

**TISSUE THERAPIES LIMITED
MEETING DOCUMENTATION
2009 ANNUAL GENERAL MEETING**

To be held at office of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Friday 27 November 2009 at 2:00 p.m.

CHAIRMAN'S LETTER

Tissue Therapies Limited
ABN 45 101 955 088

Dear Shareholder

I am pleased to invite you to the Annual General Meeting of Tissue Therapies Limited (Company), which will be held at the office of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Friday 27 November 2009 at 2:00 p.m.

At the meeting, our Managing Director, Dr Steven Mercer, and I will take the opportunity to update shareholders on progress and outlook. I also encourage you to read the 2009 Annual Report for further information in relation to the Company's financial position and performance. The Company's recent key achievements and milestones, as announced to ASX, include:

- 1 Excellent preclinical results for new formulation VitroGro® and Progressive Human Trial Results - 23 July 2009;
- 2 Appointment of Dr Cherrell Hirst as a Director - 30 June 2009;
- 3 Results of Second Canadian Clinical Trial Patient - 29 April 2009;
- 4 Appointment of Mr Mel Bridges as Company Director - 13 March 2009;
- 5 Rights Issue exceeds expectations - 4 March 2009; and
- 6 Results of First Canadian Clinical Trial Patient - 2 February 2009.

The Company is now poised to take advantage of what the Directors believe to be promising initial results of its recent clinical trials. To this end, the Special Business to be considered at the Annual General Meeting (under a series of resolutions under Item 7), concerns important capital raising initiatives to be undertaken by the company. The Explanatory Memorandum contains important details which I encourage you to consider carefully.

The company's capital raising strategy incorporates 2 significant platforms:

- 1 An initial placement to sophisticated and professional investors, to raise \$5 million, with 11,720,723 shares (approximately \$1.76 million) to be issued immediately, and a further 21,612,611 shares (approximately \$3.24 million) to be issued subject to shareholder approval at the Annual General Meeting; and
- 2 A share purchase plan for eligible shareholders as at the record date under which participants may acquire up to \$15,000 worth of shares. The amount raised will be subject to levels of participation by eligible shareholders, but the maximum amount which could be raised is approximately \$3.52 million.

The approvals sought under this Notice of Annual General Meeting will allow the company maximum flexibility in relation to its capital raising activities at an important stage in its evolution. If approved, the Company could potentially raise up to a maximum aggregate amount of \$8.52 million under these raisings, if all were offered and fully subscribed. The Company's objective is to raise \$5 million by way of placement to institutional and sophisticated investors, of which \$1.76 million has been secured and another \$3.24 million secured, subject to approval at this AGM. The Company is also cognisant of providing smaller shareholders an opportunity to participate at the same price as sophisticated and professional investors via the proposed share purchase plan.

The funds raised will be applied to:

- 1 completion of current clinical trials;
- 2 scale up manufacture of VitroGro® to GMP (Good Manufacturing Practice) compliance standard for sale;
- 3 completion of negotiations with a partner to enable commercialisation of the Company's VitroGro® technology.

The Company's capital raising activities will have a dilutionary impact upon shareholders. For this reason, The Company has determined it is appropriate to offer a Share Purchase Plan to all shareholders at the same price as which sophisticated and professional investors may be able to participate. The Board also believes that the capital raising strategy provides an opportunity for the Company to achieve several key milestones and realise shareholder value for the benefit of the Company as a whole.

If you are unable to attend the meeting, I would encourage you to participate by completing and returning the enclosed proxy form.

I look forward to seeing you at this year's AGM.

Yours sincerely



Roger Clarke
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Tissue Therapies Limited
ABN 45 101 955 088

Notice is given that the Annual General Meeting of Tissue Therapies Limited (**Company**) will be held on Friday 27 November 2009 at 2:00 p.m.

AGENDA

Ordinary Business

1. Financial Statements and Reports

To receive and consider the Company's financial statements and the reports of the directors and the auditor for the financial year ended 30 June 2009.

