

Bone Medical

ASX/MEDIA RELEASE

Bone Medical positive new data from oral osteoporosis drug trial

1 February 2008: Bone Medical Limited (ASX:BNE) has been advised of new positive data from its second clinical trial conducted to test CaPTHymone™ (Bone's oral parathyroid hormone (PTH)) product for treatment of osteoporosis.

In the first trial which Bone carried out, change in plasma calcium after administration of the treatment was the key measure employed to establish efficacy, and significant increases were seen for both the oral formulation, and the positive control – Eli Lilly's Forteo – comprising a dose of 20ug of PTH injected sub-cutaneously.

In the current trial, two oral formulations were tested comparing different versions of Bone's Axcoss technology side by side. The Axcoss III formulation, currently also in use for Capsitonin® (Bone's oral Calcitonin product), contained 800ug of PTH, while the second-generation variant, Axcoss IV, contained 400ug PTH. Both treatments gave increases in calcium after six hours equivalent to that seen previously for the Forteo comparator.

The results of this trial will help Bone to decide which of its Axcoss formulations to go ahead with in its development programme to market.

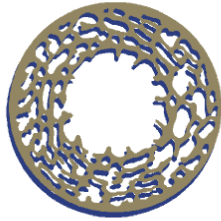
PTH is currently only available in injectable form. Bone's development of an oral capsule will make it much easier for patients, especially when the drug is taken several times per week for months or years.

Dr Roger New, Chairman and CSO of Bone Medical, said "For PTH to work effectively it needs to be given in a bolus form. Oral administration using the Axcoss technology is ideal for this as the profile of delivery is pulsatile, entering and leaving the bloodstream within a short time-window."

PTH works by up-regulating the activity of osteoblasts, whose role is to create fresh bone, thereby reducing the severity of osteoporosis, or even reversing it.

Phil Sambrook, Professor of Rheumatology at Sydney University, and an international authority on osteoporosis, pointed out "PTH is a very effective drug, and is the only truly anabolic agent currently available which can build new bone. Having this in an oral form would be a tremendous boon for patients."

- ENDS -



Bone Medical

Enquiries:

Dr Roger New
Chairman
Mobile: +44 781 806 8012
Australian Office: +61 8 9355 5123

Rudi Michelson
Monsoon Communications
+61 3 9620 3333

Troels Jordansen
Managing Director
Mobile: + 44 79 1713 0019

Or visit: www.bonemedical.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
- · CaPTHymone™ oral parathyroid hormone
- · bone cell regulators BN005 & BN008

Arthritis

- · TNF regulators BN006
- · joint protection & collagen tolerance BN007