



ASX/MEDIA RELEASE

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BONE MEDICAL APPOINTS BIO-IB, INC AS FINANCIAL ADVISORS TO ASSIST WITH USA STRATEGY

Bone Medical Limited (**ASX: BNE**) ("Bone Medical") today announced the appointment of BIO-IB, Inc. as Financial Advisors to provide strategic and corporate advice as well as to assist with a potential capital raise targeting U.S. institutional investors.

The capital raising is expected to take place later this year. The resultant funding would be used to advance the clinical programs for *Capsitonin*[™] oral calcitonin and *Perthoxal*[™] oral parathyroid hormone, to further develop Bone Medical's preclinical portfolio, to build regulatory and product development infrastructure in the U.S. and to make strategic acquisitions of complementary products and technologies.

"We are delighted to engage an expert team such as BIO-IB to help us with our capital raising in the USA," stated Michael Redman, CEO of Bone Medical. "Bone Medical is committed to diversifying its investor base through raising capital in the USA and our work with BIO-IB is an important step in achieving this goal," he continued.

The combined mid-term capital raising plans and ADR program will make Bone Medical more accessible to U.S. investors and improve liquidity in the stock. The ADR program is expected to be approved by the U.S. Securities Exchange Commission by August 2005. Additional capital will also provide the Company with currency to pursue strategic acquisitions in addition to enabling institutions that are only permitted to buy U.S. securities to invest in Bone Medical.

Bio-IB

BIO-IB is a New York-based boutique investment bank focused exclusively on the life sciences industry in the fields of biotechnology, medical technology, specialty and generic pharmaceuticals. The firm has more than 100 years of combined experience in this sector.

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For more information about Bone Medical Limited, please contact:

John Fitzgerald
Chief Operating Officer
+61 8 9355 5123

For media enquiries:
Rebecca Wilson
Buchan Consulting
(02) 9237 2800
rwilson@bcg.com.au

Or visit: www.bonemedical.com

For more information about BIO-IB, please contact:

Ashish Sanghrajka
Managing Director
ashish@bio-ib.com
www.bio-ib.com

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
- *Perthoxal*™ oral parathyroid hormone
- bone cell regulators BN005 & BN008

Arthritis

- TNF regulators BN006
- joint protection & collagen tolerance BN007