2. Directors' Remuneration Report

To consider and, if thought fit, to pass the following resolution in accordance with section 250R(2) of the Corporations Act:

*'That the section of the Directors' Report dealing with the remuneration of the Company's Directors, Company Secretary and Senior Executives (**Remuneration Report**) be adopted.'*

NB: This resolution shall be determined as if it were an ordinary (majority) resolution, but under section 250R(3) of the Corporations Act, the vote does not bind the Directors of the Company.

3. Re-election of Melvyn Bridges

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Melvyn Bridges, who was appointed to fill a casual vacancy and retires in accordance with Listing Rule 14.4 and Rule 13.2 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.'

NB: Information about Melvyn Bridges appears in the Explanatory Memorandum accompanying this Notice of Meeting.

4. Re-election of Dr Cherrell Hirst

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Dr Cherrell Hirst who was appointed to fill a casual vacancy and retires in accordance with Listing Rule 14.4 and Rule 13.2 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.'

NB: Information about Dr Cherrell Hirst appears in the Explanatory Memorandum accompanying this Notice of Meeting.

5. Re-election of Gregory Baynton

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Gregory Baynton, who retires in accordance with Listing Rule 14.4 and Rule 16.1 of the Company's Constitution, and being eligible, and having offered himself for re-election, be re-elected as a Director of the Company.'

6. Re-election of Roger Clarke

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Roger Clarke, who retires in accordance with Listing Rule 14.4 and Rule 16.1 of the Company's Constitution, and being eligible, and having offered himself for re-election, be re-elected as a Director of the Company.'

Special Business

7. Capital raising strategy

7(a) Ratification and Approval of Previous Issue of Shares under Initial Placement

To consider and, if thought fit, to pass the following ordinary resolution:

'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of 11,720,723 shares at an issue price of \$0.15 per share, issued under the initial placement to sophisticated and institutional investors (introduced by the lead manager, RBS Morgans Limited) as detailed in the Explanatory Memorandum attached to this Notice of Meeting.'

7(b) Approval of Issue of Shares under Conditional Share Purchase Plan

To consider and, if thought fit, to pass the following ordinary resolution:

'That for the purposes of Listing Rule 7.1 and for all other purposes, approval be given for the issue and allotment of up to approximately 23,441,447 shares at an issue price of the lesser of \$0.15 per share or 80% of the average closing price on the last 5 trading days prior to the date of issue of shares under the conditional Share Purchase Plan as detailed in the Explanatory Memorandum attached to this Notice of Meeting.'

7(c) Approval of Issue of Shares under Follow-on Placement

To consider and, if thought fit, to pass the following ordinary resolution:

'That for the purposes of Listing Rule 7.1 and for all other purposes, approval be given for the issue and allotment of 21,612,611 shares at an issue price of \$0.15 per share, to be issued under a follow-on share placement made to sophisticated and institutional investors (introduced by the lead manager, RBS Morgans Limited) as detailed in the Explanatory Memorandum attached to this Notice of Meeting.'

7(d) Approval of Issue of Shares to Directors under Conditional Share Purchase Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 10.11 and for all other purposes, that approval be given for the issue of ordinary shares to directors who choose to participate in the conditional Share Purchase Plan as detailed in the Explanatory Memorandum attached to this Notice of Meeting.'

NB: Resolution 7(d) is contingent upon the passing of resolution 7(b).

NB: if approval is obtained under Listing Rule 10.11, approval is not required under Listing Rule 7.1, as set out in the Explanatory Memorandum.

7(e) Approval of Issue of Placement Shares to Directors

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 10.11 and for all other purposes, that approval be given for the issue of ordinary shares on the terms of the placement made to sophisticated and institutional shareholders as detailed in the Explanatory Memorandum attached to the Notice of Meeting, to directors (or their associates) who participate in the Placement.'

NB: Resolution 7(e) is contingent upon the passing of resolution 7(c).

NB: if approval is obtained under Listing Rule 10.11, approval is not required under Listing Rule 7.1, as set out in the Explanatory Memorandum.

