to a percentage of the transaction value, ranging from 1% to 5%, provided the officer continues to be employed at the time any partnership or strategic alliance is completed. Any bonus under the incentive plan would be offset dollar for dollar with any stock option value held by the executive that returns to being "in the money" at the time of payment of the bonus or when cashed out or exercised by the executive, if earlier.

The Program is attached as an exhibit to this report.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Document</u>
10.22	Success-Based Incentive Program
99.1	Press Release dated December 10, 2008

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Adherex Technologies Inc.

By: /s/ D. Scott Murray

D. Scott Murray

Senior Vice President and General Counsel

Dated: December 11, 2008

ADHEREX TECHNOLOGIES INC.
Success-Based Incentive Program
(adopted December 10, 2008)

Recognizing the importance of aligning the interests of the executive team of Adherex Technologies Inc. (the “Company”) with those of the Company’s shareholders, and cognizant that the erosion of the Company’s share price has rendered other incentive programs, including the options held by the Company’s executive officers, essentially worthless, a success-based cash bonus will be awarded on the completion of each successful Partnering Transaction or M&A Transaction (as defined below), subject to the terms and conditions of this Program. This alignment is considered critical to achieving the maximal results for the shareholders in the event of a partnering or merger transaction for the Company.

The following executive officers will be paid a success-based cash bonus for the conclusion of each Partnering Transaction or M&A Transaction. The success-based cash bonus is set at the established fractional percentage of the Transaction Value set out below for each individual executive.

<u>Success-Based Cash Bonus</u>	<u>William Peters</u>	<u>Robin Norris</u>	<u>Jim Klein</u>	<u>Scott Murray</u>
Transaction Value fraction	5%	1%	1%	1%

The amount of any success-based cash bonus will be offset, dollar for dollar, with the value of any stock option held by the executive officer that is “in the money” at the time of payment of the bonus or when cashed out or exercised, if earlier.

No bonus will be paid under this program unless a definitive agreement for an M&A Transaction or a Partnering Transaction is executed by July 31, 2009. To be eligible for a bonus, the executive must be an employee of the Company at the time the Transaction is completed.

For purposes of this Program, “M&A Transaction” means, whether in one or a series of transactions, (i) a sale, transfer or other disposition, directly or indirectly, of all or substantially all of the Company’s business, assets, or securities to a third party, whether by way of an asset sale, merger consolidation or other similar transaction, tender or exchange offer, negotiated purchase, leveraged buyout, privatization, or other extraordinary corporate transaction, or (ii) the acquisition by the Company, directly or indirectly, of all or substantially all of a third party’s business, assets or securities, whether by way of an asset sale, merger, consolidation or other similar transaction, tender or exchange offer, negotiated purchase, privatization, leveraged buyout, or other extraordinary corporate transaction.

For purposes of this Program, “Partnering Transaction” means, whether in one or a series of transactions, a license, acquisition, strategic alliance, joint technology development or joint product development arrangement, distribution agreement, or other partnering transaction or agreement between the Company and any third party that involves the right of such third party to commercially exploit all or a portion of the Company’s technology or any other proprietary rights or that involves the right of the Company to commercially exploit all or a portion of such third party’s proprietary rights.

An M&A Transaction and a Partnering Transaction are referred to collectively herein as a “Transaction.”

For purposes of this Program, Transaction Value includes cash, equity securities, the fair market value of revolving credit facilities, straight and convertible debt instruments or other obligations, and any other form of payment or assumption of obligations made to or by the Company or its security holders in connection with a Transaction. Any of the consideration to be received or paid by the Company or its security holders in connection with a Transaction that is contingent upon future events will be calculated for purposes of the success-based cash bonus upon the receipt or payment of such contingent consideration, provided that any amounts held in escrow will be deemed to have been paid at the closing of a Transaction. For purposes of computing the Transaction Value: (a) equity securities that are traded on a national securities exchange or quoted on the Nasdaq will be valued at the average of the last closing prices thereof for the 10 trading days prior to the closing of the Transaction; (b) equity securities that are traded over the counter will be valued at the average of the mean between the latest bid and asked prices for the 10 trading days prior to such date; and (c) any other unmarketable equity securities or interests or non-cash forms of consideration will be assumed to have a value equal to their fair market value at the time of the closing of the Transaction, as determined in good faith by the Board of Directors of the Company. In addition, if a Transaction: (a) takes the form of a Partnering Transaction, the Transaction Value will include, without limitation, (i) the amount of any investment made in or by the Company, and (ii) and research and/or development fees paid to or by the Company, but excluding sales milestones and royalties; (b) takes the form of a sale of assets or an assumption of liabilities, the Transaction Value will be deemed to include the aggregate principal amount of any indebtedness for money borrowed, including pension liabilities and guarantees assumed by the acquirer in connection with the Transaction; (c) (other than a sale or exchange of the capital stock of the Company) is structured in such a way so as to provide for the transfer of all or substantially all of the operating assets of the Company and the retention of other assets, including, but not limited to, cash, cash equivalents, investments, inventories and receivables, such retained assets will nevertheless be deemed to be part of the Transaction Value in connection with the Transaction as follows: (i) with respect to investments, in an amount equal to the market value of such investments; (ii) with respect to inventories and receivables, in an amount equal to the book value thereof; and (iii) with respect to any other assets, in an amount as determined in good faith by the Board of Directors of the Company; (d) takes the form of a recapitalization, restructuring, spin-off, split-off or similar transactions or is otherwise structured in such a way so as to provide for the retention by security holders of the Company of all or part of their equity securities, Transaction Value will include the fair market value of (i) the equity securities of the Company retained by the Company's security holders following such Transaction and (ii) any securities received by the Company's security holders in exchange for or in respect of securities of the Company following such Transaction (all securities received by such security holders being deemed to have been paid to such security holders in such Transaction).



