



Bone Medical

ASX/MEDIA RELEASE

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POSITIVE RESULTS FROM COMPLETION OF ORAL PTH PHASE 1 STUDY

Bone Medical Limited (ASX: BNE) ("Bone Medical" or "the company") announces the completion of its phase 1 study for Oral Parathyroid hormone (PTH). The results achieved the primary endpoint of safety and produced evidence of biological activity, allowing the company to move into its next study to select the optimal formulation for its phase 2 programme.

This safety study should now give confidence to escalate the dose to find the optimal level for therapy. This first human study also provided evidence of biological activity of oral PTH. A short term elevation in plasma calcium levels was seen in both the positive control (Forteo) and one of the oral PTH formulations, both of which were statistically significantly different from placebo. Blood levels were not expected at these dose levels in light of the delivery pathway from the gut via the liver, where receptors to PTH are likely to take up the Axxess-delivered molecule first, reducing the amount that gets into the outer circulation. With higher doses we would expect that the overspill, once the receptors are saturated, would be measurable in the blood even though these may be above therapeutic levels needed for treatment.

As a result Bone Medical is proceeding immediately to its next human study to choose the optimal formulation for dosing to achieve the biological effect desired. One of the formulations will use the new Axxess 4 technology compared to a higher dose Axxess 3 formulation as used in the initial study.

Bone Medical's Chief Scientific Officer and Proxima's representative on the board Dr New said, "We were pleased to achieve the safety primary endpoint. In addition, we are encouraged by the evidence of biological activity. We will proceed with our next trial in post menopausal women to choose the optimal formulation for the phase 2 programme."

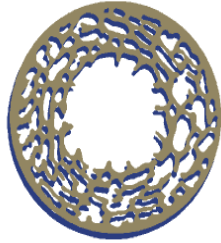
Paul Hopper Chairman said, "This first into man study for the Axxess formulation of PTH is encouraging. A capsule version of this important injectable osteoporosis drug is much needed as it is known as the most potent drug to rebuild bone destruction from osteoporosis."

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For more information about Bone Medical Limited, please contact:

Paul Hopper
Executive Chairman
Mobile +1 858 200 5636 (USA)
Australian Office +61 8 9355 5123

Or visit: www.bonemedical.com



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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