



Bone Medical

ASX/Media Release

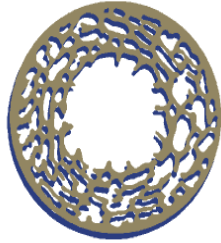
Completion of Bone Medical private placement

22 December 2008: International biopharmaceutical company, Bone Medical Limited (ASX: BNE) is pleased to announce the completion of a capital raising of \$1.5 million by way of private placement with institutional and private investors at 25 cents per share.

The funds raised are for working capital and to support the Company's commercialisation of biopharmaceutical projects.

The total capital raised includes the contributions from Proxima Concepts, its subsidiary, Proxima Laboratory and Research Services Limited (Proxima Group) and The International Healthcare Trust which are by conversion of outstanding obligations and participation by Bone Medical Chairman, Mr Leif Helth Jensen. The share allotments relating to the Proxima Group and Mr Jensen will be the subject of a notice of meeting to obtain approval from shareholders.

-Ends-



Bone Medical

Enquiries:

Leif Helth Jensen
Chairman
Mobile: +45 4052 0787
Australian Office: +61 8 9355 5123

Rudi Michelson
Monsoon Communications
Office: +61 3 9620 3333

Troels Jordansen
Managing Director
Mobile: +44 79 1713 0019

Or visit: www.bonemedical.com

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