TISSUE THERAPIES LIMITED

ACN 101 955 088

Information Booklet

1 for 15 pro rata non-renounceable Entitlement Offer at $0.21 per Share to raise approximately $3.7 million before Offer Costs.

The Entitlement Offer is fully underwritten

Entitlement Offer closes: 5.00pm (AEDT) on 27 February 2015

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If after reading this document you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

Joint Lead Managers and Underwriters

Morgans IN ALLIANCE WITH CIMB

Baillieu Holst Since 1889

Legal Adviser

Lawyers McCullough Robertson

IMPORTANT NOTICES

This Information Booklet is dated 4 February 2015. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Entitlement Offer is being made without a prospectus in accordance with Section 708AA Corporations Act (as notionally modified by ASIC Class Order 08/35). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares or Top Up Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders.

This Information Booklet is not to be distributed in, and no offer of New Shares or Top Up Shares is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet in other jurisdictions may be restricted by law and therefore persons who come into possession of this Information Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia or New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for TIS to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by a New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Definitions, currency and time

Defined terms used in this Information Booklet are contained in Section 5. All references to currency are to Australian dollars and all references to time are to Australian Eastern Daylight Saving Time (**AEDT**), unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. TIS considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares under this Information Booklet or the subsequent disposal of any New Shares. TIS recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

TIS collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in TIS.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to TIS (directly or through the Share Registry). TIS collects, holds and will use that information to assess your Application. TIS collects your personal information to process and administer your shareholding in TIS and to provide related services to you. TIS may disclose your personal information for purposes related to your shareholding in TIS, including to the Share Registry, TIS' related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that TIS holds about you. To make a request for access to your personal information held by (or on behalf of) TIS, please contact TIS through the Share Registry.

Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Queensland, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by TIS or any of its officers.

Past Performance

Investors should note that TIS' past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) TIS' future performance including TIS' future financial position or share price performance.

Future performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of TIS and certain plans and objectives of the management of TIS. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither TIS, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of TIS. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Information Booklet in light of those disclosures.

Risks

Refer to Section 4 of this Information Booklet for a summary of general and specific risk factors that may affect TIS.

Chairman's and Managing Director's Letter

4 February 2015

Dear Shareholder,

On behalf of Tissue Therapies Limited (**TIS**), we are very pleased to invite you to participate in the recently announced 1 for 15, fully underwritten, non-renounceable entitlement offer for new TIS ordinary shares (**New Shares**) at an issue price of $0.21 per New Share (**Entitlement Offer**).

On 4 February 2015, TIS announced its successful raising of approximately $4.0 million through a placement to institutional and sophisticated investors (**Placement**) and its intention to proceed with the Entitlement Offer (together, the **Equity Raising**).

As well as providing TIS with working capital to meet the operational costs of the Company, TIS intends to use the proceeds of the Equity Raising to proceed with:

1 completion of the final EMA review, to seek approval for the granting of CE Mark and targeted country sales launches in the EU and internationally; and

2 commencing preparatory work for an FDA diabetic ulcer human trial to commence during the second half of 2015, to provide the basis for approval for sale of VitroGro® ECM for the treatment of diabetic ulcers in the USA and to optimize future global sales.

The Board estimates that a further $15 million to $22 million will be required to fund completion of the FDA approval process. It is intended this funding will be secured from international strategic investors and this process will commence following the completion of the Entitlement Offer.

Strategy Update

The regulatory approval process for the granting of CE Mark in the EU has exceeded the internal timelines and expectations. The VitroGro® ECM application is thorough and meticulous but this does not guarantee that CE Mark will be granted imminently and contingency planning and risk mitigation for further potential delays are prudent.

It has become apparent that the appropriate risk mitigation strategy is to uncouple approvals and sales in the rest of the world from the EU CE Mark process. The opportunity cost of further delays in future international sales revenue should not be allowed to continue to grow.

The Board has determined that to optimize outcomes for shareholders, an FDA diabetic ulcer human trial should start during the second half of 2015, to complement the EU venous ulcer approval and to optimize future global sales of VitroGro® ECM by maximising future market access.

It is proposed to proceed with this FDA diabetic ulcer clinical trial as a modification of the venous ulcer human trial protocol already agreed with the FDA. We do not expect significant difficulties in achieving approval to proceed with this trial.

Approvals for the use of VitroGro® ECM to treat both diabetic and venous ulcers will facilitate access to most countries in the world for the sale of VitroGro® ECM and provide wound care clinicians with compelling evidence to use VitroGro® ECM for the treatment of their diabetic as well as venous ulcer patients.

Most countries outside the EU and the USA accept either CE Mark or FDA approval as the basis for approval for sale. An FDA diabetic ulcer human trial may also allow an accelerated approval for sale in Japan under the Regenerative Medicine Promotion Law enacted during 2013.

Clinical results from five severe diabetic ulcer patients in an earlier Canadian trial were compelling, confirming the earlier live human diabetic skin cell research findings. There is a strong scientific and clinical basis for expecting VitroGro® ECM to perform well in healing diabetic ulcers, possibly generating even better results than those seen in long standing venous ulcers.

The health costs of diabetic ulcers are higher than those of venous ulcer patients and so the potential health economic benefits of VitroGro® ECM are likely to be even stronger than those already shown for venous ulcers.

The diabetic ulcer market is approximately the same size as the venous ulcer market but is growing faster.

Proceeding with an FDA diabetic ulcer human trial should have no impact on the EU venous ulcer review for the granting of CE Mark or vice versa.

Entitlement Offer overview

Under the Entitlement Offer, Eligible Shareholders have the opportunity to invest at the price of $0.21 per New Share, which is the same price as the institutional investors who participated in the Placement. The number of new shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is attached to this Information Booklet. There is also a 'top-up facility' (**Top-Up Facility**) available under the Offer to allow Eligible Shareholders to apply for shares beyond their Entitlement (please refer to Section 3.2 of this Information Booklet for more information).

The issue price of $0.21 per New Share represents a 36.5% discount to the volume weighted average closing price for the ten trading days up to and including 30 January 2015 (being the last trading day of the Company's shares before the Equity Raising was announced).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable. We encourage you to consider this offer carefully.

Other Information

This Information Booklet contains important information, including:

- the investor presentation, which was released to the ASX on 4 February 2015, and provides information on TIS, the Entitlement Offer and key risks for you to consider;
- instructions on how to apply, detailing how to participate in the Entitlement Offer (if you choose to do so), and a timetable of key dates;
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions; and
- instructions on how to take up all or part of your Entitlement via BPAY.

The Entitlement Offer closes at 5.00pm (AEDT) on 27 February 2015

Please read in full the details on how to submit your application which are set out in this Information Booklet. For further information regarding the Entitlement Offer, please call 1800 063 366 (within Australia) or +61 1800 063 366 (outside Australia) during the offer period.

An investment in TIS should be considered speculative. Section 4 identifies the major risks associated with an investment in TIS. You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of TIS, we encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely

Roger Clarke
Chairman

Steven Mercer
Managing Director

Summary of Equity Raising

Placement	
Issue Price	$0.21 per Share
Size	19.05 million Shares
Gross proceeds	$4.0 million
Entitlement Offer	
Ratio	1 New Share for every 15 Existing Shares
Issue Price	$0.21 per New Share
Size	17.56 million New Shares
Gross proceeds	$3.7 million
Total gross proceeds of the Equity Raising	**$7.7 million**

Capital structure

Subject to rounding up of fractional Entitlements, the capital structure of TIS following the issue of New Shares is expected to be as follows:

Shares on issue as at 4 February 2015 (announcement of the Equity Raising)	263,358,277
Shares issued under the Placement	19,047,642
New Shares to be issued under the Entitlement Offer	17,557,218
Shares on issue after the Equity Raising	299,963,137

Placement

Investors who receive shares under the Placement will not be entitled to participate in the Entitlement Offer.

Underwriting

The Entitlement Offer is fully underwritten by Morgans Corporate Limited and Baillieu Holst Ltd.

