



ASX/MEDIA RELEASE

New Bone Medical Oral PTH Clinical Trial Begins Patient Dosing

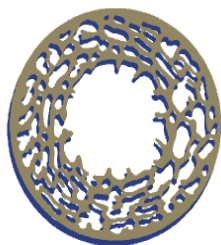
3 December 2012: Bone Medical Ltd (BNE: ASX), an international biopharmaceutical company focused on the development of important new medicines for the treatment of musculoskeletal diseases like osteoporosis and arthritis, is pleased to announce that the new clinical trial it is undertaking with Q-Pharm Pty Ltd (Q-Pharm), of Brisbane, has begun actively dosing patients. The Company announced that it had entered into an agreement with Q-Pharm to conduct the trial two months ago.

"CaPTHymone™ is the lead program in our product pipeline based on its potentially short, low-risk development pathway and large, readily addressable market opportunity," CEO Peter Young commented. "The intent of the study is to further reinforce that profile and partnering interest, and the initiation of dosing is a notable milestone for the trial as well as for the Company." Mr Young noted that data from the study may be available in the first few months of 2013.

The new trial will compare the blood levels of parathyroid hormone (PTH) achieved at two alternative strengths of Bone Medical's CaPTHymone™ product directly to injectable PTH. CaPTHymone™ uses the Company's Axxess™ IV oral peptide formulation technology to deliver PTH by mouth. Injectable PTH is an important therapeutic alternative for the treatment of osteoporosis that sold nearly US\$1 billion in 2011, even though it is only available as a daily injection. A successful oral formulation has the potential to expand the role of PTH significantly in osteoporosis in the millions of patients who suffer from osteoporosis, and consequently CaPTHymone™ is an attractive partnering candidate. PTH is the only approved osteoporosis treatment that has an anabolic bone-building effect.

"This study is one of several new trials and experiments that Bone Medical is pursuing to generate new data and partnering interest in its programs," said Mr Young. "We believe this marks a phase of renewed opportunity and potential for the Company."

- ENDS -



Bone Medical

Enquiries:

Dr Roger New
Chairman
Office: +44 207 794 1512

Peter Young
CEO
Mobile: +1 201 841 9681

Leon Ivory
Director
Mobile: +61 419 428 264

or visit: www.bonemedical.com

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 includes:

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