DATED 21 October 2009

By Order of the Board



Drummond McKenzie
Company Secretary

NOTES

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form.
- (d) A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with the *Corporations Act 2001* in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The manner in which the Chairman intends to cast any undirected proxies given to him, ie proxies that do not specify the manner in which way the proxy is to be cast, is set out in the Proxy Form.
- (f) The Company has determined in accordance with Regulation 7.11.37 *Corporations Regulations 2001* that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Company's register of members as at 7pm (Sydney time) on Wednesday 25 November 2009.
- (g) If you have any queries on how to cast your votes then call (07) 3839 1482 during business hours.

VOTING EXCLUSION STATEMENTS

Under Listing Rule 14.11, Tissue Therapies will disregard any vote cast on:

- **Resolution 7(a)** (Ratification and Approval of Previous Issue of Shares under Initial Placement) by any person, and an associate of any person, who participated in the initial placement described in Resolution 7(a);
- **Resolution 7(b)** (Approval of Issue of Shares under Conditional Share Purchase Plan) by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and an associate of any such person;
- **Resolution 7(c)** (Approval of Issue of Shares under Follow-on Placement) by any person, and an associate of any person, who participated in the placement described in Resolution 7(c) .
- **Resolution 7(d)** (Approval of Issue of Shares to Directors under Conditional Share Purchase Plan) by Mr Roger Clarke, Dr Steven Mercer and Mr Greg Baynton and their associates.
- **Resolutions 7(e)** (Approval of Issue of Placement Shares to Directors) by Mr Roger Clarke, Dr Steven Mercer, Dr Cherrell Hirst, Mr Mel Bridges and Mr Greg Baynton and their associates.

However, Tissue Therapies need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY MEMORANDUM

Tissue Therapies Limited
ABN 45 101 955 088

Ordinary business

1. Financial Statements and Reports

The Corporations Act 2001 requires that the report of the Directors, the Auditor's report and the financial statements be laid before the Annual General Meeting. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such reports or statements. However, shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

In addition to asking questions at the meeting, shareholders may address written questions to the Chairman about the management of the Company, or to the Company's Auditor which are relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial statements to be considered at the meeting.

Any written questions must be submitted to the Company Secretary before 20 November 2009 by email to info@tissuetherapies.com, fax to (07) 3839 1486 or by mail to GPO Box 1596, Brisbane, Queensland 4001.

2. Remuneration Report

The Corporations Act 2001 requires that the section of the Directors' Report dealing with the remuneration of Directors, the Company Secretary and up to 5 senior executives (**Remuneration Report**) be put to Shareholders for adoption by way of a non-binding vote.

The Remuneration Report may be found in the Annual Report.

Following consideration of the Remuneration Report, the Chairman will give shareholders a reasonable opportunity to ask questions about or to make comments upon, the Remuneration Report.

3. Re-election of Melvyn Bridges

Rule 13.2 of the Company's Constitution, and in accordance with Listing Rule 14.4, provides that any Director appointed to fill a casual vacancy may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting (but is not to be taken into account in determining the number of Directors who are to retire by rotation at the meeting) which is consistent with the requirements of the Listing Rules.

In accordance with the constitution, Melvyn Bridges retires as Director and offers himself for election as a new director at this Annual General Meeting.

Set out below is a brief bio for Melvyn Bridges.

Melvyn Bridges

Melvyn Bridges is a non-executive director of the Company. Melvyn holds a Bachelor of Applied Science and has spent the majority of his career in the biotech and healthcare industry, where he has over 30 years experience building successful biotech companies and commercialising a wide range of Australian technology.

Melvyn was the co-founder of listed companies Panbio and ImpediMed, and is currently the Chairman of ASX listed companies Alchemia, ImpediMed and Incitive as well as a Director of Benitec Ltd, Campbell Brothers Limited and Genera Biosystems Ltd. He is also Chairman of a number of private biotechnology companies based in Brisbane, Sydney and Melbourne.

Directors' recommendation

The Directors (with Mr Melvyn Bridges abstaining) recommend that you vote in favour of this resolution.

4. Re-election of Dr Cherrell Hirst

Rule 13.2 of the Company's Constitution, and in accordance with Listing Rule 14.4, provides that any Director appointed to fill a casual vacancy may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting (but is not to be taken into account in determining the number of Directors who are to retire by rotation at the meeting) which is consistent with the requirements of the Listing Rules.