Risks

The major risks associated with an investment in TIS are set out in Section 4. These include:

(a) TIS may not obtain the regulatory approvals (such as the granting of CE Mark or FDA approval) that it requires for sale of its products or the reimbursement approvals required for sales growth, or such approvals may be subject to delay;

(b) TIS' clinical trials may prove unsuccessful;

(c) TIS currently has no material revenues. TIS intends to raise additional funds from international strategic investors later in 2015, which will have a dilutive effect on existing Shareholders;

(d) TIS is dependent on the performance of its commercial partners and the retention of key consultants and personnel for its specialised business;

(e) TIS' value may be impacted if its intellectual property is not able to be adequately protected; and

(f) TIS may face competition from better-resourced industry participants.

Key dates

Activity	Date
Announcement of the Entitlement Offer	4 February 2015
Mailing of the Entitlement Offer details	5 February 2015
Ex-date	6 February 2015
Record Date for Entitlement Offer (7.00pm (AEDT))	10 February 2015
Information Booklet and Entitlement & Acceptance Form despatched	11 February 2015
Entitlement Offer opens	11 February 2015
Closing date for acceptances under Entitlement Offer (5.00pm (AEDT))	27 February 2015
New Shares quoted on deferred settlement basis	2 March 2015
Company notifies ASX of under subscriptions	4 March 2015
Allotment of New Shares under the Entitlement Offer	6 March 2015
Despatch of holding statements for New Shares issued under the Entitlement Offer	10 March 2015
Normal ASX trading for New Shares issued under the Entitlement Offer commences	10 March 2015

This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Underwriters, subject to the Listing Rules. The last date to extend the Closing Date is 24 February 2015. An extension of the Closing Date will delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

Telephone: 1800 063 366 (within Australia) or +61 1800 063 366 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday during the offer period. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

If you have lost your Entitlement and Acceptance Form and would like a replacement form, you should contact the Share Registry on the above telephone numbers.

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1 Description and effect of the Offer

1.1 Overview

The Entitlement Offer is a fully underwritten non-renounceable offer of approximately 17.56 million New Shares at $0.21 per New Share to raise approximately $3.7 million (before Offer Costs).

As well as providing TIS with working capital to meet the operational costs of the Company, TIS intends to use the proceeds of the Equity Raising to proceed with:

(a) completion of the final EMA review, to seek approval for the granting of CE Mark and targeted country sales launches in the EU and internationally; and

(b) commencing preparatory work for an FDA diabetic ulcer human trial to commence during the second half of 2015, to provide the basis for approval for sale of VitroGro® ECM for the treatment of diabetic ulcers in the USA and to optimize future global sales.

Eligible Shareholders who are on TIS' share register on the Record Date are entitled to acquire 1 New Share for every 15 Existing Shares held on the Record Date (**Entitlement**). The issue price of $0.21 per New Share represents a discount of 36.5% to the volume weighted average closing price for the ten trading days to 30 January 2015 (being the last trading day for the Company's shares before the Equity Raising was announced). Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of by Shareholders.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet.

Shareholders will have their interest in TIS diluted because of the issue of Shares under the Placement. In addition, Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in TIS further diluted.

Any New Shares not taken up by the Closing Date will comprise the pool of Shortfall Shares. The Company will work with the Underwriters in placing any Shortfall Shares.

Eligible Shareholders should be aware that an investment in TIS involves risks and should be considered speculative. The key risks identified by TIS are identified in Section 4 of the Information Booklet.

Top Up Facility

Eligible Shareholders may subscribe for all or part of their Entitlement.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility detailed in Section 3.2.

There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any.

There is no cap on the number of additional New Shares that Eligible Shareholders may apply for under the Top Up Facility, although the number of New Shares available under the Top Up Facility will not exceed the shortfall from the Entitlement Offer. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion. Interests of existing shareholders will be taken into consideration in allocating shares under the Top Up Facility.

Options

The Company has 1,360,000 existing options on issue, comprising:

Category	Number	Exercise price	Vesting and lapse details
Director - Dr Steven Mercer	140,000	64c	Options vest on achievement of KPIs by specific target date and lapse 2 years after vesting
Employees and contractors	1,060,000	15% premium to the 10 trading-day volume weighted average of Shares immediately prior to the achievement of the KPI	Options vest on achievement of KPIs by specific target date and lapse 2 years after vesting
Director - Dr Steven Mercer	160,000	15% premium to the 10 trading-day volume weighted average of Shares immediately prior to the achievement of the KPI	Options vest on achievement of KPIs by specific target date and lapse 2 years after vesting
Balance at 31 December 2014	**1,360,000**		

None of the existing options may be exercised prior to the Record Date.

Effect on the Company's financial position

Set out below is the Pro Forma Consolidated Statement of Financial Position as at 31 December 2014. This statement comprises the independently reviewed Consolidated Statement of Financial Position as at 31 December 2014 adjusted for significant transactions as detailed in Note 1 below.

	31-Dec-14 Reviewed $ 000's	Placement $4M $ 000's	Entitlement Offer $3.7M $ 000's	31-Dec-14 Pro-Forma $ 000's
Current Assets				
Cash and cash equivalents	2,814	3,760[a]	3,466[b]	10,040
Receivables	92	-	-	92
Inventories	157	-	-	157
Current tax assets	189	-	-	189
Other assets	75	-	-	75
Total Current Assets	**3,327**	**3,760**	**3,466**	**10,553**
Non-Current Assets				
Inventories	9,381	-	-	9,381
Property, plant and equipment	202	-	-	202
Intangible assets	342	-	-	342
Other assets	2	-	-	2
Total Non-Current Assets	**9,927**	**-**	**-**	**9,927**
Total Assets	**13,254**	**3,760**	**3,466**	**20,480**
Current Liabilities				
Payables	839	-	-	839
Current tax liabilities	19	-	-	19
Provisions	318	-	-	318
Other liabilities	30	-	-	30
Total Current Liabilities	**1,206**	**-**	**-**	**1,206**
Non-Current Liabilities				
Other liabilities	90	-	-	90
Total Non-Current Liabilities	**90**	**-**	**-**	**90**
Total Liabilities	**1,296**	**-**	**-**	**1,296**
Net Assets	**11,958**	**3,760**	**3,466**	**19,184**
Equity				
Contributed equity	58,384	3,760	3,466	65,610
Reserves	51	-	-	51
Accumulated losses	(46,477)	-	-	(46,477)
Total Equity	**11,958**	**3,760**	**3,466**	**19,184**

Notes to the Pro Forma Consolidated Statement of Financial Position

Note 1: Pro Forma Adjustments

The Pro Forma Consolidated Statement of Financial Position has been prepared on the basis that the following significant transactions occurred as at 31 December 2014:

Material transactions since 31 December 2014:

a. the issue of 19,047,642 Shares arising from the Placement, raising gross proceeds of $4,000,005 less issue costs of $240,000;

The Entitlement Offer

b. the issue of 17,557,218 New Shares under the Entitlement Offer, expected to raise gross proceeds of $3,687,016 less estimated issue costs of $221,221.

Note 2: Cash and cash equivalents

The pro forma consolidated cash balance has been calculated after the following pro forma transactions:

	$ 000's
Cash as at 31 December 2014	2,814
Placement proceeds	4,000
Costs of Placement	(240)
Entitlement Offer proceeds	3,687
Costs of Entitlement Offer	(221)
Pro forma cash balance	10,040

Until utilised, the funds will remain as a cash balance as reflected by the increase in cash assets.