PRESS RELEASE

**Adherex Receives AMEX Delisting Notice
— Implements Success-Based Incentive Program —**

Research Triangle Park, NC, December 10, 2008 — Adherex Technologies Inc. (AMEX:ADH, TSX:AHX), a biopharmaceutical company dedicated to solving problems for patients with cancer, today reported that it has received a notice from the NYSE Alternext US LLC, formerly the American Stock Exchange or AMEX (the “Exchange”), indicating that the Company does not meet certain of the continued listing requirements of the Exchange and, failing the submission of a plan of compliance by January 5, 2009, will be subject to delisting proceedings by the Exchange.

The notice indicated that the Company has become subject to possible delisting because the Company fails to meet the minimum stockholders’ equity requirement of at least US\$6 million and has sustained net losses in its five most recent fiscal years as provided in Section 1003(a)(iii) of the Exchange’s Company Guide. The Company must submit a plan of compliance for review by Exchange staff by January 5, 2009 or become subject to delisting proceedings. The Company also has the right to appeal any decision of the Exchange to initiate delisting proceedings.

The notice also indicated that because the Company’s stock has had an average selling price of \$0.14 per share over the last six months, as part of its continued listing requirements, the Exchange would require the Company to effect a reverse stock split in accordance with Section 1003(f)(v) of the Exchange’s Company Guide.

Given the continuing turmoil in the capital markets, the Company’s current financial condition and the Exchange’s determination that the Company would need to effect a reverse stock split to address its low trading price, the Company does not currently plan to file a plan of compliance and therefore expects the Exchange to promptly initiate delisting proceedings. The last day of trading of the Company’s common stock on the Exchange is currently anticipated by early January 2009. The Company’s stock listing will be noted with “.BC” after its trading symbol to reflect its non-compliance with the Exchange’s listing requirements. The Company’s common stock continues to trade under the symbol “AHX” on the Toronto Stock Exchange.

The Company further announced today that, in addition to its previously announced efforts to re-prioritize its clinical development activities on the most attractive, nearer term value-generating opportunities and secure further funding for the continued development of its products via its ongoing efforts with Burrill & Company LLC of San Francisco, who have been assisting the Company in its review of partnering opportunities and other strategic alternatives, the Company’s Board has implemented a success-based incentive plan for the executive

management team. The incentive plan is intended to align the interests of the executive management team with the Company's shareholders and retain individuals critical to the future success of the Company during a period where share price erosion has rendered the Company's other incentive programs, including stock options, essentially worthless. Executives will be eligible for success-based cash bonuses upon the completion of a partnership, asset sale and/or merger transaction, provided the Company has entered into a definitive agreement for any such transaction on or before July 31, 2009. Each executive officer will be paid a success-based cash bonus equal to a percentage of the transaction value, ranging from 1% to 5%, provided the officer continues to be employed at the time any partnership or strategic alliance is completed. Any bonus under the incentive plan would be offset dollar for dollar with any stock option value held by the executive that returns to being "in the money" at the time of payment of the bonus or when cashed out or exercised by the executive, if earlier.

About Adherex Technologies

Adherex Technologies Inc. is a biopharmaceutical company dedicated to the discovery and development of novel cancer therapeutics. We are in the business of solving problems for patients with cancer. We have multiple products in the clinical stage of development, including eniluracil, ADH-1 and sodium thiosulfate (STS). Eniluracil, an oral dihydropyrimidine dehydrogenase (DPD) inhibitor, is being developed to improve the tolerability and effectiveness of 5-fluorouracil (5-FU), one of the most widely used oncology drugs in the world. ADH-1 is a biotechnology compound which selectively targets N-cadherin, a protein present on certain tumor cells and the blood vessels of solid tumors. STS is a chemoprotectant being developed to reduce or prevent hearing loss that may result from treatment with platinum-based chemotherapy drugs. With a diversified portfolio of unique preclinical and clinical-stage cancer compounds and a management team with expertise in identifying, developing and commercializing novel cancer therapeutics, Adherex aims to become a leader in developing innovative treatments that address important unmet medical needs in cancer. For more information, please visit our website at www.adherex.com.

This press release contains forward-looking statements that involve significant risks and uncertainties. The actual results, performance or achievements of the Company might differ materially from the results, performance or achievements of the Company expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, those regarding our plans to pursue partnerships or other strategic alliances. We can provide no assurance that that we will be able to form partnerships or other strategic alliances with other companies on favorable terms or at all. We are subject to various risks, including the adverse impact of our stock no longer being listed on the AMEX, our need for additional capital to fund our operations, our history of losses, current and anticipated conditions in the economy and financial markets, our ability to continue to meet the listing requirements of the Toronto Stock Exchange, the uncertainties of clinical trials, drug development and regulatory review, the early stage of our product candidates, our reliance on collaborative partners, and other risks inherent to the biopharmaceutical industry. For a more detailed discussion of related risk factors, please refer to our public filings available at www.sedar.com and www.sec.gov.

For further information, please contact:

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