

Osta Biotechnologies Inc.
Press Release
For Immediate Distribution

OSTA ANNOUNCES PROMISING RESULTS ON NEW EXPERIMENTAL DRUG FOR ALZHEIMER'S DISEASE

MONTREAL, QC – April 19, 2011 - Osta Biotechnologies Inc. today announced the results of a pre-clinical study on its novel compound, OB-28 in an Alzheimer's disease animal model. Data from this study showed statistically significant amelioration of behavioral deficits in a transgenic mouse model of Alzheimer's disease treated with OB-28. Funding for this study was provided by an affiliate of the Alzheimer's Drug Discovery Foundation (ADDF).

These findings represent an important milestone in Osta's plan to develop novel drugs for the treatment of Alzheimer's disease and provide an important advancement towards generating sufficient pre-clinical data in order for the company to advance towards IND filing.

Results of the Pre-Clinical Study

The pre-clinical study was conducted in collaboration with Dr. Donald Ingram, Professor, Nutritional Neuroscience and Aging Laboratory and Director, Animal Metabolism and Behavior Core, Pennington Biomedical Research Center, a research campus of the Louisiana State University. In this study, a total of 103 wild type (wt) and double transgenic 3 month old mice (APP^{swe}/PS1^{dE9}; dTg) were treated with either saline, memantine (10 mg/kg/day) or OB-28 at doses of 15 mg/kg/day and 30 mg/kg/day via daily intra-peritoneal injections over a period of 4 months and the behavioral deficits in the wt and dTg mice were assayed using the Stone T-maze (STM) test as well as contextual and tone fear conditioning tests. The STM test measures learning to navigate through a series of 14 choice-points enroute from a start box to a goal box to escape from water. In this learning test, OB-28 was found to have a statistically significant and positive impact on amelioration of behavioral deficits in the dTg mice in terms of a significant reduction in mean acquisition errors in 5 trial blocks compared to those treated with saline control ($p = 0.017$ for OB-28 15 mg/kg; $p = 0.052$ for OB-28 30 mg/kg). Memantine was also found to have a positive and statically significant impact on amelioration of behavioral deficits in dTg mice compared to those treated with saline control ($p = 0.003$). Trends for a positive impact of OB-28 at both dose levels in dTg mice were also observed in the fear conditioning tests compared to those treated with saline control but these effects did not reach statistical significance. In addition, the three treatments appeared to have no significant impact on performance in any of the wt animals.

Dr. Ajay Gupta, Chairman & CEO of Osta commented, "We are quite excited with these results. They support our hypothesis that suppression of glial HO-1 hyperactivity could be a novel approach for neurotherapeutic intervention in Alzheimer's disease. The successful development of OB-28 for the treatment of Alzheimer's disease would represent a major breakthrough in the treatment of this devastating disease."

Dr. Howard Fillit, Executive Director of the ADDF commented, "The pre-clinical study data of OB-28 is an encouraging milestone and provides support for further development of this novel compound. We look forward to Osta's continued success as they advance OB-28 to the clinic."

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 and XLH.

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