1.2 Purpose of the Equity Raising

The purpose of the Equity Raising is to raise funds primarily to fund:

(a) EMA expenditure – to continue with responses necessary to seek approval for CE Mark from the current EU review;

(b) preparation for an FDA diabetic ulcer clinical trial – to gain FDA approval for sale in the US and to facilitate international approvals for sale outside of the US;

(c) marketing, sales and logistics – including accelerating the sales launch program within the UK and Europe, as well as other defined regions internationally. This includes the development of interactive sales and health economic materials for health care providers, health insurer and patient education (e.g. website or tablet sales tools), key opinion leader programs and clinic support for health economic outcome assessments, publications to support the evidence base for the VitroGro® ECM, media programs aimed at health administrators and healthcare providers, local trade shows and printing of brochures and hardcopy sales aids, and logistics operations to support sales;

(d) manufacturing and stability testing;

(e) market access expenditure – which includes health economic outcomes research to define the cost effectiveness of VitroGro® ECM pre-launch, for the purpose of generating models and data to support conditional reimbursement claims, and post-market observational studies to refine and verify the cost of effectiveness of VitroGro® ECM against standard care to support continued and extended reimbursement;

(f) intellectual property costs – TIS technologies are protected by a strong intellectual property portfolio, with international patents granted and pending. This expenditure will further develop and commercialise existing technologies and fund further intellectual property protection. TIS has the benefit of licensed rights to a portfolio of nine (9) patent families, additional provisional patent applications as

well as trademarks. These applications are in various stages of prosecution in multiple jurisdictions;

(g) regulatory costs – expenditure to obtain regulatory approvals for TIS to commence sales in multiple jurisdictions including, but not limited to, Europe and the USA;

(h) research and development – which includes expenditure to further develop and to commercialise a portfolio of technologies originating from Queensland University of Technology. The portfolio of patent families comprises various platforms that can be used to develop complementary and follow-up products in wound healing and other areas including, but not limited to, cancer treatment. TIS has on-going development projects and will use funds to further develop existing technologies, including new and follow-up products in the areas of wound healing and cancer; and

(i) operating expenditure.

Estimated Use of Funds	**Jan – Jul 2015**
$000's	
Opening cash	2,814
Equity Raising*	7,687
Total funds available	10,501
Outflows	
EMA expenditure	1,285
Preparation for FDA diabetic ulcer clinical trial	1,559
Marketing, sales and logistics	970
Manufacturing and stability testing	643
Market access expenditure	384
Intellectual property and regulatory costs	311
Research and development	587
Operating expenditure	
• Australian corporate salaries and Directors' fees	1,034
• International consultants	393
• Registry, ASX, audit and tax accounting, and insurances	178
• Other operating expenditure	374
Costs of Equity Raising	461
Total Outflows	8,179
Closing Cash	2,322

* It is expected that the Equity Raising will fund the Company though completion of the EMA review for EU sales and preparatory work for the FDA clinical trial. It is estimated that a further $15m to 22m will be required to complete the FDA diabetic ulcer trial and submission for FDA approval for sale. This investment will be targeted from strategic international investors and this process has started.

Revenues received by the Company and any surplus funds will be applied towards the working capital requirements of the Company.

1.3 Underwriting and management

The Underwriters have underwritten the full amount of the Offer on the terms set out in the Underwriting Agreement. Customary with these types of arrangements:

(a) the Underwriting Agreement includes a number of termination events, including market related termination events in respect of a 10% fall in the S&P/ASX 200;

(b) the Underwriters will receive:

(i) an underwriting fee of an amount equal to 4% (exclusive of GST) of the offer proceeds for the Entitlement Offer; and

(ii) a management fee of an amount equal to 2% (exclusive of GST) of the offer proceeds for the Entitlement Offer;

(c) TIS has agreed to indemnify the Underwriters and others against their losses in connection with the Entitlement Offer.

The Underwriters are able to procure any person to sub-underwrite the Entitlement Offer and also have the right to nominate and determine who is to receive any Shortfall Shares.

Mr Roger Clarke, Chairman and a Director of TIS, is a past director and currently serves as chairman of the Board of Advice for Morgans Corporate Limited.

1.4 Shortfall facility

A shortfall may arise if applications received for New Shares under the Entitlement Offer (including after the Entitlements of Ineligible Shareholders) are less than the number of New Shares offered and the Underwriters or any sub-underwriters do not acquire that shortfall under the Underwriting Agreement.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date to either existing or new Shareholders at their discretion. If issued, Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Entitlement Offer. Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up as Shortfall Shares.

1.5 Eligibility of Shareholders

The Entitlement Offer is being offered to all Eligible Shareholders.

Eligible Shareholders are Shareholders on the Record Date who:

(a) have a registered address in Australia or New Zealand or are a Shareholder that TIS has otherwise determined is eligible to participate; and

(b) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of such Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

1.6 Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares.

1.7 Allotment

TIS will make an application within seven days from the date of this Offer for quotation of the New Shares on ASX. Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Entitlement Offer will take place no more than five Business Days after the close of the Entitlement Offer.

Application Monies will be held by TIS on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

1.8 Broker handling fee

A handling fee of 2% of the application amount (plus GST) of New Shares (subject to a maximum handling fee of $500) (**Broker Handling Fee**) under the Entitlement Offer will be paid by the Underwriters to stockbrokers (being those entities being recognised as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a Broker Handling Fee on successful applications.

1.9 Information availability

Eligible Shareholders can obtain a copy of this Information Booklet from the TIS website at www.tissuetherapies.com or by calling the Share Registry on 1800 063 366 (within Australia) or +61 1800 063 366 (outside Australia) at any time from 8.30am and 5.30pm (AEDT) Monday to Friday during the Offer period. Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

2 Investor presentation

TISSUE THERAPIES

Investor Update
January / February 2015

VitroGro® ECM: Think Different

Dr Steven Mercer (CEO)
s.mercer@tissuetherapies.com

TISSUE THERAPIES

1. Introduction
2. Global Chronic Wound Market
3. Our Lead Product VitroGro® ECM
4. Strategy Update
5. Capital Raising
6. Summary

TISSUE THERAPIES

Section 1: Introduction

Tissue Therapies Ltd: Introduction

- An Australian biomedical company developing advanced technologies for more cost effective wound healing, tissue repair and scar prevention.
- Worldwide exclusive rights to commercialize VitroGro® technology: first product – VitroGro® ECM for difficult to heal wounds.
- Patents granted in the USA, Canada, Europe, China, Hong Kong, South Korea, Japan, South Africa, Australia and New Zealand (India under examination).
- Partnerships with Quintiles (hiring & support services) and Movianto (logistics) to minimize operational risk, restrain cost and optimize revenue.
- Attractive margin product; more **safe**, **convenient,** and **cost effective** than existing wound care treatments.
- Raising A$7.7 million through a placement and entitlement offer at A$0:21 per share to fund completion of the EMA review process and preparatory work for a US FDA diabetic ulcer clinical trial.

Corporate Overview

Key Statistics

Code	ASX: TIS
Listed	ASX, Frankfurt & Berlin
Share Price (30 Jan. 2015)	A$ 0.29
52 Week High	A$ 0.465
52 Week Low	A$ 0.25
Shares Outstanding	263.3m
Market Cap	A$ 76.4m
Net Cash (1 Jan. 2015)	A$ 2.8m
Top 20 Shareholders	~50% of issued capital; institutional & private investors, directors, CEO

Major Achievements

Finalisation of protein formulation, VitroGro® ECM; Successful clinical trials	✓
Commercial-scale, efficient Good Manufacturing Practice (GMP) standard manufacturing	✓
Key commercial partners in place for start of sales (incl. Quintiles, Movianto)	✓
Strong health economics / savings data	✓
Science & clinical results papers published	✓

Major Priorities

CE Mark to treat venous ulcers (most reviewer questions resolved)
USA FDA diabetic ulcer clinical trial, sales approval & US launch
Execute international roll-out plan
Launch EU Sales rapidly, subject to granting of CE Mark
Initial focus: Germany, Austria, Switzerland, UK, Benelux

Top Shareholders (approx.)

Allan Gray Investment Management	16.5%
Asia Union Investments	8.0%
Directors, Employees & Related Parties	3.6%
Queensland Uni. of Tech.	3.1%

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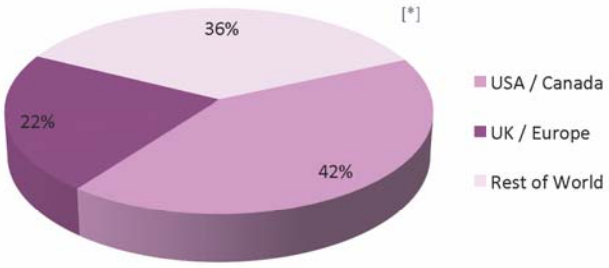
Section 2: Global Chronic Wound Market

Global Market: Hard to Heal Wounds US$35 – 40Bn pa



- The USA and Europe are the largest combined market for chronic wound treatments.
- The global market is growing rapidly: at least 15% compound annual growth rate. [*]

[*] Data on file: Report Global Health Economic Projects LLC, USA, 2012 (contractor to Tissue Therapies Limited).

