

Osta Biotechnologies Inc.
Press Release
For Immediate Distribution

OSTA ANNOUNCES CLOSING OF PRIVATE PLACEMENT

April 6, 2010—**Osta Biotechnologies Inc.** (TSX Venture: OBI) is pleased to announce that on April 1, 2010, it has closed its previously announced “bought deal” private placement of 8,400,000 units at a price of \$0.06 per unit, for gross proceeds to Osta of \$504,000. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to acquire one additional common share at a price of \$0.10 for a period of two years from the closing of the private placement.

Sherbrooke Street Capital (SSC) Inc. acted as lead underwriter in connection with the private placement. Pursuant to the underwriting agreement entered into between Osta and SSC, SSC received a fee equal to 7% of the gross proceeds of the private placement. In addition, Osta issued non-transferable broker warrants to SSC, entitling it to purchase 588,000 common shares of Osta. The broker warrants will be exercisable at a price of \$0.10 per common share for a period of two years from the closing of the private placement.

The securities issued in connection with the private placement are subject to a four-month hold period, expiring on August 2, 2010, in compliance with the policies of the TSX Venture Exchange and applicable securities legislation. As a result of the closing of the private placement, Osta has 43,786,528 issued and outstanding common shares. The securities issued in connection with the private placement will be subject to a four-month hold period under the policies of the TSX Venture Exchange and applicable securities legislation.

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

About Osta Biotechnologies Inc.

Osta is a biopharmaceutical company listed on the TSX Venture Exchange currently focusing on developing therapeutics for Cancer and Alzheimer’s disease.

For further information, please contact:

Osta Biotechnologies Inc.
Dr. Ajay Gupta
Chairman & CEO
(514) 626-9519

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