



Bone Medical

ASX/Media Release

Bone Medical private placement

31 October 2008: Bone Medical Limited (ASX: BNE) is undertaking a private placement with strategic investors, including the subsidiary of major shareholder Proxima Concepts Ltd, to raise up to \$1.5 million for working capital and to support the Company's commercialisation of biopharmaceutical projects.

The Company expects to complete the private placement in November.

Proxima Concepts continues to support Bone Medical in research, development, regulatory affairs and financially.

The total to be subscribed will include the contribution from Proxima Concepts' subsidiary which is by conversion of outstanding obligations of approximately \$200,000 and will be subject to shareholder approval at a general meeting. The notice of general meeting will be forwarded to shareholders soon after the conclusion of the placement.

-Ends-

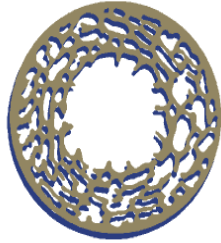
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About Bone Medical

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