A growing problem = demand

- Chronic wounds: incidence increasing due to an ageing population and lifestyle choices.
- Increase in chronic venous insufficiency (CVI) and type II diabetes.
- CVI: the underlying condition for venous leg ulcers (VLU)
  - Half the adult population suffers from venous disease in the lower limbs (40-50% in men and 50-55% in women). [1]
  - Prevalence of CVI ranges from 2-7% in males and 3-7% in females. [1]
  - 70% of chronic ulcers in the lower limb are VLU. [1]
  - VLU's recurrence rate ranges from 54-70%. [1]
- Diabetes: the underlying condition for diabetic foot ulcers (DFU)
  - In 2014 9.3% (29.1 million people) of the US population have diabetes. [2]
    - In 2007 24 million people in the USA had diabetes. [3]
  - Incidence of DFU in the USA is approximately 6% and lower extremity amputation approximately 5%. [4]
  - Prevalence of DFU = 10.3% > 75 years of age and 6.5% at <44 years of age. [3]
  - DFU's recurrence rate 57.5%. [5]

High cost of treatment = need for a solution

- Chronic wounds are a growing problem with high costs of treatment: venous leg ulcers (VLU), diabetic ulcers (DFU) and pressure ulcers (PU).
- Chronic wound published annual cost estimates:
  - USA: VLU — USD 18 billion [7]
  - USA: DFU — USD 15 billion [7]
  - Europe: VLU — Euro 6.5 billion [8]
  - UK (VLU, DFU, PU): — GBP 2.3 to 3.1 billion [9]
- Health expenditure for treating chronic wounds as % of total health budget:
  - UK — 2 – 3 % [9]
  - Europe — 2% [9]
  - Scandinavia — 2 – 4% [10]

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Section 3: Our Lead Product VitroGro® ECM

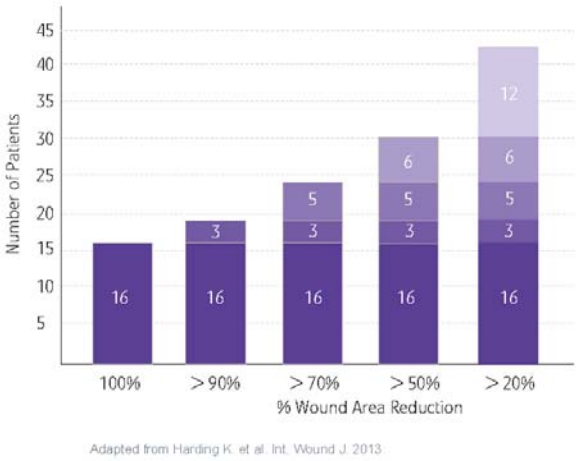
VitroGro® ECM

- VitroGro® ECM is a liquid formulation of a synthetic matrix protein that promotes healing and reduces pain in chronic wounds.
  - VitroGro® ECM replaces the degraded extracellular matrix (ECM) of chronic wounds.
  - The product is applied to the surface of a prepared wound and the liquid formulation allows the product to cover the irregular shape of wounds.
  - Skin cells attach to VitroGro® ECM proliferating and migrating onto the wound bed to initiate the healing process.
  - This restores the damaged dermis in the chronic wound reducing wound size over the course of weekly treatments.
- Development of commercial scale manufacturing of VitroGro® ECM is complete.

VitroGro® ECM: Clinical Effectiveness [11]

EU safety and effectiveness clinical trial : Venous Leg Ulcer (VLU) study

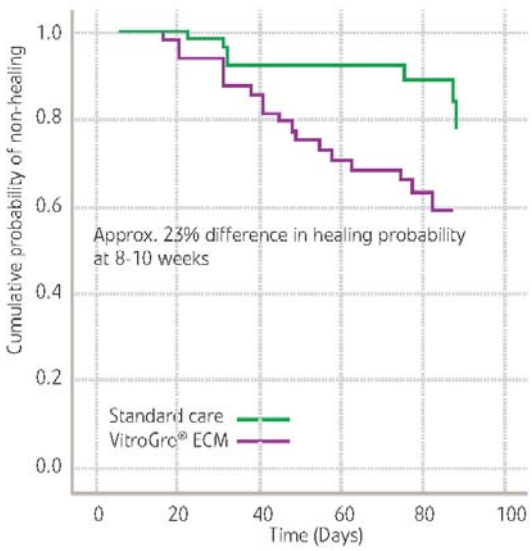
In human trials, VitroGro® ECM has demonstrated that it is an effective healing promoter able to take chronic wounds from a stalled non-healing state and move them towards healing.



Adapted from Harding K. et al. Int. Wound J. 2013

- Results for 45 patients that completed the study:
  - Average age 74 years and had suffered venous ulcers that had not responded to expert care for an average of 37 months.
- All 45 study patients had no response to 4 weeks of expert care (run in period).
- Only change to care during study was application of VitroGro® ECM at routine dressing change.
- Strong results in 12 weeks:
  - 36% (16 out of 45 patients) completely healed (100% wound area reduction).
  - 67% (30 out of 45 patients) greater than 50% wound area reduction.
  - Median wound area reduction was 70%.

Venous Ulcer Cross Study Evaluation: Positive Health Economics [*]



- Data mined from German wound care networks (community and specialized clinic based care).
- Outcomes from EU clinical study and German standard care data analysed.
  - Number of matched standard care patients = 64
  - Approximately 23% difference in healing probability observed at the 8-10 week time point.
  - Statistically significant (Log rank test x^2 11.46, p=0.001)
  - Not a head to head comparison study but results indicate a tangible benefit for using VitroGro® ECM.
- Further health economic analysis on expanded databases ongoing.

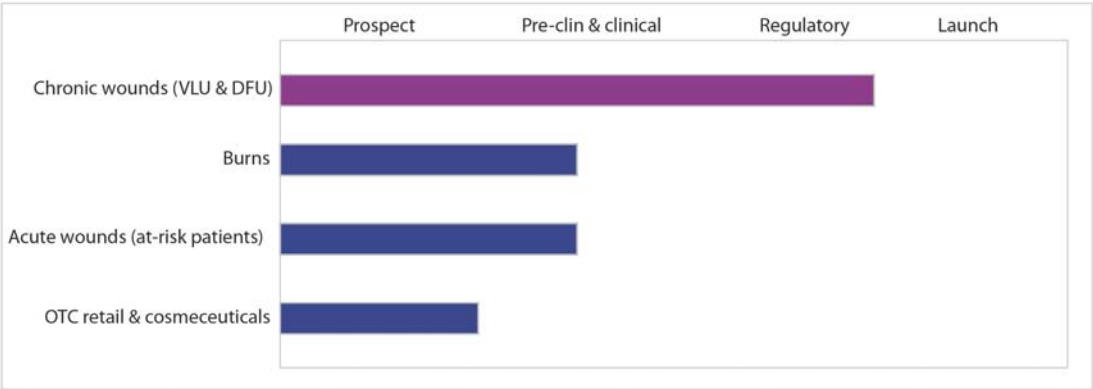
[*] Data on file, manuscript submitted to the German journal WundManagement.

Commercialisation: Partnership Structure

Tissue Therapies has in place partnerships to minimize operational risk, restrain cost and optimize revenue while maintaining flexibility and control

- **Quintiles**
  - Outsourced HR for dedicated VitroGro® ECM Sales team; shared risk/reward: KPI based fee structure
- **Movianto**
  - Integrated Logistics, Multi-lingual Customer Support, Order Entry, Supply, Accounts Receivable
- **Eurogentec**
  - Manufacture of VitroGro® ECM Protein
- **Catalent**
  - Fill and finish
- **Queensland University of Technology (QUT)**
  - Research & Development; only royalty payable is to QUT

Broad Product Pipeline



Extensive Library of Synthetic Proteins

- **Current Formulation:** - Global rollout for healing chronic wounds (diabetic & venous ulcers)
  - Additional applications e.g. pressure ulcers, burns, at risk surgical wounds
- **New Formulations:** - Additional tissue repair & scar avoidance products
  - Additional markets e.g. Pharmacy, OTC, consumer, first aid

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Section 4: Strategy Update

CE Mark Update

- European Medicines Agency (EMA) review: final step:
  statutory 210 calendar day limit plus clock stop for questions.
- 180 day questions received and responses provided to the Notified Body (BSI) for submission to the EMA on 26 Feb. 2015
- EMA review Committee opinion should be advised to the Notified Body early April 2015 but experience has shown that the EMA timeline is not certain.
- The 120 day response resulted in approximately 65% of all questions being classified by EMA as "completely resolved". The remaining questions have been addressed in the 180 day response but the acceptance of these will be subject to the approval of the EMA Review Committee.
- Benefits of EMA review:
  - Definitive regulatory approval for sale signed off by all EU member countries + 3 others.
  - To provide a robust regulatory package for approval for sale in multiple countries e.g. Turkey, Middle East, South Africa, Latin America, Russia, Taiwan, Canada and Australia.

