



ASX/MEDIA RELEASE

New BN006 Data Stimulates Early Partnering Interest

22 April 2013: Bone Medical Ltd (BNE:ASX), an international biopharmaceutical company developing new medicines for the treatment of musculoskeletal diseases like osteoporosis and arthritis, is pleased to announce that new data emerging from its BN006 development program for rheumatoid arthritis (RA) has begun to stimulate interest from potential partners for this important candidate therapy.

Mr Peter Young, CEO, indicated that the emerging data highlighted the potential of BN006 as a more selective, safer treatment alternative for RA. "As recently announced, Bone Medical has recently completed a study using the widely recognized benchmark collagen-antibody induced arthritis experimental model on BN006. The results suggest that BN006 could be at least as effective as current leading RA treatments in preventing inflammation while benefiting from significantly less reduction in TNF, and therefore potentially fewer immunosuppressive side effects," said Mr Young.

"Discussions have progressed with interested companies based on the new data" Mr Young continued. He cautioned that these new discussions were at an early stage and that it was therefore difficult to predict whether they would lead to partnering agreements for BN006 at this point. "We nonetheless feel that this interest demonstrates the early positive influence the new BN006 data are already exerting on partnering prospects for this new treatment for RA," he concluded.

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About Bone Medical Limited

Bone Medical Limited is an international biopharmaceutical company focused on developing significant new products for the growing market in the treatment of bone diseases like osteoarthritis, rheumatoid arthritis, and osteoporosis. The Company's product pipeline is focused on the following high-potential opportunities:

- Phase II clinical-stage programs for the oral delivery of two well-established peptides which have historically been limited to nasal or injectable delivery
 - o Capsitonin™ (oral calcitonin) for Osteoarthritis pain
 - o CaPTHymone™ (oral parathyroid hormone) for osteoporosis
- Novel, potential breakthrough preclinical-stage compounds
 - o BN006 – selective, potential oral TNF-alpha down-regulator for rheumatoid arthritis (RA)
 - o BN007 – collagen tolerance & joint protection agent for RA
 - o BN005 & BN008 – bone cell regulation for osteoporosis