



Bone Medical

ASX/MEDIA RELEASE

25th September 2006

BONE MEDICAL RAISES \$1.8 MILLION THROUGH PRIVATE PLACEMENT

Bone Medical Limited (ASX: BNE) ("Bone Medical" or "the company") announces that it has raised approximately \$1.8 million by way of private placement of new ordinary shares at \$0.27 per share to institutional and sophisticated investors to continue the clinical programs at BNE.

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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