Strategy Update

Unforeseen delays in the EMA review process for granting CE Mark have deferred the commencement of the FDA approval process for US sales. The Board has resolved that the opportunity cost of these delays is significant and the preparatory work for an FDA clinical trial in the US should proceed immediately.

Strategic Position:

- The regulatory approval process for the granting of CE Mark in the EU has exceeded internal timelines and expectations.
- The VitroGro® ECM application is thorough and meticulous but this does not guarantee that CE Mark will be granted imminently and contingency planning and risk mitigation for further potential delays are prudent.
- The appropriate risk mitigation strategy is to uncouple approvals and sales in the rest of the world from the EU CE Mark process.
- Starting an FDA diabetic ulcer trial in the USA will minimize risk and optimize future global sales by maximizing future market access. 2H 2015 start allows time for finalisation of contracts with clinical trial sites and manufacturing of VitroGro® ECM in required packaging for clinical trial use.

FDA Diabetic Ulcer Human Trial Design

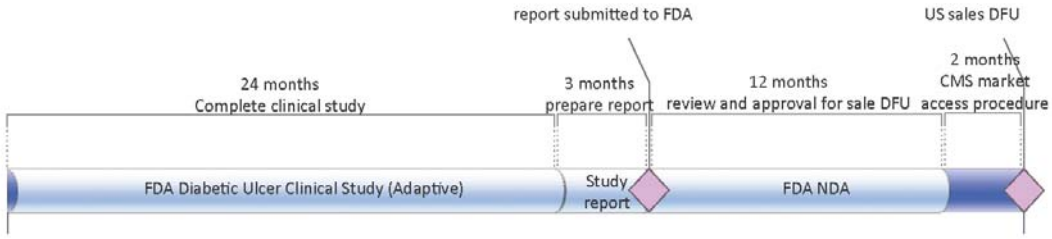
- Prospective randomized double blinded control trial of VitroGro® ECM v placebo.
- Planned as a 2 year clinical trial with sites in USA and EU, cost US$10 million, with reporting anticipated 3 months after trial completion for submission to the FDA for approval for sale.
- Detailed analyses completed to calculate number of patients, delta over standard of care and statistical significance.
- Clinical trial sites and clinical investigators to be drawn from identified pool.
- Results to be used for FDA approval for sale for the treatment of diabetic ulcers and international approvals for sale.
- VitroGro® ECM protein FDA classification: combination device/biologic: practical commercial advantages:
  - No limit on number of clinical trial sites
  - Simplified reimbursement negotiations compared to devices
- Strong health economics compared to current global standard of care for venous ulcers: expected to be even better for diabetic ulcers.
- Most countries outside the EU accept FDA approval as basis for approval for sale.

Why an FDA Diabetic Ulcer Clinical Trial (instead of a venous ulcer trial)?

- Approval of VitroGro® ECM to treat both diabetic and venous ulcers will facilitate approval for sale in most countries in the world. Many countries outside the USA and EU accept either FDA approval or CE Mark as the basis for approval for sale e.g. Latin America, Asia, Middle East.
- The FDA diabetic ulcer clinical trial is designed to provide wound care clinicians with compelling data for the treatment of their diabetic ulcer patients, to compliment the clinical data already produced for the treatment of venous ulcers.
- An FDA diabetic ulcer clinical trial may also allow accelerated approval for sale in Japan under the Regenerative Medicine Promotion Law (2013).
- Strong clinical and live human cell data indicate that VitroGro® ECM may be even more effective at healing diabetic ulcers than venous ulcers.
- Health costs of diabetic ulcers are higher than venous ulcers and so health economic and cost savings of VitroGro® ECM treatment are likely to be even stronger than already shown for venous ulcers.
- The diabetic ulcer market is approximately the same size as the venous ulcer market but is growing faster.
- FDA diabetic ulcer clinical trial should have no impact on EU CE Mark approval or vice versa.

FDA Diabetic Ulcer Human Trial Indicative Timeline

- Tissue Therapies anticipates that following 3 – 6 months preparatory work, sales of VitroGro® ECM could start in the USA during the 2H of 2018 (subject to the FDA approval process proceeding as expected).



Strategy Summary

Key Strategic Objective:
Prevent Further Global Opportunity Cost of CE Mark Delays:

- Successfully complete final EMA review and granting of CE Mark.
- Commence FDA diabetic ulcer clinical trial during 2H 2015. Clinical trial expected to take 24 months & cost US$10 million.
- Optimize size and speed of EU launch following CE Mark.
  - Initial concentration on Germany, Austria, Switzerland, UK: approx. 15% of global wound market [1].
  - Countries outside EU that use CE Mark as important part of approval for sale: Russia, Turkey, Middle East, South Africa, Latin America, Canada, Australia.

Methods to Achieve Strategic Objective:

- Detailed protocol preparation underway for application to FDA to amend already approved venous ulcer clinical trial to diabetic ulcer trial.
- Sales, marketing and logistics preparation and execution for sales launch in EU and internationally: key commercial relationships in place.
- Health economic / reimbursement studies: 20 – 30% benefit from VitroGro® ECM
  - UK and German Government & private databases: matched patient outcomes and costs data.
  - Valid throughout EU and many other countries.
  - Designed to maximize market access.

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Section 5: Capital Raising

Funding

Tissue Therapies intends to raise A$7.7m (US$6m) through a placement and an entitlement offer to fund:

- Completion of final EMA review, to seek approval for CE Mark and proceed with targeted country sales launches in the EU and internationally.
- Commence preparatory work for an FDA diabetic ulcer clinical trial.
- Provide working capital.

The Board estimates that a further A$15 – 22m (US12 – 17m) will be required to fund the completion of the FDA clinical trial and submission for approval for sale and working capital requirements. It is expected that this funding will be secured from international strategic investors and this process will commence on completion of the capital raising.

Offer Overview

Offer Details	• A Placement to institutional and sophisticated investors of approximately 19 million shares at an Offer Price of $0.21 per new ordinary share to raise $4 million with the ability to raise more subject to demand, followed by Entitlement Offer to existing shareholders targeted to raise $3.7 million.

Pricing	• The Offer Price of $0.21 represents:
	  • 36.5% discount to the 10 business day Volume Weighted Average Price up to and including Fri. 30 January 2015 of $0.33
	  • 27.6% discount to the closing price on Fri. 30 January 2015 of $0.29

Use of Funds	• As well as providing the Company with working capital to meet the operational costs, TIS intends to use existing cash and the proceeds of the Equity Raising to proceed with: 1. Completion of all responses to successfully close out remaining questions from EMA reviewers to allow CE Mark to be granted. 2. Preparatory work for an FDA approved human prospective randomized double blinded control trial of VitroGro® ECM for the treatment of diabetic ulcers.
Other	• New securities issued pursuant to the Placement will rank equally with Tissue Therapies existing securities. • Morgans Corporate Limited and Baillieu Holst Limited are Joint Lead Managers to the Placement. • There will be a top-up facility to allow existing shareholders to apply for additional shares under the entitlement offer.