In accordance with the constitution, Dr Cherrell Hirst retires as Director and offers herself for election as a new director at this Annual General Meeting.

Set out below is a brief bio for Dr Cherrell Hirst

Dr Cherrell Hirst

Dr Cherrell Hirst is a non-executive director of the Company who in addition to her distinguished clinical career in the detection and treatment of breast cancer, has extensive and highly respected achievements in both commercial and not-for-profit organisations. Dr Hirst is a former Chancellor of the Queensland University of Technology and has services as Director and Chair of multiple commercial, community and government organisations throughout her career.

Dr Hirst is currently Deputy Chair and CEO (part time) of Queensland Biocapital Funds and a Director of Peplin, Suncorp Metway, Avant Mutual Group and Avant Insurance Ltd, Impedimed Ltd and Xenome Ltd.

Directors' recommendation

The Directors (with Dr Cherrell Hirst abstaining) recommend that you vote in favour of this resolution.

5. Re-election of Gregory Baynton

Rule 16.1 of the Company's Constitution, and in accordance with Listing Rule 14.4, provides for the retirement of one third of the directors from office at each annual general meeting which is consistent with the requirements of the Listing Rules.

In accordance with the constitution, Gregory Baynton retires as Director and offers himself for election as a new director at this Annual General Meeting.

Set out below is a brief bio for Gregory Baynton.

Gregory Baynton

Gregory Baynton is a director of the Company. Greg holds a Bachelor of Business, a Master of Economic Studies, a master of Business Administration and a Post Graduate diploma in Applied Finance and Investment.

Greg is a Director of Lodestone Energy Limited and PIPE Networks Limited. He is also a former Director of three Australian biotechnology companies.

Directors' recommendation

The Directors (with Gregory Baynton abstaining) recommend that you vote in favour of this resolution.

6. Re-election of Roger Clarke

Rule 16.1 of the Company's Constitution, and in accordance with Listing Rule 14.4, provides for the retirement of one third of the directors from office at each annual general meeting which is consistent with the requirements of the Listing Rules.

In accordance with the constitution, Roger Clarke retires as Director and offers himself for election as a new director at this Annual General Meeting.

Set out below is a brief bio for Roger Clarke.

Roger Clarke

Roger Clarke is a non-executive director and Chairman of the Company. He holds a Bachelor of Commerce and is a Chartered Accountant.

Roger has over 30 years commercial experience, principally in the investment banking industry, with responsibilities in fund management, banking and corporate finance, and involvement in a significant number of initial public offers, capital raisings and corporate transactions.

Roger is Chairman of RBS Morgans Limited and Pipe Networks Limited, and a director of MTQ Insurance Ltd and Northstate Capital Limited.

Directors' recommendation

The Directors (with Mr Roger Clarke abstaining) recommend you vote in favour of this resolution.

7(a) Ratification and Approval of Previous Allotment and Issue of Shares under Initial Placement

The purpose of Resolution 7(a) is for shareholders to approve, pursuant to Listing Rule 7.4, those securities issued pursuant to the initial institutional placement which will otherwise count toward the 15% limit under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

The allotment and issue of securities detailed in Resolution 7(a) will not have exceeded the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 7(a) proposes the approval of the previous allotment and issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

Date of issue	Currently anticipated at Monday 19 October 2009, but in any event prior to the AGM
Number of shares to be issued	11,720,723 shares
Issue Price and terms of issue	<ul style="list-style-type: none"> • \$0.15 per share • The shares will be issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and the company will seek quotation of the shares on ASX.
Persons to whom shares were issued	Sophisticated and institutional investors under a mandate entered into with RBS Morgans Limited.
Intended use of funds:	To provide additional working capital for the completion of clinical trials and research and development, production and marketing of the Company's products.

General

In addition to the information provided above, the Company advises shareholders that the current issued capital in Tissue Therapies Limited and potential dilutionary impact of the resolutions under items 7(a), (b) and (c) are contained in the Schedule.

Director recommendation: The Directors recommend that shareholders vote in favour of approving the issue of shares under this resolution.

7(b) Approval of Allotment and Issue of Shares under Conditional Share Purchase Plan

Resolution 7(b) seeks Shareholder approval for the issue and allotment of up to approximately 23,441,447 shares under a conditional share purchase plan.

