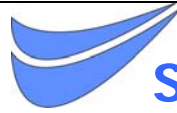




Bone Medical



Synovo

Innovation in Inflammation

## ASX/MEDIA RELEASE

19<sup>th</sup> April 2006

### BONE MEDICAL AND SYNOVO COLLABORATE

Perth, Australia

Tübingen, Germany

**Bone Medical Limited (ASX: BNE, ADR:BMEDY.PK)** and Synovo GmbH announced today their intention to collaborate in pre-clinical investigations of potential candidate drugs in the Bone Medical pipeline. The collaboration will focus on comparison of efficacy and formulation efficiency of various preparations based on Bone Medical's Proprietary Axes<sup>TM</sup> and Mozaic<sup>TM</sup> technologies.

Axes<sup>TM</sup> technology allows peptide based drugs to be taken orally instead of via injection or nasal spray. Bone Medical is developing new forms of calcitonin and parathyroid hormone using this approach. The lead indication in both cases is osteoporosis.

Mozaic<sup>TM</sup> Technology is a drug discovery platform that allows the efficient selection of peptide ligands for novel drug targets. Mozaic has already received patent protection in Australia and Singapore and is pending elsewhere. The collaboration forms part of Bone Medical's strategy to work with specialised partners in each phase of its drug development cascade. Synovo is active in the fields of musculo-skeletal and inflammatory diseases including rheumatoid arthritis and osteoporosis. As part of the collaboration, Synovo will provide access to a range of model systems and imaging modalities related to these disease areas.

"The Bone Medical candidates represent an innovative approach to therapy in osteoporosis and rheumatoid arthritis and we are pleased to have the chance to support their development" said Dr. Michael Burnet, Managing Director of Synovo GmbH. He added "working with these compounds also complements our interest in regenerative medicine which is a major focus of firms in South West Germany and specifically the Stuttgart area".

Dr. Roger New, the Chief Scientific Officer of Bone Medical Ltd. said "Synovo has proved to be a flexible and helpful partner with excellent facilities and highly trained staff".

"Working with Synovo provides not only additional expertise but also a useful entrée into the German pharmaceutical sector where substantial resources are available for new drug development". Paul Hopper, Chairman of Bone Medical said "This collaboration derives from our successful relationship with JP BioConsulting in Karlsruhe and is representative of our continued success working with partners in Germany and Europe generally".

### **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
- oral parathyroid hormone
- bone cell regulators BN005 & BN008

#### Arthritis

- TNF regulators BN006
- joint protection & collagen tolerance BN007

### **About Synovo GmbH**

Synovo GmbH is a privately held drug discovery services company with facilities in Tübingen, South of Stuttgart in Germany. Synovo's focus is the support of early phase drug discovery in the fields musculo-skeletal, CNS and Gastro-intestinal disorders. Synovo supplies both synthetic chemistry and screening support to its clients. In addition, Synovo has an internal research program focussing on anti-inflammatory drugs and inflammatory bowel disease in particular. Synovo was founded in 2004 and currently has approximately 32 full and part-time employees.

**Contact and further information:**

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