Timetable

Activity	Date
Announcement of the Placement and Entitlement Offer	4 February 2015
Mailing of the Entitlement Offer details	5 February 2015
Ex-date	6 February 2015
Record Date for Entitlement Offer (7.00pm (AEDT))	10 February 2015
Information Booklet and Entitlement & Acceptance Form despatched	11 February 2015
Entitlement Offer opens	11 February 2015
Closing date for acceptances under Entitlement Offer (5.00pm (AEDT))	27 February 2015
New Shares quoted on deferred settlement basis	2 March 2015
Company notifies ASX of under subscriptions	4 March 2015
Allotment of New Shares under the Entitlement Offer	6 March 2015
Despatch of holding statements for New Shares issued under the Entitlement Offer	10 March 2015
Normal ASX trading for New Shares issued under the Entitlement Offer commences	10 March 2015

This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Underwriters, subject to the Listing Rules. The last date to extend the closing date is 24 February 2015. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Estimated Use of Funds

$000's	Jan – Jul 2015
Opening cash	2,814
Capital raising *	7,687
Total Funds Available	10,501
Outflows	
EMA expenditure	1,285
Preparation for FDA diabetic ulcer clinical trial	1,559
Marketing, sales and logistics	970
Manufacturing and stability testing	643
Market access expenditure	384
Intellectual property and regulatory costs	311
Research and development	587
Operating expenditure	
• Australian corporate salaries and Directors' Fees	1,034
• International consultants	393
• Registry, ASX, Audit & Tax Accounting & Insurance	178
• Other operating expenditure	374
Capital raising cost	461
Total Outflows	8,179
Closing Cash	2,322

* It is expected that this capital raising will fund the Company though completion of the EMA review for EU sales and preparatory work for the FDA clinical trial. It is estimated that a further $A15 – 22m will be required to complete the FDA diabetic ulcer trial and submission for FDA approval for sale and for working capital requirements. This investment will be targeted from strategic international investors and this process will commence at the completion of this capital raising.

Pro-Forma Balance Sheet

	31-Dec-14 Reviewed $ 000's	Placement $4M $ 000's	Entitlement Offer $3.7M $ 000's	31-Dec-14 Pro-Forma
Current Assets				
Cash and cash equivalents	2,814	3,760[a]	3,466[b]	10,040
Receivables	92	-	-	92
Inventories	157	-	-	157
Current tax assets	189	-	-	189
Other assets	75	-	-	75
Total Current Assets	**3,327**	**3,760**	**3,466**	**10,553**
Non-Current Assets				
Inventories	9,381	-	-	9,381
Property, plant and equipment	202	-	-	202
Intangible assets	342	-	-	342
Other assets	2	-	-	2
Total Non-Current Assets	**9,927**	**-**	**-**	**9,927**
Total Assets	**13,254**	**3,760**	**3,466**	**20,480**
Current Liabilities				
Payables	839	-	-	839
Current tax liabilities	19	-	-	19
Provisions	318	-	-	318
Other liabilities	30	-	-	30
Total Current Liabilities	**1,206**	**-**	**-**	**1,206**
Non-Current Liabilities				
Other liabilities	90	-	-	90
Total Non-Current Liabilities	**90**	**-**	**-**	**90**
Total Liabilities	**1,296**	**-**	**-**	**1,296**
Net Assets	**11,958**	**3,760**	**3,466**	**19,184**
Equity				
Contributed equity	58,384	3,760	3,466	65,610
Reserves	51	-	-	51
Accumulated losses	(46,477)	-	-	(46,477)
Total Equity	**11,958**	**3,760**	**3,466**	**19,184**

Notes to the Pro Forma Balance Sheet:

Pro Forma Adjustments
The Pro Forma Consolidated Statement of Financial Position has been prepared on the basis that the following significant transactions occurred as at 31 December 2014:

Material transactions since 31 December 2014:

a) The issue of 19,047,642 New Shares arising from Placement, raising gross proceeds of $4,000,005 less issue costs of $240,000.

The Entitlement Offer

b) The issue of 17,557,218 New Shares under the Entitlement Offer, expected to raise gross proceeds of $3,687,016 less estimated Offer costs of $221,221

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Section 6: Summary

VitroGro® ECM: Key Points

- CE Mark: Approximately 65% of EMA review questions completely resolved. Acceptance of final responses subject to the approval of the EMA.
- Proceed with FDA diabetic ulcer trial.
- Chronic wounds: large, fast growing market, no definitive treatment: US$35 – 40 Bn per annum, 15% compound annual growth rate.
- VitroGro® ECM promotes **safe**, **convenient**, **cost effective** wound healing by replacing damaged skin scaffold.
- Commercial scale, efficient manufacturing process in place.
- Strong health economics supports reimbursement.

Summary of Key Risks

The major risks associated with an investment in TIS include:

- TIS may not obtain the regulatory approvals (such as the granting of CE Mark or FDA approval) that it requires for sale of its products or the reimbursement approvals required for sales growth, or such approvals may be subject to delay;
- TIS' clinical trials may prove unsuccessful;
- TIS currently has no material revenues. TIS intends to raise additional funds from international strategic investors later in 2015, which will have a dilutive effect on existing shareholders;
- TIS is dependent on the performance of its commercial partners and the retention of key consultants and personnel for its specialized business;
- TIS' value may be impacted if its intellectual property is not able to be adequately protected; and
- TIS may face competition from better resourced industry participants.

Disclaimer

- This document has been prepared by Tissue Therapies Ltd (the Company) to provide existing and prospective investors in Tissue Therapies Ltd with an update on the Company and its operations
- The information contained in the presentation is not intended to be an offer for subscription, invitation or recommendation with respect to shares in any jurisdiction.
- No representation or warranty, express or implied, is made in relation to the accuracy or completeness of the information contained in this document or opinions expressed in the course of this presentation. The information contained in this presentation is subject to change without notification.
- This presentation contains forward-looking statements which can be identified by the use of words such as "may", "should", "will", "expect", "anticipate", "believe", "estimate", "intend", "scheduled" or "continue" or similar expressions. Any forward-looking statements contained in this presentation are subject to significant risks, uncertainties, assumptions, contingencies and other factors (many of which are outside the control of, and unknown to, Tissue Therapies Ltd ("TIS") and its officers, employees, agents or associates), which may cause the actual results or performance to be materially different from any future result so performed, expressed or implied by such forward-looking statements.
- There can be no assurance or guarantee that actual outcomes will not differ materially from these statements.
- The photographs of clinical subjects used in this presentation are illustrative of medical conditions associated with potential applications of VitroGro®. Actual clinical results may vary from those shown.

References

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[11] Harding K. *et al*. Int. Wound J. Effectiveness of an acellular synthetic matrix in the treatment of hard-to-heal leg ulcers 2013, [Epub ahead of print].

3 How to Apply

3.1 Shareholder's choices

The number of New Shares to which Eligible Shareholders are entitled (their **Entitlement**) is shown on the accompanying Entitlement and Acceptance Form. Eligible Shareholders may:

(a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to Section 3.2);

(b) take up part of the Entitlement, in which case the balance of the Entitlement would lapse (refer to Section 3.3); or

(c) allow their Entitlement to lapse (refer to Section 3.4).

Ineligible Shareholders may not take up any of their Entitlements.

TIS reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is **5.00pm (AEDT) on 27 February 2015** (however, that date may be varied by TIS, in accordance with the Listing Rules and the Underwriting Agreement).

3.2 Taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

If you have applied to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with Section 3.6 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5.00pm (AEDT) on 27 February 2015 at the addresses set out below:

By hand delivery (not to be used if mailing)
Tissue Therapies Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

By post
Tissue Therapies Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

You may also take up all of your Entitlement and apply for Top-Up Shares by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5.00pm (AEDT) on 27 February 2015.

If you do not return the Entitlement and Acceptance Form, amounts received by TIS in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated

as an application to apply for as many additional New Shares as your Excess Amount will pay for in full.

If you apply for additional New Shares under the Top Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. There is no guarantee you will receive any New Shares under the Top Up Facility. The Directors reserve their right to allot and issue New Shares under the Top Up Facility at their discretion.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to https://investorcentre.linkmarketservices.com.au/Login.aspx/Login and following the instructions.

3.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up. You do not need to take any other action as the portion of your Entitlement that you do not take up will lapse.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and TIS receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

3.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

3.5 Consequences of not accepting your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise have been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by the Underwriters, or sub-underwriters, or under the Top Up Facility.

