



ASX ANNOUNCEMENT

18 September 2007

VitroGro® Clinical Trial and Commercial Update

Biomedical company, **Tissue Therapies Limited (ASX: TIS)** today advised that during the week commencing Monday 10 September, 2007 a detailed review of the final preparations for the clinical trial of VitroGro® to treat diabetic, venous and pressure ulcers was undertaken at various sites in Canada by senior management of Tissue Therapies and Chief Consulting Scientist, Prof. Zee Upton.

This review confirmed that the release of final pharmaceutical grade (GMP) VitroGro® is imminent and the final preparations for the expanded toxicology testing recommended by Health Canada and Tissue Therapies' regulatory consultants are almost complete.

Ongoing discussions with Health Canada are proceeding well and it is the view of the regulatory consultants and the Clinical Trial Monitor, Dr Douglas Queen, that a Device Class III regulatory approval is likely to be given by Health Canada for VitroGro®, based on successful clinical results.

The CEO of Tissue Therapies, Dr Steven Mercer said, "Given that Tissue Therapies has successful data from preclinical testing with live human skin cells and a three dimensional live human skin model over the past three years, there is a high degree of confidence that the clinical results will be successful."

He went on to explain "a Device Class III approval is quicker than a Class IV or biologic approval and Tissue Therapies would have the option to pursue at a later date a higher classification if this were commercially desirable."

A Device Class III approval would allow Tissue Therapies or its commercial partners to sell products containing VitroGro® in Canada as devices, without the restrictions imposed on pharmaceuticals.

Tissue Therapies has been advised that the due to a procedural change, all applications for Ethics Committee approval for clinical trials to be conducted at the Women's College Hospital in Toronto, Canada will in future require four weeks instead of two. This will place some pressure on the timetable to complete the clinical trial, particularly approaching the Christmas period, but further announcements on this will be made as additional information comes to hand.

Dr Douglas Queen has extensive experience as a senior executive in the wound care industry and more recently as a Clinical Trial Monitor and consultant to the wound care industry. Dr Queen is excited about the potential for VitroGro® to fundamentally change the treatment of chronic skin ulcers. He has advised the Company that he believes that VitroGro® holds great promise as an effective wound treatment at a price not previously seen in the sophisticated wound care market. In a world wide market with a value of more than USD2 billion in 2007, this is of commercial and clinical significance.

Dr Queen has also recommended the release of progress data on patient cohorts during the clinical trial and this is being considered by Tissue Therapies.

CEO of Tissue Therapies, Dr Steven Mercer said, "This is an exciting time for the company and the commercial reward for our investors is now imminent. I am convinced that we can make a substantial difference to the treatment of diabetic, venous and pressure ulcers with an effective dressing technology that has not been seen before and at a price that will be a fraction of traditional therapies."

On the same trip, a detailed scientific and commercial planning review was held with senior scientific and commercial Invitrogen staff at the Grand Is., New York facility. This confirmed the details of supply and distribution arrangements as well as scientific research cooperation and development of further Invitrogen products based on the VitroGro® technology.

Dr Mercer said "We are very appreciative of the planning and work that the diverse group of Invitrogen staff put into our meeting. This covered a wide range of important areas for the commercialisation of VitroGro® live cell media products and I am delighted with the quality and depth of this growing strategic partnership."

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About Tissue Therapies Limited

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

The Company has worldwide exclusive rights to commercialise VitroGro®, a platform 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® platform technology, Tissue Therapies is developing more effective medical treatments for wounds and burns, integration of orthopaedic and medical implants, and other applications such as cosmeceuticals.

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