

Osta Biotechnologies Inc.
Press Release
For immediate distribution

OSTA BIOTECHNOLOGIES ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Montreal, Quebec – December 17, 2007 – **Osta Biotechnologies Inc. (TSX-V: OBI)** announces that it has held a closing of a private placement by issuing 680,322 units at a price of \$0.30 per unit, for gross proceeds to Osta of \$204,100. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles its holder to acquire one additional common share for a period of two years from the closing date of the placement, at a price of \$0.50. The proceeds from the private placement will be applied by Osta toward the furtherance of its research and development activities, as well as working capital and general corporate purposes.

Sherbrooke Street Capital Inc. acted as lead agent for the private placement. At the closing of the private placement, Osta paid a 7% cash commission to Sherbrooke Street Capital with respect to units sold by them. Osta also issued an aggregate of 47,623 broker warrants to Sherbrooke Street Capital. Each broker warrant entitles the holder to purchase one additional common share from Osta for two years at a price of \$0.50 per share.

The common shares, warrants and broker warrants issued by Osta at the closing of the private placement are subject to a four-month hold period, expiring on April 18, 2008, in accordance with applicable securities laws and the policies of the TSX Venture Exchange. As a result of the closing of the private placement, Osta has 35,386,518 issued and outstanding common shares.

About Osta Biotechnologies Inc.

Osta is a biopharmaceutical company listed on the TSX Venture Exchange dedicated to developing novel diagnostics and therapeutics for the aging population, particularly in the areas of Cancer, Alzheimer's disease, Osteoporosis, X-linked hypophosphatemic rickets and Osteoarthritis.

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

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