3.6 Payment

The consideration for the New Shares (including under the Top Up Facility) is payable in full on application by a payment of $0.21 per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Tissue Therapies Limited**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

3.7 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid

application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

(a) you are an Eligible Shareholder and are not otherwise a person to whom it would be illegal to make an offer or issue of New Shares under the Entitlement Offer; and

(b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand.

3.8 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

3.9 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand, and beneficial holders of Shares who are institutional or professional investors in other countries that TIS has approved as being a country in which investors are eligible to participate, as well as any other country to the extent TIS may determine it is lawful and practical to make the Entitlement Offer.

4 Risk factors

4.1 Introduction

An investment in TIS should be considered speculative. This section identifies the major risks associated with an investment in TIS.

4.2 Specific risks

Regulatory and reimbursement approvals

The research, development, manufacture, marketing and sale of products using TIS' technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas including but not limited to, the FDA and European Competent Authorities.

Therapeutic products developed using TIS' technology must undergo a comprehensive and highly regulated development and review process before receiving approval for marketing. The process includes the provision of data relating to the quality, safety and effectiveness of the products for their proposed use.

The ability to sell VitroGro® ECM in Europe is subject to regulatory approval as a Class III, Rule 13 medical device by the notified body, BSI. As part of the regulatory approval process, the EMA is required to undertake a review of the quality, safety and manufacturing data relating to the ancillary medicinal substance of the medical device. The EMA review is intended to be conducted within a 210-day review period, which does not include the time taken for TIS to respond to any questions issued by the EMA reviewers. This review period has been prolonged due to the EMA requesting the Company obtain further experimental data. The 180 day responses have been provided to BSI for submission to the EMA on 26 February 2015. It is possible that the EMA may issue a negative opinion in respect of its review. If so, BSI is bound by this opinion and will not issue the CE Mark.

The European regulatory approval process for medical devices is currently under review and there is the potential for new legislation to be implemented that affects the approval process, however TIS does not expect this to impact on the current review of VitroGro® ECM given TIS' application has already been submitted.

The ability to sell VitroGro® ECM in the USA is subject to regulatory approval from the FDA. This will involve the submission of an application for approval following the completion of the planned FDA diabetic ulcer human trial. This diabetic ulcer human trial will be conducted as a modification of the FDA venous ulcer human trial already agreed by the FDA. The FDA requires indication specific clinical trial data for approval for sale and therefore obtaining FDA approval for the sale of VitroGro® ECM for the treatment of venous ulcers will require a further FDA venous ulcer clinical trial.

Products may also be submitted for reimbursement approval. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions.

Furthermore, any of the products utilising TIS' technology may be shown to cause adverse events or to be non-affective, uneconomical to market, compete with superior products marketed by third parties or not be as attractive as alternative treatments.

The regulatory environment is subject to change as many Western countries pursue health sector cost reforms. TIS has conducted economic modelling and retained expert consultants to assist with regulatory approval and reimbursement processes.

Clinical trial risk

TIS may be unable to secure necessary approvals from regulatory agencies and institutional bodies (clinics and hospitals) to conduct future clinical trials. There is also no assurance that products developed using TIS' technology will prove to be completely safe and efficacious in clinical trials, or that the regulatory approval to manufacture and market its products will be received. Clinical trials might also potentially expose TIS to product liability claims in the event its products in development have unexpected effects on clinical subjects.

To the extent it is available on reasonable terms, TIS intends to maintain clinical trial insurance, however there is no guarantee such insurance will be held valid or be sufficient to cover any liability which may arise.

Clinical trials undertaken by TIS have many associated risks which may impact the Company's profitability and commercial potential. They may prove unsuccessful or non efficacious, impracticable or costly. The clinical trials could be terminated and this would likely have a significant adverse affect on the Company, the value of its securities and the future commercial development of VitroGro® ECM.

TIS has retained expert consultants to assist with the optimisation of its clinical trials.

Risk of delay

The Company may experience delay in achieving a number of critical milestones (including the completion of the EMA review and grant of CE Mark), securing further commercial partners, completion of clinical trials, obtaining regulatory approval (to commence sales) or reimbursement approvals (for sales growth), manufacturing, product launch and sales in one or more jurisdictions. Any material delays may impact adversely upon the Company, including the timing of any revenues under milestone or sales payments.

Commercialisation of products

TIS has not yet commercialised its technology and as yet has no material revenues. TIS has in place sales and distribution networks for announced European countries, subject to EMA approval.

Once sales start, the Company may also not meet sales target expectations.

Requirement to raise additional funds

The Company intends to raise additional funds by a further equity raising to international strategic investors later in 2015. This will have a dilutive effect on existing Shareholders, including those that participate in the Equity Raising.

The Company may also be required to raise further additional equity or debt capital in the future.

There is no assurance that the Company will be able to raise further capital when required or, even if available, the terms may be unsatisfactory. If TIS is unsuccessful in obtaining funds when they are required, TIS may need to delay or scale down its operations.

Commercial, manufacturing and distribution capability

TIS' ultimate success is dependent upon its ability, directly or through its partners, to manufacture its products on a commercial scale, with continuity of supply and in accordance with current Good Manufacturing Practices, prescribed by the regulatory authorities.

Delays and difficulties in the future manufacture of products for trials or commercial purposes or with packagers or distributors could delay market introduction and subsequent sales of TIS' products. More particularly, any contamination or other failure in the manufacture of the compounds that are supplied or subsequently manufactured could result in delay, increased costs, exposure to liability for breach of obligations as well as regulatory and statutory standards, loss of funding and / or regulatory approval.

Dependence on commercial partners

TIS has entered into a number of commercial partnering agreements to launch the marketing and sales of its lead products. Satisfactory performance of these agreements will be critical to TIS' ability to derive revenue and the timing of those revenues.

There is no guarantee that TIS will be able to find suitable industry partners or that it can negotiate attractive commercial terms for future medical indications or in all jurisdictions.

The success of TIS' partnering arrangements may depend on the resources devoted to them by itself or its industry partners. Collaborative agreements may be terminable by TIS' partners. Non-performance, suspension or termination of relevant agreements is likely to have a material and adverse impact on TIS' business, financial condition and results of operations.

Retention of key personnel and contract researchers

Because of the specialised nature of TIS' business, TIS is highly dependent upon qualified, scientific, technical and managerial personnel.

The loss of the services of existing personnel, as well as the failure to recruit additional key scientific, technical, managerial and other personnel in a timely manner could harm TIS' R&D programs and its business.

Intellectual property

While TIS has an exclusive licence to commercialise the licensed patents from the Queensland University of Technology (**QUT**), it does not own the licensed patents until the preconditions for the intellectual property assignment have been satisfied. TIS' right to use the licensed patents to carry out its business activities may be terminated if TIS breaches the terms of the licence agreement prior to the intellectual property assignment.

Australian Red Cross Blood Services has a non-exclusive licence from QUT to use certain products (which incorporate some of the original patented technology) to assist in the treatment of burns patients. This licence is for non-commercial purposes and does not impinge upon TIS' current objectives in relation to diabetic and venous ulcer wound care.

TIS' success will depend in part on the ability to obtain commercially valuable patent claims and to protect its intellectual property. Accordingly, TIS and its research partners face the following risks and uncertainties with respect to the licensed patents and any other patents subsequently licensed or issued to TIS:

- the licensed patents may not result in issued patents or may take longer than expected for patents to issue;
- the claims of any patents that are issued from the licensed patents may not provide meaningful protection;
- TIS and its research partners may not be able to develop additional proprietary technologies that are patentable;
- the licensed patents and any other patents subsequently licensed or issued to TIS or its industry partners may not provide a competitive advantage;
- other companies may challenge the licensed patents and any other patents subsequently licensed or issued to TIS or its industry partners;
- other companies may independently develop similar or alternative technologies, to those of TIS or duplicate TIS' technology;
- other companies may design around technologies TIS has licensed or developed; or
- if letters patent do not issue in respect of a licensed patent, then the value of TIS' intellectual property rights may be significantly diminished. Further, any information

contained in the licensed patents will become part of the public domain, so that it will not be protected as confidential information.

As legal regulations and standards relating to the validity and scope of patents continue to evolve, the degree of future protection for TIS' proprietary rights is uncertain.

TIS may incur substantial costs in asserting any patent or intellectual property rights and in defending legal action against it relating to intellectual property rights. Such disputes could substantially delay TIS' product development or commercialisation activities.

