



ASX ANNOUNCEMENT

3 February 2009

Supplementary Prospectus

Biomedical company, **Tissue Therapies Limited (ASX: TIS)** has released the supplementary prospectus in the following three pages which clarifies some details contained in the original Prospectus (please see announcement **ASX: TIS 1 for 2 Non-Renounceable Rights Issue Prospectus 28 January 2009**).

This Supplementary Prospectus will be included in the mailing of the original Prospectus to all Tissue Therapies share holders. There is no change to the Prospectus Key Dates timetable.

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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

Tissue Therapies Limited ACN 101 955 088

Supplementary Prospectus

This is a supplementary prospectus ('**Supplementary Prospectus**') dated 3 February 2009 intended to be read with the Prospectus dated 28 January 2009 ('**Prospectus**') relating to the offer of approximately 28,338,051 New Shares in Tissue Therapies Limited ACN 101 955 088 ('**TIS**').

This Supplementary Prospectus was lodged with ASIC on 3 February 2009. ASIC takes no responsibility for the contents of this Supplementary Prospectus. Terms used in this Supplementary Prospectus have the same meaning as those used in the Prospectus. The information below is to supplement and amend the information presently contained in the Prospectus namely:

Section 3.1

The second paragraph and table be replaced with the following.

'Tissue Therapies' cash and receivables as at the date of this Prospectus are approximately \$0.3 million. Further details in relation to Tissue Therapies cash position are contained in the Appendix 4C Quarterly Report to the period ended 31 December and announced to ASX on 28 January 2009 (the same day as the Prospectus). Tissue Therapies total cash at the end of the quarter to 31 December was \$324,000.

The following table illustrates various capital raising scenarios under the Offer :

- a raising of \$0.3 million (the minimum subscription amount under this Prospectus);
- a raising of \$1 million (a hypothetical or mid-case example of the amount which may potentially be raised); and
- a raising of \$3.4 maximum (being the maximum which may be raised under this prospectus if all New Shares are subscribed for);

together with the intended application of funds in each scenario (which are also detailed further below the table).

	\$3.4 million capital raising \$'000	\$1 million capital raising \$'000	\$0.3 million capital raising \$'000
Current human Clinical Trials of VitroGro® R&D and Clinical Product Development	0.2	0.2	0.1
Commercial Scale GMP manufacturing of VitroGro®	1.1	0.6	0.2
Regulatory	0.8	-	-
Commercial and Administration	0.1	-	-
Total costs	0.9	0.3	0.2
less interest, tax rebates and other income	3.1	1.1	0.5
Total net outlays	(0.3)	(0.1)	-
Anticipated cash-on-hand as at	2.8	1.0	0.5
	0.8	0.3	0.1

The company anticipates that in the absence of any additional raising or:

- in the case of the \$0.3 minimum raising scenario, it will have sufficient cash to fund its operations until at least 31 March 2009,

- in the case of the \$1 million mid-case scenario, it will have sufficient cash to fund its operations until at least 30 June 2009,
- in the case of the \$3.4 scenario, it will have sufficient cash to fund its operations until at least 31 December 2009.'

Section 3.3

The following words being inserted above the Balance Sheet and Pro Forma Adjustments on page 29:

'The following Balance Sheet (and Pro Forma adjustments) illustrate various capital raising scenarios under the Offer :

- a raising of \$0.3 million (the minimum subscription amount under this Prospectus);
- a raising of \$1 million (a hypothetical or mid-case example of the amount which may potentially be raised); and
- a raising of \$3.4 maximum (being the maximum which may be raised under this prospectus if all New Shares are subscribed for)

together with the intended application of funds in each scenario (as described in Section 3.1 above).

The Balance Sheet is represented as at 30 June 2008, being the date of the last audited accounts.

As a number of material transactions have occurred since 30 June 2008, these have been reflected in the Pro Forma adjustments, together with impact of the various capital raising scenarios.

Specific attention is drawn to the fact that the Balance Sheet (incl Pro Forma adjustments), should be considered having regard to the Notes to the material transactions as stated on Page 30.

In particular, the starting cash position for the 30 June 2008 audited accounts of \$519,566 is much higher than the Company's actual cash position as at the date of this Prospectus of approximately \$300,000. Major adjustments (as reflected in the notes to the pro forma on page 30) include the usage of VitroGro® inventory during the period for the clinical trial conducted in Perth and usage to date for trials currently being conducted in Toronto (\$452,000) as well as research and development and administrative costs (\$1,300,000). These have only been partly offset by the Company's other capital raising activities preceding the prospectus, which were a Share purchase Plan and Share Placement conducted in September 2008 (\$1,113,000 less issue costs of \$45,000).

Other

Other amendments as follows:

- references to 31 December 2008 in the headings to the Income Statement on pages 39 and Statement of Cash Flows on page 41 be replaced and amended to read 30 June 2008, with all other information within the tables (including column headers) remaining correct; and
- the sentence immediately preceding the table on page 42 be amended to read 'Company announcements from 27 October 2008 (being the date of lodgement of the Company's last Annual Report) to the date of this Prospectus:'
- the inclusion on page 44 of the following paragraph, as the final paragraph under section 7.1:

'Dr Douglas Queen, has given, and has not withdrawn his written consent to being named in the form and context in which he is named in this Prospectus and to the inclusion of his statements, as set out on page 2 of this Prospectus. Dr Queen has not caused or authorised the issue of this Prospectus and takes no responsibility for any part of this Prospectus.

Applications

The Prospectus timetable remains unaltered. This Supplementary Prospectus shall accompany every copy of the Prospectus and pre-printed Entitlement Form to be despatched to shareholders.

Consents

Each of the Directors consents to the issue and lodgement of this Supplementary Prospectus. None of the Directors have withdrawn their respective consents before this Supplementary Prospectus was lodged with ASIC.



Mr Roger Clarke

Chairman

Dated 3 February 2009