



Bone Medical

ASX/MEDIA RELEASE

16th January 2007

ETHICS APPROVAL FOR CALCITONIN TRIAL

Bone Medical Limited (ASX: BNE) ("Bone Medical" or "the company") announced today that it has received Ethics Committee approval for its forthcoming Phase 2 calcitonin clinical trial, utilising Bone's novel oral peptide delivery system, via capsule, for the treatment of osteoporosis, using salmon calcitonin.

The trial is expected to commence in the first quarter 2007 and is designed to compare oral calcitonin with nasal spray (demonstrate bioequivalence). Thirty five (35) healthy post menopausal women will be recruited.

Salmon calcitonin is an approved drug with a twenty year plus safety profile and is currently being administered via injection or nasal spray. The world market is estimated at US\$700 million.

Bone's Executive Chairman, Paul Hopper, said from San Diego today "this recent positive news from the QPharm's Ethics Committee is another important step in advancing Bone's lead drug candidate, Capsitonin™, through human clinical trials with a view to accelerated approval, on the basis of the FDA's 505(b)2 pathway, for products with an established safety track record and profile."

The trial will be conducted in Brisbane Australia at QPharm and will be managed by the leading CRO, Clinical Network Services (CNS) which will be responsible for administration, management and data collection.

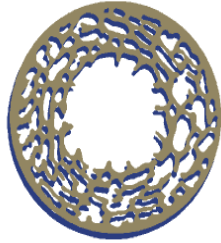
The trial is expected to be completed by 2nd Quarter 2007.

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About Bone Medical Limited

Bone Medical Limited is an international biopharmaceutical development company positioned to exploit the growing market in the treatment of bone disease particularly in osteoporosis and arthritis. Bone has a portfolio of biopharmaceutical development projects for the treatment of bone disease including,

Osteoporosis

- Capsitonin™ oral calcitonin
- oral parathyroid hormone
- bone cell regulators BN005 & BN008

Arthritis

- TNF regulators BN006
- joint protection & collagen tolerance BN007