



ASX RELEASE

15 April 2011

Dear Shareholder

2011 Non-renounceable Rights Issue – Letter to Ineligible Shareholders

Tissue Therapies Limited (**Tissue Therapies**) today announced:

- the placement of 11.50 million ordinary shares to sophisticated and professional investors at \$0.50 each raising approximately \$5.75 million (**Placement**); and
- the lodgement of a prospectus for a non-renounceable rights issue of ordinary shares to existing shareholders at \$0.50 each to raise approximately \$9.36 million (**Rights Issue**).

Tissue Therapies intends to raise approximately \$15.10 million through the Placement and Rights Issue.

The Rights Issue is fully underwritten by RBS Morgans Corporate Limited who was also the manager for the Placement.

Terms of the Rights Issue

The Rights Issue entitles eligible Shareholders to subscribe for 1 new share in Tissue Therapies for every 8 existing shares held at 7.00pm (AEST) on 28 April 2011 (**Record Date**), at an issue price of \$0.50 per share (**New Shares**).

Eligible Shareholders are those persons who are registered holders of shares on the Record Date and having a registered address in Australia or New Zealand (**Eligible Shareholders**).

Documents relating to the Rights Issue will be despatched to Eligible Shareholders by 29 April 2011.

Eligibility of Shareholders to participate in the Rights Issue

The Rights Issue is only available to eligible Shareholders. This letter is to inform you that Tissue Therapies has determined that you are not an Eligible Shareholder and you are therefore ineligible to participate in the Rights Issue. The Company considers it unreasonable on this occasion to extend the Rights Issue to Shareholders with a registered address outside of Australia or New Zealand having regard to the small number of such Shareholders and the costs of complying with legal and regulatory requirements in each of those jurisdictions.

You are not required to do anything in response to this letter.

Please find the enclosed documents relating to the Tissue Therapies Rights Issue for your information only. Thank you for your continued support of Tissue Therapies and I trust you understand the Company's position in this matter.

Yours sincerely



Steven Mercer
Chief Executive Officer

Further information please contact

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About Tissue Therapies Limited

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

The Company has worldwide exclusive rights to commercialise VitroGro®, a technology developed by cell biology, tissue engineering and protein engineering experts at the Institute for Health and Biomedical Innovation (IHBI) at the Queensland University of Technology (QUT) for enhancing cell growth and migration. VitroGro® has particular commercial applications in wound healing, tissue regeneration, cell based therapies and other cell culture uses.

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

Tissue Therapies is also proceeding with the development of other commercial applications for VitroGro® and other technologies for the treatment of psoriasis, scar prevention and treatment and potential treatments for various cancers including those of the breast, colon and prostate.

VitroGro® also provides a fundamental, transforming technology for completely defined cell culture reagents (ie. containing no purified animal or human proteins) to sustain and enhance the growth of live cells for emerging cell-based therapies, along with research and industrial cell culture markets internationally.

More information: www.tissuetherapies.com