



ASX/MEDIA RELEASE

8th August 2005

BONE MEDICAL'S LEVEL ONE ADR PROGRAM GRANTED

Bone Medical Limited (ASX: BNE) (Bone Medical) announced today that its Level One American Depository Receipt (ADR) program is now effective with receipts tradable in the over-the-counter (OTC) market under the code BMEDY.

ADR's are US share certificates that represent underlying foreign shares which are held in custody outside the US. These certificates are traded and settled in the US like any other securities in the OTC market.

As previously announced, The Bank of New York has been chosen to serve as the depository bank for Bone Medical's Level One ADR program in the United States of America.

According to Bone Medical's Chief Executive Officer, Mr Michael Redman, "The ADR program will allow US investors to purchase Bone Medical stock from their local stockbroker, broaden Bone Medical's shareholder base and allow our shares to be traded in the same arena as our global peers". "Furthermore, the ADR program allows investment by institutions that are only permitted to buy US based securities."

On 1 August, Bone Medical also announced the appointment of BIO-IB, Inc. as Financial Advisors to provide strategic and corporate advice in the US. BIO-IB is a New York-based boutique investment bank focused exclusively on the life sciences industry in the fields of biotechnology, medical technology, specialty and generic pharmaceuticals.

Bank of New York

Founded in 1784, The Bank of New York is the world's largest depository for American and global depository receipts, allowing non-U.S. companies to offer dollar-denominated securities to investors worldwide. The Bank currently issues depository receipts for over 1,180 American and global depository receipt programs from issuers in over 60 countries, representing 64 percent of all sponsored programs worldwide.

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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
- *Perthoxal*[™] oral parathyroid hormone
- bone cell regulators BN005/BN008

Arthritis

- TNF regulators BN006
- joint protection & collagen tolerance BN007