

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Tissue Therapies Limited

ABN

ABN 45 101 955 088

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>30,225,181 fully paid ordinary shares, comprising:</p> <ul style="list-style-type: none">• 18,725,181 shares issued on a 1:8 basis under the Company's Non-renounceable Rights Issue Prospectus (Rights Issue); and• 11,500,000 shares placed to sophisticated and professional investors by the Company (Placement). |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares issued at \$0.50 under the Rights Issue and the Placement and ranking equally with all other fully paid ordinary shares. |

+ See chapter 19 for defined terms.

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4	Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Ordinary shares rank equally in all respects.	
5	Issue price or consideration	\$0.50 per ordinary share under the Rights Issue and the Placement.	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Further working capital to support the larger scale manufacturing of VitroGro®, the regulatory and reimbursement approval process and the acceleration of pipeline technology product development, and operating expenditure.	
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	26 May 2011.	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		168,526,628	Ordinary fully paid shares.

⁺ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	2,455,000 options (total) constituted by: 1,250,000 options 50,000 options 40,000 25,000 25,000 140,000 options 175,000 750,000 Exercisable at 26c each before 31 March 2012. Exercisable at 64c each before 19 November 2011. Exercisable at 64c each before 15 July 2012. Exercisable at 15c each before 15 July 2012. Exercisable at 15c each before 13 January 2013. Exercisable at 64c each on the achievement by the CEO of specified milestones for a period of 2 years from the date of the achievement of each milestone. Exercisable at 15c each on the achievement by the CEO of specified milestones for a period of 2 years from the date of the achievement of each milestone. Exercisable at 26c each on the 31 October 2012.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same as policy on all existing quoted ordinary shares.

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the ⁺ securities will be offered	1:8 – one (1) new shares will be issued for every eight (8) existing shares held.
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary shares.
15	⁺ Record date to determine entitlements	28 April 2011.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole share.
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Only eligible Shareholders with a registered address in Australia and New Zealand will be sent issue documents. Other Shareholders will not receive an entitlement.
19	Closing date for receipt of acceptances or renunciations	5.00pm (AEST) 19 May 2011.

⁺ See chapter 19 for defined terms.

20	Names of any underwriters	RBS Morgans Corporate Limited.
21	Amount of any underwriting fee or commission	5% comprising of total proceeds of the Rights Issue, comprising: • 4% Underwriting Commission; • 1% Management Commission.
22	Names of any brokers to the issue	Refer to item 20.
23	Fee or commission payable to the broker to the issue	Nil.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	The Underwriter will pay a handling fee to ASX participating organisations of 1.5% on the value of all stamped Entitlement and Acceptance Forms, capped at \$300 per Acceptance.
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	29 April 2011.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Nil.
28	Date rights trading will begin (if applicable)	N/A (non-renounceable).
29	Date rights trading will end (if applicable)	N/A (non-renounceable).
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A (non-renounceable).

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|----|---|-------------------------|
| 31 | How do ⁺ security holders sell part of their entitlements through a broker and accept for the balance? | N/A (non-renounceable). |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | N/A (non-renounceable) |
| 33 | ⁺ Despatch date | 26 May 2011. |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number</th> <th style="width: 50%; text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td style="height: 100px;"></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 15 April 2011.
(Managing Director)

Print name: Steven Mercer

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