



**OSTA BIOTECHNOLOGIES INC.**

**2009 ANNUAL REPORT**

## **TABLE OF CONTENTS**

1. Message from the Chairman
2. Key highlights for 2009
3. Management's Discussion & Analysis
4. Financial Statements

**OSTA BIOTECHNOLOGIES INC.**

**MESSAGE FROM THE CHAIRMAN**

Dear Shareholders:

We are pleased to provide you with the 2009 Annual Report of our company.

Last year, our company made significant progress on the pre-clinical development of a novel class of anti-cancer drugs. Our company's lead compound, OB-24 has demonstrated strong anti-cancer, anti-metastatic, anti-cell migration, anti-cell invasion and anti-angiogenic activities in a number of highly aggressive and metastatic cancers including hormone refractory prostate cancer and metastatic melanoma. Immunohistochemical analysis of prostate tissue using a progression tissue microarray from patients with localized prostate cancer and across several stages of disease progression revealed a significant elevation of HO-1 expression in epithelial cancer cells, but not in surrounding stromal cells, from hormone refractory prostate cancer compared to hormone-responsive prostate cancer and benign tissues. Our results were published in the journal Cancer Research, a high impact publication of the American Association of Cancer Research and were selected to appear as a highlight by the editorial board of Cancer Research. The results summarized in our paper identify Heme Oxygenase-1 as a potential biomarker and therapeutic target for hormone refractory prostate cancer (HRPCA). We are continuing to further optimize the dosage and dosing regimen and plan to complete the currently on-going pre-clinical studies and advance towards filing an IND application to enter into human clinical trials.

We have also initiated in-vivo proof of concept studies for the development of a novel drug for the treatment of Alzheimer's disease. This research project is funded by the prestigious Institute for the Study of Aging (ISOA). ISOA is a private foundation based in NY, NY established by the Estee Lauder family.

2010 is a critical year for our company as we are looking to raise money to support our future business objectives. We are continuing to advance the pre-clinical development of our novel therapeutic agents for treatment of cancer and AD.

We are confident that the various research and development activities at our Company will bring long-term value to its shareholders.

We thank you for your continued support.

Sincerely,

Dr. Ajay Gupta  
Chairman and Chief Executive Officer

## **KEY HIGHLIGHTS FOR FISCAL 2009**

**March 2009**

OSTA ANNOUNCES PROMISING HUMAN PROSTATE  
TISSUE BIOPSY PATHOLOGY RESULTS

**August 2009**

PROSTATE CANCER CANADA GRANTS AWARD TO  
OSTA'S PRINCIPAL INVESTIGATOR

**October 2009**

OSTA'S CANCER TECHNOLOGY PUBLISHED IN A  
PRESTIGIOUS JOURNAL