

Osta Biotechnologies Inc.
Press Release
For Immediate Distribution

OSTA'S NEW EXPERIMENTAL DRUG FOR PROSTATE CANCER SHOWS PROMISE AS AN ANTI-METASTATIC DRUG

MONTREAL, QC – March 11, 2008 - Osta Biotechnologies Inc. today announced promising results of a pre-clinical efficacy study on its lead anti-cancer therapeutic agent OB-24.

The study was conducted in an androgen independent metastatic human prostate cancer pre-clinical model. The highly metastatic and aggressive human prostate carcinoma PC-3M cells were implanted into the mouse prostate to mimic the actual tumor micro-environment as it occurs in humans. 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 comparable to taxol, a drug widely used for the treatment of this type of cancer. OB-24 was well tolerated in mice with multiple administrations. A combination of OB-24 and taxol greatly potentiated taxol's anti-tumor activity and completely prevented the formation of macroscopic lymph node metastases while significantly reducing taxol's toxic effects. Data from this study confirmed the findings of a previous study that was made public on January 22, 2008, which showed a statistically significant reduction in prostate tumor volumes in mice treated with OB-24 compared to untreated mice, a comparable reduction in tumor volumes in mice treated with taxol and OB-24, and a significant synergistic effect when OB-24 was combined with taxol. OB-24, either alone or in combination with other chemotherapeutic agents such as taxol, could become a treatment of choice for the treatment of metastatic and chemotherapy-resistant prostate cancer in humans.

Dr. Moulay-Alaoui-Jamali, the principle investigator of this study commented "Patients with metastatic prostate cancer have poor prognosis and most of them die within 5 years. The treatment of metastatic prostate cancer remains a large unmet medical need and Osta's experimental anti-cancer drug OB-24 shows the potential to become the drug of choice for treating aggressive prostate cancer especially in situations where the existing therapies fail."

Dr. Ajay Gupta, Chairman & CEO of Osta commented "We are quite excited with these results as our lead anti-cancer drug OB-24, is continuing to show consistent promise as a first in class drug that is showing promise to not only be a powerful anti-cancer drug, but also a powerful anti-metastatic drug especially when used in combination with the standard of care drugs such as taxol. We 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."

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 32 Scid male mice implanted with human metastatic prostate cancer PC-3M cells in the mouse prostate, the tumor volumes were found to be statistically significantly smaller in mice treated with OB-24 at 40 mg/kg daily for 24 days (35% inhibition) compared to untreated mice. The inhibition in tumor growth in mice treated with OB-24 was slightly lower than those treated with taxol (10 mg/kg, 4 cycles, 3 administrations per cycle; 45% inhibition). Remarkably, OB-24 at 40 mg/kg given daily for 24 days in combination with taxol at 10 mg/kg administered for 4 cycles (3 days per cycle), led to a 73% inhibition in tumor growth and a significant increase in the body weights of mice compared to the mice treated with taxol alone. In addition,

there was a complete inhibition in the formation of macroscopic lymph node metastases and the reduction in microscopic lymph node metastases in mice treated with OB-24 alone (48%) was comparable to that seen in mice treated with taxol alone (47%). However, mice treated with a combination of OB-24 and taxol showed a remarkable reduction in prostate microscopic lymph node metastasis (>90%) and a complete inhibition of metastasis in kidneys and liver. These results clearly indicate that OB-24 makes taxol significantly more effective and significantly improves its safety profile.

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.

For further information, please contact:

Osta Biotechnologies Inc.
Mr. Alain Geahchan
Director of Operations
(514) 567-5505

Osta Biotechnologies Inc.
Dr. Ajay Gupta
Chairman & CEO
(514) 626-0322

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