

Biopotential Capital Inc.
Press Release
For immediate distribution

**BIOPOTENTIAL CAPITAL ANNOUNCES CLOSING OF QUALIFYING TRANSACTION
WITH OSTA BIOPHARMA**

Montreal, Quebec – May 3, 2005 - Biopotential Capital Inc., a capital pool company listed on the TSX Venture Exchange (TSX-V: BPI.P), announces that it has completely its previously-announced qualifying transaction with Osta BioPharma Inc. of Montreal.

At the closing, Biopotential acquired all of the issued and outstanding shares of Osta BioPharma. In exchange, Biopotential issued an aggregate of 21,950,219 common shares to the shareholders of Osta BioPharma, representing 78.6% of the 27,930,219 common shares of Biopotential issued and outstanding after the closing of the transaction.

At the closing, the following persons, all of whom are associated with Osta BioPharma, were appointed officers of Biopotential: Dr. Ajay Gupta — Chairman and Chief Executive Officer, Dr. Andrew Karaplis — President and Chief Scientific Officer, Dr. David Goltzman — Senior Vice-President, Research and Development, Joel Cohen — Chief Financial Officer, and Alain Geahchan — Director of Investor Relations.

The Board of Directors of Biopotential now consists of Dr. Ajay Gupta, Dr. Andrew Karaplis, James H. Coleman and James W. Beckerleg.

Upon final acceptance of the qualifying transaction by the TSX Venture Exchange, Biopotential's listing will be changed from a capital pool company to Tier 2 on the Exchange. Final Exchange acceptance is expected later this week.

The 21,950,219 shares issued by Biopotential at closing are subject to a "hold period" which expires on September 4, 2005. An aggregate of 18,045,000 common shares issued by Biopotential to five principal shareholders of Osta BioPharma are subject to a three-year escrow in accordance with the policies of the TSX Venture Exchange. One-sixth of the shares will be released from escrow every six months.

At the closing, Biopotential also granted stock options in respect of an aggregate of 1,250,000 common shares to its officers, directors and a consultant. The options may be exercised at a price of \$0.35 per share until May 3, 2010.

It is expected that an annual meeting of Biopotential's shareholders will be called shortly, at which time Biopotential's corporate name will be changed to reflect the business of Osta BioPharma. It is also expected that additional directors will be elected at the annual meeting.

Full details of the qualifying transaction are available in Biopotential's filing statement dated April 20, 2005, available at www.sedar.com.

Osta is a Montreal-based biopharmaceutical company which is developing a pre-onset genetic-based prognostic test for osteoporosis and is pursuing the development of novel therapeutics for the treatment of osteoporosis and osteoarthritis. In addition, Osta has recently engaged in the development of a diagnostic blood test for sporadic (non-familial) Alzheimer's disease.

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

For further information, please contact:

Dr. Ajay Gupta
Chairman & Chief Executive Officer
Biopotential Capital Inc.
Telephone: (514) 426-8203