ASX RELEASE
4 March 2015

Tissue Therapies $3.7 Million Entitlement Offer Fully Subscribed, Further $0.57 Million Placement Completed

- ***$3.7 Million Entitlement Offer Completed***
- ***Top-Up Facility Scaled-Back Because of Excess Shareholder Demand***
- ***Further $0.57 Million Placement, Combined with $4.0 Million Placement in February 2015 Brings Total Capital Raise to $8.3 Million***

On 4 February 2015, Tissue Therapies Limited (**Tissue, ASX: TIS**) announced a 1 for 15, fully underwritten, non-renounceable Entitlement Offer for ordinary shares in Tissue (**New Shares**) at an offer price of $0.21 (**Entitlement Offer**) raising the maximum $3.7 million, following on from its successful placement at the same price per share raising $4.0 million.

Tissue today announces that the Entitlement Offer was fully subscribed with demand being greater than the 17,557,218 shares available under the Entitlement Offer. The Company has today completed a $0.57 million Placement (2,719,749 shares at $0.21 per share) to an existing institutional investor to partially satisfy the strong demand and reduce the amount of scale-back required for the Entitlement Offer Top-Up Facility and to two long term off-shore investors who were unable to participate in the recent Entitlement Offer.

Given the excess demand for New Shares under the Entitlement offer, a scale-back of requests for additional shares under the Top-Up Facility will be implemented. Investors are advised that they may not receive the full amount of additional shares applied for under the Top-Up Facility.

The allotment of New Shares under the Entitlement Offer is scheduled to take place on 6 March 2015 and ASX trading of the New Shares is expected to commence on 10 March 2015. Holding statements are expected to be despatched to shareholders on 10 March 2015, which will confirm the number of shares allotted to each applicant.

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

For more information please contact:

Shareholders can contact Tissue's share registry on 1800 063 366 (within Australia) or +61 1800 063 366 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday.

What is VitroGro® ECM

- VitroGro® ECM is a topically applied, biomimetic scaffold, comprising a synthetic extracellular matrix (ECM) protein.
- How it works: VitroGro® ECM replaces the degraded matrix of a hard to heal wound. VitroGro® ECM binds to a prepared wound bed and provides a physical structure (a scaffold) for cell attachment, which is a primary requirement for subsequent cell functions critical for healing, such as cell proliferation and migration [1].
- An optimal scaffold: One of the characteristics of hard to heal wounds is prolonged inflammation, which damages the native ECM that would normally guide the wound healing process [1,2,3,4]. Replacement of this damaged ECM is a beneficial strategy for treating hard to heal wounds [1]. VitroGro® ECM is ideal as an ECM replacement since its structural and functional elements mimic those present in the ECM at the early stages of normal wound healing.
- Expert health economics modelling indicates that VitroGro® ECM offers the opportunity for substantially more cost effective treatment of wounds compared to the current standard of care.

[1] Widgerow AD . Deconstructing the stalled wound. Wounds 2012

[2] Schultz GS. Extracellular Matrix: review of its roles in acute and chronic wounds. World Wide Wounds. 2005

[3] Moor AN. et al. Proteolytic activity in wound fluids and tissues derived from chronic venous leg ulcers. Wound Rep Reg. 2009

[4] International consensus, Acellular matrices for treatment of wounds. Wounds Int. 2010

About Tissue Therapies Limited

Tissue Therapies Limited is a biomedical technology company that is developing significantly more effective treatments for acute and chronic wound healing applications, including chronic skin ulcers and burns.

Tissue Therapies Limited is commercialising VitroGro® ECM, a technology created by cell biology, tissue engineering and protein engineering experts at the Institute of Health and Biomedical Innovation at the Queensland University of Technology. The company is also developing treatments for psoriasis, scar prevention and various cancers including those of the breast, colon and prostate. Tissue Therapies Limited's shares are traded on the Australian, Berlin and Frankfurt stock exchanges.

More information: www.tissuetherapies.com