Listing Rule 7.1

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

By this Resolution, the Company seeks to obtain shareholder approval for a proposed issue of securities in accordance with the Listing Rules and so as to preserve its ability to issue securities representing up to 15% of the Company's issued capital over the next 12 months without prior approval of shareholders.

The information required to be provided to Shareholders to satisfy Listing Rule 7.1 is specified in Listing Rule 7.3.

In compliance with the information requirements of Listing Rule 7.3, members are advised of the following particulars in relation to the allotment and issue:

Maximum number of shares to be issued	Up to approximately 23,441,447 shares - The number of securities to be issued is not more than 30% of the aggregate number of fully paid ordinary shares then on issue
Maximum number of shares to be granted to each participant:	The maximum number of shares will be that number of shares calculated by dividing the maximum subscription amount (\$15,000) by the Issue Price (below).
Date by which the shares will be issued and allotted:	The shares will be issued and allotted on or about 11 December 2009, but in any event within 3 months of the date of the meeting.
Issue Price, terms of issue and who the shares will be issued to:	<ul style="list-style-type: none"> The issue price will be the lesser of 15c or 80% of the average closing price on the last 5 trading days prior to the date of issue of shares under the conditional Share Purchase Plan. The shares will be issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and the company will seek quotation of the shares on ASX.
Persons to whom shares will be issued	The shares will be issued to eligible shareholders at the record date (excluding placement participants), having a registered address in Australia or New Zealand who have chosen to participate in the Share Purchase Plan.
Intended use of funds:	To provide additional working capital for the completion of clinical trials, research and development, production and marketing of the Company's products.

General

In addition to the information provided above, the Company advises shareholders that the current issued capital in Tissue Therapies Limited and potential dilutionary impact of the resolutions under items 7(a), (b) and (c) are contained in the Schedule.

Director recommendation: The Directors recommend that shareholders vote in favour of approving the issue of shares under this resolution.

7(c) Approval of Allotment and Issue of Shares under Follow-on Placement

Resolution 7(c) seeks Shareholder approval for the issue and allotment of 21,612,611 shares to sophisticated and institutional investors under a follow-on share placement. **Listing Rule 7.1**

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

By this Resolution, the Company seeks to obtain shareholder approval for a proposed issue of securities in accordance with the Listing Rules and so as to preserve its ability to issue securities representing up to 15% of the Company's issued capital over the next 12 months without prior approval of shareholders.

The information required to be provided to Shareholders to satisfy Listing Rule 7.1 is specified in Listing Rule 7.3.

In compliance with the information requirements of Listing Rule 7.3, members are advised of the following particulars in relation to the allotment and issue:

Maximum number of shares to issued	21,612,611 shares
Date by which the shares will be issued and allotted	The shares will be issued and allotted within 3 months of the date of this meeting.
Issue Price and terms of issue	<ul style="list-style-type: none"> • The issue price will be \$0.15 per share. • The shares will be issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and the company will seek quotation of the shares on ASX.
Persons to whom shares will be issued	Sophisticated and institutional investors under a mandate entered into with RBS Morgans Limited
Intended use of funds:	To provide additional working capital for the completion of clinical trials and research and development, production and marketing of the Company's products.

General

In addition to the information provided above, the Company advises shareholders that the current issued capital in Tissue Therapies Limited and potential dilutionary impact of the resolutions under items 7(a), (b) and (c) are contained in the Schedule.

Director recommendation: The Directors recommend that shareholders vote in favour of approving the issue of shares under this resolution.

7(d) Approval of Issue of Shares to Directors under Conditional Share Purchase Plan

Resolution 7(d) seeks shareholder approval to issue ordinary shares in the Company to directors of the Company, who participate in the conditional share purchase plan.

Approval is sought for the purpose of Listing Rule 10.11 (in which case approval is not required under Listing Rule 7.1) for the issue of shares to the directors of the Company.

Listing Rule 10.11

Listing Rule 10.11 requires the approval of ordinary shareholders to issue securities to a related party or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained. A director is a 'related party' for the purposes of Listing Rule 10.11.

