

Osta Biotechnologies Inc.
Press Release
For Immediate Distribution

OSTA ANNOUNCES PROMISING PRE-CLINICAL RESULTS ON A NEW EXPERIMENTAL DRUG FOR PROSTATE CANCER

MONTREAL, QC – January 22, 2008 - Osta Biotechnologies Inc. today announced the results of a pre-clinical efficacy study on its lead anti-cancer therapeutic agent OB-24 in a highly tumorigenic and metastatic human prostate cancer PC-3M xenograft mouse model. Data from this pre-clinical study showed statistically significant reduction in the tumor volumes in mice treated with OB-24 compared to untreated mice and the activity of OB-24 was found to be comparable to taxol, a drug widely used for the treatment of this type of cancer. OB-24 was found to be well tolerated in mice at different dose levels with multiple administrations and greatly potentiated taxol's anti-tumor activity while significantly reducing its toxic effects. Data from this study confirmed the findings of a previous study that was made public on October 15, 2007, which showed a statistically significant reduction in prostate tumor volumes in mice treated with OB-24 compared to untreated mice, showed a comparable reduction in tumor volumes in mice treated with taxol and OB-24 showed a significant synergistic effect with taxol. These results hold promise that OB-24, either alone or in combination with other chemotherapeutic agents such as taxol, could become a treatment of choice for metastatic and chemotherapy-resistant prostate cancer in humans.

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

Results of the Pre-Clinical Study

The pre-clinical study was conducted in collaboration with Dr. M. Alaoui-Jamali, a Professor of Oncology & Senior Scientist at McGill University and the Leader of Drug Discovery Group at the Segal Cancer Centre of the Jewish General Hospital. In a pre-clinical study involving a total of 40 Scid male mice implanted with human metastatic prostate cancer PC-3M cells, the tumor volumes were found to be statistically significantly smaller in mice treated with OB-24 at 30 mg/kg daily for 24 days (49% inhibition) and 60 mg/kg (4 cycles, d1, 3, 5 per cycle; 45% inhibition) dose levels compared with those untreated. The inhibition in tumor growth in mice treated with OB-24 at both dose levels was similar to those treated with taxol (10 mg/kg, 4 cycles, d1, 3, 5 per cycle; 49% inhibition). Remarkably, OB-24 at 60 mg/kg in combination with taxol at 10 mg/kg when administered for 4 cycles, 3 days per cycle, led to a 78% inhibition in tumor growth and a significant increase in the body weights of mice compared to the mice treated with taxol alone. These results clearly indicate that OB-24 not only makes taxol significantly more effective but also significantly improves its safety profile.

Dr. Ajay Gupta, Chairman & CEO of Osta commented "We are quite excited with these results and are continuing to further scale up our pre-clinical study in aggressive and metastatic prostate cancer models. The successful development of OB-24 either alone or in combination with drugs such as taxol for the treatment of drug resistant and metastatic prostate cancer would represent a major breakthrough in the treatment of this devastating disease."

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 Cancer, Alzheimer's disease, Osteoporosis, Osteoarthritis and XLH.

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