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ASX ANNOUNCEMENT

2 February 2009

29% healing of chronic ulcer in six weeks - first patient in Canadian trial

Biomedical company, **Tissue Therapies Limited (ASX: TIS)** is today pleased to announce the results for the first patient recruited into its clinical trial of VitroGro® in Toronto, Canada for the treatment of diabetic, venous and pressure ulcers.

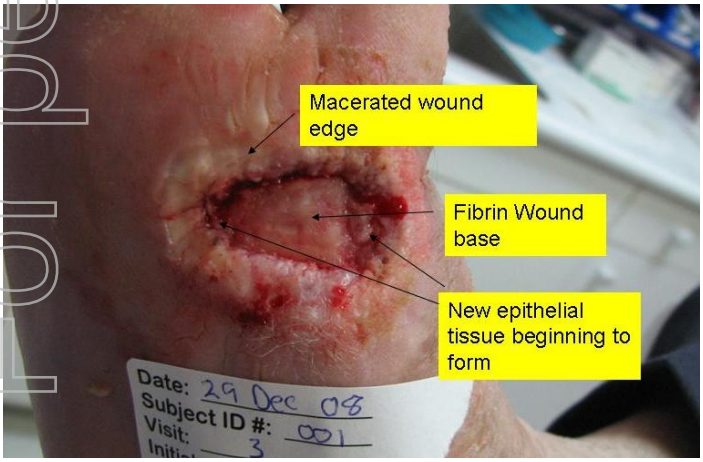
The first patient in the Health Canada-regulated clinical trial of VitroGro® experienced a 29% reduction in the size of his chronic diabetic ulcer in six weeks, after conventional treatment undertaken for more than two years had produced no effect.

The first patient recruited into the study was a challenging subject - a 73 year old man with diabetes and high blood pressure who continues to smoke half a packet of cigarettes per day. The diabetic ulcer at the base of his right big toe had not responded to conventional treatment for more than two years and had been the site of recurrent infections for which he needed combination antibiotics.

After more than two years of treatment with no response, this patient was so despondent that he was considering amputation as the only means of ridding himself of the pain, social isolation and reduced mobility commonly suffered by patients with chronic ulcers. However, following six weeks of treatment with VitroGro®, the maximum permitted under the approved trial protocol, the ulcer had reduced in size by almost one third.

The CEO of Tissue Therapies, Dr Steven Mercer said, "A 29% reduction in six weeks is an excellent result in a patient with a severe chronic diabetic ulcer. This patient presents an extremely challenging combination of complicating clinical factors and in many ways represents the most challenging and ambitious type of patient for a clinical trial of VitroGro®."

"We are almost as delighted as the patient is with the progress that has been achieved in only six weeks."



Photograph of patient's foot, post-VitroGro® treatment

Patient Profile & Results Summary:

- 73 year old male, Type II diabetic, high blood pressure, smoker
- Diabetic ulcer at base of right big toe
- Conventional treatment ineffective for more than 2 years – amputation considered
- 29% reduction in diabetic ulcer area in 6 weeks with VitroGro® treatment
- Infection resolved
- Improved health of tissue at ulcer edge
- No adverse reactions to VitroGro®
- Continued improvement expected during follow up period of the trial

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The Health Canada-regulated clinical trial is being conducted at the wound care centre run by Professor Gary Sibbald in Toronto, Canada and the protocol is specifically designed to test VitroGro® for the treatment of diabetic, venous and pressure ulcers.

The current Canadian trial follows a successful clinical trial of VitroGro® for the treatment of venous ulcers conducted in Fremantle, Western Australia during 2008. The key findings of that initial VitroGro® trial for the treatment of venous ulcers included:

- Median wound area was reduced from 9.5 to 5.2 square centimetres in 24 days;
- This reduction in ulcer area was highly statistically significant ($p < 0.01$);
- VitroGro® is safe and well tolerated.

In relation to the current VitroGro® trial underway for diabetic, venous and pressure ulcers, further updates and patient results will be released progressively during the Canadian study, which is expected to be completed during June 2009.

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About Tissue Therapies Limited

Tissue Therapies Limited is an Australian company developing biomedical technologies for wound healing, tissue repair and various cell culture applications.

The Company has worldwide exclusive rights to commercialise VitroGro®, a technology developed by tissue engineering experts at the Institute for Health and Biomedical Innovation at QUT for enhancing cell growth and migration. VitroGro® has particular commercial applications in wound healing, tissue regeneration, stem cell therapies and other cell culture uses.

Based on its VitroGro® technology, Tissue Therapies is developing more effective medical treatments for wound healing including chronic ulcers and burns,

Tissue Therapies also provides cell culture reagents to enhance the growth of mammalian cells for emerging cell-based therapies, along with research and industrial cell culture markets internationally.

More information: www.tissuetherapies.com