



Bone Medical

ASX/MEDIA RELEASE

Bone initiates oral osteoporosis drug trial in Australia

Q-Pharm in Brisbane has administered first dose to patients

20 November 2007: Bone Medical Limited (ASX:BNE) today announced that patients have received their first doses in the oral CaPTHymone™ (PTH) Phase I/II clinical trial carried out at Q-Pharm, Brisbane, Australia.

Eight female volunteers will be dosed at two different times and the results will help Bone choose between two different versions of the in-licensed Axxcess™ oral delivery technology and PTH strength.

Bone expects the result late 2007 or early 2008 and the clinical trial report may be used for a pre-IND meeting with the FDA during 2008.

CaPTHymone™ is expected ultimately to be approved for use in late stage osteoporotic patients.

Bone has already had one product, namely Capsitonin™ (oral calcitonin) successfully completing Phase II clinical trials using the Axxcess™ oral delivery technology.

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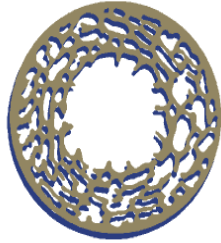
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About parathyroid hormone peptide

PTH is one of the principal controlling agents for the maintenance of normal calcium levels in the blood. Oral PTH could replace injected PTH (currently on the market for 2-3 years and estimated to sell US\$600 million in 2007) and expand the market through greater patient acceptance.

CaPTHymone™ may target sections of the osteoporosis market which had total world sales exceeding US\$9 billion in 2005 and is projected to be US\$ 10 billion by 2007.

Currently, injectable PTH is the only product in the world accepted by the US Food & Drug Administration (FDA) to be able to build bone.

About osteoporosis

Osteoporosis is a condition in which the bones become fragile and brittle leading to a higher risk of fractures (breaks or cracks). Osteoporosis occurs when bones lose minerals such as calcium more quickly than the body can replace them, leading to a loss of bone thickness (bone mass or density).

As a result, bones become thinner and less dense, so that even a minor bump or accident can cause serious fractures. Any bone can be affected by osteoporosis but the most common sites are bones in the hip, spine, wrist, ribs, pelvis and upper arm. Osteoporosis usually has no signs or symptoms until a fracture happens - this is why osteoporosis is often called the 'silent disease'.

Every 8 minutes, someone is admitted to an Australian hospital with an osteoporotic fracture. 1 in 2 women and 1 in 3 men are expected to have an osteoporotic fracture in Australia.

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