

Bone Medical

ASX/Media Release

Bone Medical raises \$1.245 million in private placement

20 December 2007: International biopharmaceutical company Bone Medical Limited (ASX: BNE) has raised \$1,245,181 in a private placement to investors including Bone non-executive director Mr Leif Helth Jensen and major shareholder Proxima Concepts Ltd. A total of 4,150,603 shares will be subscribed at 30 cents each. Each share qualifies for one free attaching 40 cent option exercisable over 18 months from the date of issue.

This is an important milestone for Bone as the first European sophisticated biotech investors are being introduced on Bone's share registry.

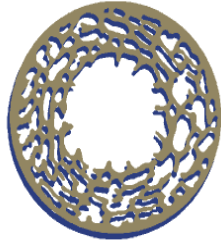
The funds to be raised are for working capital and to support Bone's portfolio of biopharmaceutical development projects.

"Mr Leif Helth Jensen is one of the most astute biotech investors in Europe. He has been involved as seed investor or director in six of the eight Danish publicly listed biotech companies, of which the largest is Genmab A/S with a multi-billion dollar market capitalisation. Today Mr Leif Helth Jensen is active on nine boards and is serving as chairman on four of these. He knows the Bone technology and is backing it," said Mr Troels Jordansen, Managing Director of Bone Medical.

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

The placement to Mr Leif Helth Jensen and to Proxima Concepts Ltd, which is to be by way of the conversion of outstanding obligations of \$428,176, will be subject to shareholder approval at an extraordinary general meeting which the Company is to schedule for early February 2008.

-Ends-



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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
CaPTHymone™ oral parathyroid hormone
Bone cell regulators BN005 & BN008

Arthritis

TNF regulators BN006
Joint protection & collagen tolerance BN007