The following information is provided to members for the purpose of Listing Rule 10.13:

Names of directors / related parties	There are 5 directors of Tissue Therapies, however only 3 directors are eligible to participate in the share purchase plan: Mr Roger Clarke Dr Steven Mercer Mr Greg Baynton
Maximum number of securities to be granted to the directors:	300,000 shares (100,000 shares per director) This assumes the maximum subscription amount of \$15,000 for each director and an issue price of 15 cents (subject to the actual issue price as described below). Directors will only be eligible to participate at the same issue price as other shareholders.
Date by which the securities will be issued to the directors:	As soon as possible following the required approvals, but in any event, within 1 month of the date of the meeting.
Issue Price and terms of issue:	<ul style="list-style-type: none"> The issue price will be the lesser of 15c or 80% of the average closing price on the last 5 trading days prior to the date of issue of shares under the share purchase plan. The shares will be issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares.
Intended use of funds:	To provide additional working capital for the completion of clinical trials, research and development, production and marketing of the Company's products.

Director recommendation: As this resolution pertains to the Directors, the Directors abstain from making a recommendation in relation to this resolution.

The directors are of the opinion, having regard to the circumstances, the proposed issue of ordinary shares will be conducted on arm's length terms and therefore exempt from the requirement for shareholder approval under the Corporations Act. The terms of issue of the ordinary shares are on the same commercial terms as all other shares issued under the Placement. The directors participate in the issue will acquire a maximum of 300,000 shares under this approval out of a total potential maximum of 23,441,447 shares under the SPP (approximately 1.27%), with the balance being acquired by sophisticated and professional investors.

7(e) Approval of Issue of Shares to Directors under Follow-on Placement

Resolution 7(e) seeks shareholder approval to issue ordinary shares in the Company to directors of the Company, who participate in the follow-on institutional placement:

Approval is sought for the purpose of Listing Rule 10.11 (in which case approval is not required under Listing Rule 7.1) for the issue of shares to the directors of the Company.

Listing Rule 10.11

Listing Rule 10.11 requires the approval of ordinary shareholders to issue securities to a related party or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained. A director is a 'related party' for the purposes of Listing Rule 10.11.

The following information is provided to members for the purpose of Listing Rule 10.13:

Names of directors / related parties	Mr Roger Clarke (335,000 shares) Mr Greg Baynton (135,000 shares)
Maximum number of securities to be granted to the directors:	470,000 shares (335,000 shares for Roger Clarke and 135,000 shares for Greg Baynton)
Date by which the securities will be issued to the directors:	As soon as possible following the required approvals, but in any event, within 1 month of the date of the meeting.
Issue Price and terms of issue:	<ul style="list-style-type: none"> The issue price will be \$0.15. The shares will be issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares.
Intended use of funds:	To provide additional working capital for the completion of clinical trials, research and development, production and marketing of the Company's products.

Director recommendation: As this resolution pertains to the Directors, the Directors abstain from making a recommendation in relation to this resolution.

The directors are of the opinion, having regard to the circumstances, the proposed issue of ordinary shares will be conducted on arm's length terms and therefore exempt from the requirement for shareholder approval under the Corporations Act. The terms of issue of the ordinary shares are on the same commercial terms as all other shares issued under the Placement. The directors participating in the issue will acquire a maximum of 470,000 shares under this approval out of a total of 33,333,334 shares under the Follow-On Placement (approximately 1.41%), with the balance being acquired by sophisticated and professional investors.

Schedule

Description		Maximum capital raised(\$)
Current Shares as at the date of this Notice of Meeting	78,138,155	
Initial placement (Resolution 7(a))		
No. of new shares issued	11,720,723	1,758,108
New total shares on issue	89,858,878	
Share purchase Plan (Resolution 7(b))		
No. of new shares issued	23,441,447	3,516,217
New total shares on issue	113,300,325	
Follow-on Placement (Resolution 7(c))		
No. of new shares issued	21,612,611	3,241,891.60
New total shares on issue	134,912,935	8,516,217.60

Nb. Assumes issue price of \$0.15 per share. SPP calculation assumes full subscription for all shareholders of \$15,000.