

Osta Biotechnologies Inc.  
Press Release  
For Immediate Distribution

## **OSTA ANNOUNCES PROMISING PRE-CLINICAL RESULTS ON A NEW CANCER DRUG**

**MONTREAL, QC – June 14, 2007** - Osta Biotechnologies Inc. today announced the results of a pilot pre-clinical efficacy study on its lead anti-cancer therapeutic agent OB-24 in a human melanoma xenograft mouse model. Data from this pre-clinical study showed a statistically significant reduction in tumor volumes in groups treated with OB-24, compared to untreated groups and groups treated with dacarbazine.

Dacarbazine has been commonly used as a single agent for the treatment of metastatic melanoma. Unfortunately, like many standard chemotherapy drugs, dacarbazine has only limited efficacy and numerous side effects, including nausea, fatigue, reproductive toxicity including sterility and birth defects, and immunosuppression.

OB-24 was well tolerated with no apparent signs of toxicity in mice at two different dose levels after multiple administrations. These results hold promise that OB-24, either alone or in combination with other chemotherapeutic agents, could become the treatment of choice for treating metastatic and drug-resistant human melanomas.

These findings represent an important milestone in Osta's plan to develop novel targeted agents for the treatment of highly metastatic, aggressive and drug resistant tumors, and provide an important advance towards generating sufficient pre-clinical data in order for the company to progress towards an Investigational New Drug (IND) filing, anticipated in 2009.

OB-24 is based on a family of novel chemical compounds discovered at Queen's University by Dr. Walter Szarek, Professor Emeritus in the Department of Chemistry, and Dr. Kanji Nakatsu, Professor in the Department of Pharmacology and Toxicology.

Drs. Szarek and Nakatsu are very excited about the results obtained in collaboration with Osta's scientific team thus far.

The compounds were exclusively licensed to Osta by PARTEQ Innovations, the technology transfer office of Queen's University. Osta has filed for patent protection on the novel family of compounds and their uses.

### **Results of the Pre-Clinical Study**

The pre-clinical study was conducted in collaboration with Dr. Hyman M. Schipper, a Professor of Neurology & Medicine at McGill University & the Director of Centre for Neurotranslational Research at the Lady Davis Institute for Medical Research of the Jewish General Hospital, and Dr. Moulay Alaoui-Jamali, a Professor of Oncology at McGill University and the Group Leader of Drug Discovery at the Segal Comprehensive Cancer Centre of the Jewish General Hospital. In a pilot study involving a total of 38 SCID male mice implanted with SKMEL-V human melanoma cells, the tumor volumes were found to be statistically significantly smaller in mice treated with OB-24 at 30 mg/kg ( $P < 0.03$ ) and 60 mg/kg ( $P < 0.02$ ) dose levels, compared with those treated with the vehicle alone or treated with dacarbazine (50 mg/kg,  $P < 0.08$ ). OB-24 was well tolerated in mice at both dose levels after multiple administrations, and was found to be significantly more effective than dacarbazine at both dose levels.

Dr. Schipper and Dr. Alaoui-Jamali, Co-Principal Investigators of the study expressed excitement with these results. Dr. Alaoui-Jamali commented "We are continuing to further scale up our pre-clinical study in other tumor models. The successful development of OB-24 for the treatment of metastatic melanoma would represent a major breakthrough in the management of this devastating disease."

**About Osta Biotechnologies Inc.**

Osta is a biopharmaceutical company listed on the TSX Venture Exchange (TSXV: OBI) 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.

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