



ASX/MEDIA RELEASE

Bone Medical further positive results from oral osteoporosis drug trial *Bone Medical oral drug appears to match the injectable alternative*

12 May 2008: Bone Medical Limited (ASX:BNE) has obtained important positive data on blood levels of peptide from testing its oral parathyroid hormone (PTH) CaPTHymone™ osteoporosis product.

These results are from a second clinical trial of CaPTHymone™ conducted at Qpharm in Brisbane, Australia.

In a previous release, Bone announced that increases in plasma calcium were seen in subjects treated with CaPTHymone™ (containing 400ug or 800ug of PTH 1-34 fragment) which were equivalent to those seen hitherto for Eli Lilly's Forteo – comprising a dose of 20ug of PTH (1-34 fragment) injected sub-cutaneously. These increases in calcium demonstrated that PTH was entering the bloodstream via the oral route and exerting a biological effect.

These findings have now been backed up by further analyses, showing that increases above baseline of PTH fragments can be seen in the bloodstream shortly after administration of CaPTHymone™. The increases seen are comparable to those measured for injectable PTH (1-34), during Bone's first clinical trial, while placebo levels in the same trial stayed close to baseline.

CaPTHymone™ complements another drug in Bone's portfolio, Capsitonin™ (oral calcitonin), for which encouraging results in Phase IIb clinical trials have also been generated. Calcitonin targets osteoclasts, preventing them from breaking bone down, while PTH up-regulates osteoblasts, whose role is to build new bone.

Calcitonin, currently available as an injectable and nasally administered product, is indicated for early stages of osteoporosis, while injectable PTH is used in the later stages of osteoporosis, when the condition can be severe.

"The availability, from Bone Medical, of oral forms of these drugs will be very pleasing news for osteoporosis sufferers. The drugs are natural hormones of the body and oral drug forms will markedly increase the numbers of patients who use them," said Dr Roger New, Chairman of Bone Medical.

- ENDS -



Enquiries:

Dr Roger New
Chairman
Mobile: +44 781 806 8012
Australian Office: +61 8 9355 5123

Rudi Michelson
Monsoon Communications
+61 3 9620 3333

Troels Jordansen
Managing Director
Mobile: + 44 79 1713 0019

Or visit: www.bonemedical.com

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