

ASX ANNOUNCEMENT

Medical Therapies raises \$823,500 in private placement

27 June 2007 Sydney, Australia: Medical Therapies Limited (ASX: MTY), announced today that it has raised \$823,500 in a private placement of ordinary shares to professional investors. The private placement was completed at 11.5 cents per share.

The funds raised, together with existing capital reserves, will provide working capital to progress Medical Therapies' product development plan. In addition, it will enable the Company to continue its active acquisition program to boost its business with a late stage complimentary technology.

"Medical Therapies is entering a very exciting period of growth and development. We are delighted to have the support of both our existing and new shareholders on the path to realising the full value of our Company's potential" said Maria Halasz, CEO of Medical Therapies.

About Medical Therapies Limited (ASX: MTY):

Medical Therapies Limited is an Australian pharmaceutical development company committed to the commercialisation of its drug candidates for anti-inflammatory conditions including cholecystitis, some inflammatory bowel diseases, proctitis and a range of other acute inflammatory conditions. The Company's core patent-protected technologies originate from The University of Sydney and include a number of metal complexes of anti-inflammatory drugs showing increased safety and reduced toxicity in pre-clinical trials.

For further information visit www.medicaltherapies.com.au or contact:

Maria Halasz
CEO
T +61 2 9889 1222
M +61 416 008 413

Investment in biotechnology companies

There are a number of inherent risks associated with the research, development and commercialisation of pharmaceutical products. Investment in companies specialising in these activities carry specific risks which are different to those associated with trading and manufacturing businesses. As such, these companies should be regarded as highly speculative. Medical Therapies recommends that investors seek professional advice before making an investment in its shares.

Forward-looking statement

This Announcement may contain forward looking statements regarding the Company's business and commercialisation objectives. These statements should be viewed as "at risk" and they are subject to the technical and commercial risks associated with companies engaged in developing pharmaceutical products. Although Medical Therapies may not publish changes to forward looking statements it will release all material information to the market in a timely manner.