

Osta Biotechnologies Inc.  
Press Release  
For Immediate Distribution

## **OSTA BIOTECHNOLOGIES ANNOUNCES FIRST CLOSING OF PRIVATE PLACEMENT**

April 17, 2007 — **Osta Biotechnologies Inc.** (TSX Venture Exchange: OBI) is pleased to announce that it has held a first closing of its previously-announced private placement by issuing 2,000,000 units at a price of \$0.25 per unit, for gross proceeds to Osta of \$500,000. Each unit consists of one common share of Osta and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.40 per share until April 17, 2009.

The sale of the 2,000,000 units represents the first tranche of a private placement of up to 8,000,000 units, for maximum gross proceeds to Osta of \$2,000,000. Additional closings of the private placement may take place until May 31, 2007.

The net proceeds from the private placement will be used by Osta for research and development and general working capital purposes.

Notre-Dame Capital Inc. is acting as lead agent for the private placement. Osta paid Notre-Dame Capital a cash commission equal to 10% of the gross proceeds from the first closing. As partial consideration for the services of Notre-Dame Capital, Osta issued a non-transferable compensation option to Notre-Dame Capital entitling it to acquire up to 200,000 units, each consisting of one common share and one common share purchase warrant, at a price of \$0.25 per unit until April 17, 2009. Each warrant will entitle the holder to purchase one common share at a price of \$0.40 per share until April 17, 2009.

The common shares and warrants issued by Osta under the private placement are subject to a four-month hold period, expiring on August 18, 2007, in accordance with applicable securities laws and the policies of the TSX Venture Exchange. The first closing of the private placement has increased the number of outstanding common shares of Osta to 34,706,196.

### **About Osta Biotechnologies Inc.**

Osta is a biopharmaceutical company listed on the TSX Venture Exchange dedicated to developing novel diagnostics and therapeutics for the aging population, particularly in the areas of Alzheimer's disease, Osteoporosis, Cancer and X-Linked Hypophosphatemic rickets (XLH).

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy for this release.

*Certain information in this press release is forward-looking and is subject to numerous risks and uncertainties. By their nature, such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. These risks include actions of Osta's competitors, and those inherent in scientific research and development.*

*The issue of this press release is limited to Canada only. This press release should not be issued in the United States through U.S. news wire agencies.*