QUT has agreed to assign the intellectual property to TIS pursuant to a deed of assignment of intellectual property rights for $100,000 subject to achievement of only two remaining milestones, being certain preconditions regarding its level of cash reserves and the Company's Share price. There is no guarantee of the preconditions being met in the short-term, or at all. In addition to the licensed patents, TIS depends upon trade secrets and proprietary know-how to protect its proprietary technology. Any agreements between TIS and its employees and consultants may not provide adequate protection for TIS' trade secrets, know-how, or other proprietary information in the event of any unauthorised use or disclosure.

TIS has registered 'VitroGro' as a trade mark in Australia and other jurisdictions in respect of its products. As trade mark registration is on a national basis, registration of 'VitroGro' as a trade mark in the jurisdictions in which it is registered will not give TIS exclusive rights in those marks outside of those jurisdictions.

TIS may from time to time need to acquire or licence intellectual property from third parties to develop and commercialise its own suite of intellectual property and products. There is no guarantee such acquisition or licence can be obtained or, if obtained, that it will be on reasonable commercial terms.

Competition

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. TIS' products may compete with existing alternative treatments that are already available to customers. In addition, a number of companies, both in Australia and abroad, may be pursuing the development of products that target the same conditions that TIS is targeting. Some of these companies may have, or develop, technologies superior to TIS' own technology. TIS may face competition from parties who have substantially greater resources than TIS.

Litigation

There is a risk that the Company may in future be the subject of or required to commence litigation. There is, however, no litigation currently underway or threatened.

4.3 General market risks

Share market investments

The price of Shares might rise or fall and Shares might trade at prices below the Issue Price. There can be no assurance that an active trading market will always exist for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include economic conditions and investor sentiment. These risks apply generally to any investment in the stock market.

General economic conditions

TIS' operating and financial performance is influenced by a variety of general economic and business conditions, both domestic and global, including the level of inflation, commodity prices, interest rates and government fiscal, monetary and regulatory policies.

Taxation risks

A change to the current taxation regime in Australia or overseas may affect TIS and its Shareholders. Personal tax liabilities are the responsibility of each individual investor. TIS is not responsible for either taxation or penalties incurred by investors.

5 Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Information Booklet.

AEDT means Australian Eastern Daylight Savings Time.

Applicant means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or arranging for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

Board means the board of Directors of TIS.

BSI means the British Standards Institution.

Business Day has the same meaning as in the Listing Rules.

Closing Date means 27 February 2015, the day the Entitlement Offer closes.

Company or TIS means Tissue Therapies Limited ACN 101 955 088.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder on the Record Date who:

(a) has a registered address in Australia or New Zealand or is a Shareholder that TIS has otherwise determined is eligible to participate; and

(b) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

EMA means the European Medicines Agency.

Entitlement means the right to subscribe for New Shares pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Information Booklet.

Entitlement Offer means a pro rata non-renounceable offer to Shareholders to subscribe for New Shares on the basis of 1 New Share for every 15 Existing Shares of which the Shareholder is the registered holder on the Record Date at the Issue Price.

Equity Raising means the Entitlement Offer and the Placement.

Existing Shares means the Shares already on issue in the Company as at the Record Date.

FDA means the US Food and Drug Administration.

Ineligible Shareholder means a Shareholder (or beneficial holder of Shares) on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that TIS and the Underwriters agree to whom ASX Listing Rule 7.7.1(a) applies.

Information Booklet means this document.

Investor Presentation means the presentation to investors, incorporated in Section 2 of this Information Booklet.

Issue Price means $0.21 per New Share.

Listing Rules means the official listing rules of ASX.

New Shares means Shares to be allotted and issued under the Entitlement Offer.

Offer Costs means direct costs of the Entitlement Offer including fees paid to the Underwriters, advisers and to providers of specific services to cover Share Registry, printing and postage costs.

Placement means the offer of New Shares to institutional investors announced on 4 February 2015 and to complete on 12 February 2015.

Record Date means 7.00pm (AEDT) on 10 February 2015.

Shareholders means holders of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

Share Registry means Link Market Services Limited ACN 083 214 537.

Shortfall Shares means those New Shares not taken up by Eligible Shareholders under the Entitlement Offer.

Top Up Facility means the facility described in Sections 1.1 and 3.2 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.

Top Up Shares means extra Shares a Shareholder may apply for in excess of their Entitlement.

Underwriters means Morgans Corporate Limited ACN 010 539 607 and Baillieu Holst Ltd ACN 006 519 393.

Underwriting Agreement means the underwriting agreement dated 4 February 2015 between the Company and the Underwriters.

US Securities Act means the US Securities Act of 1933, as amended.

6 Corporate information

COMPANY

Tissue Therapies Limited
ACN 101 955 088
www.tissuetherapies.com

REGISTERED OFFICE

Level 19, 179 Turbot Street
Brisbane QLD 4000
Tel (07) 3334 3900
Fax (07) 3334 3999

DIRECTORS

Roger Clarke (Chairman)
Steven Mercer (Managing Director)
Cherrell Hirst (non-executive Director)
Mel Bridges (non-executive Director)
Iain Ross (non-executive Director)
Timothy Hughes (non-executive Director)

COMPANY SECRETARY

Drummond McKenzie

SHARE REGISTRY

Link Market Services Limited
ABN 54 083 214 537
Level 15, 324 Queen Street
Brisbane QLD 4000
Tel 1300 554 474
www.linkmarketservices.com.au

JOINT LEAD MANAGERS AND UNDERWRITERS TO THE OFFER

Morgans Corporate Limited
ACN 010 539 607
Level 29 Riverside Centre
123 Eagle Street
Brisbane QLD 4000
www.morgans.com.au

Baillieu Holst Ltd
ACN 006 519 393
Level 26, 360 Collins Street
Melbourne VIC 8007
www.baillieuholst.com.au

AUDITOR

PKF Hacketts Audit
Level 6, 10 Eagle Street
Brisbane QLD 4000
www.pkf.com.au

LEGAL ADVISER TO THE OFFER

McCullough Robertson Lawyers
Level 11 Central Plaza Two
66 Eagle Street
Brisbane QLD 4000
www.mccullough.com.au

TISSUE THERAPIES

ABN 45 101 955 088

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: +61 1300 554 474
ASX Code: TIS
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as at the Record Date, 7:00pm (AEDT) on 10 February 2015:

Entitlement to New Shares (on a 1 New Share for 15 basis):

Amount payable on full acceptance at A$0.21 per Share:

Offer Closes 5:00pm (Sydney time): 27 February 2015

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 15 Existing Shares that you hold on the Record Date, at an Offer Price of A$0.21 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Information Booklet dated 4 February 2015. The Information Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Information Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Information Booklet.

The Information Booklet and Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia and New Zealand or to any person to whom it would not be lawful to issue the Information Booklet. By applying for New Shares under this Entitlement and Acceptance Form or by accepting this offer, you represent and warrant that applying for New Shares does not breach any law in any relevant overseas jurisdiction.

If you do not have a paper copy of the Information Booklet, you can obtain a paper copy at no charge, by calling the Tissue Therapies Limited Offer Information Line on 1800 063 366 (within Australia) or +61 1800 063 366 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (Sydney time) on 27 February 2015. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (Sydney time) on 27 February 2015.

BPAY

Biller Code: 574582

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment

TISSUE THERAPIES
ABN 45 101 955 088

SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

+

B Number of additional New Shares

=

C Total number of New Shares accepted (add Boxes A and B)

D **PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS –** Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to **"Tissue Therapies Limited "** and crossed "Not Negotiable".

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A$

E **CONTACT DETAILS –** Telephone Number

( )

Telephone Number – After Hours

( )

Contact Name

TISSUE THERAPIES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Information Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Information Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Tissue Therapies Limited .

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A$0.21.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Tissue Therapies Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Tissue Therapies Limited " and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Tissue Therapies Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Information Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address
Tissue Therapies Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery
Tissue Therapies Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 ***(Please do not use this address for mailing purposes)***

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on 27 February 2015. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Tissue Therapies Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Tissue Therapies Limited Offer Information Line on 1800 063 366 (within Australia) or +61 1800 063 366 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.