Corporate Headquarters
Tissue Therapies Limited, ABN 45 101 955 088
GPO Box 1596, Brisbane QLD 4001, Australia
Level 19, 179 Turbot Street, Brisbane, QLD 4000
Australia.

Tel: +61 7 3334 3900, Fax: +61 7 3334 3999

European Operations
Tissue Therapies Europe Limited
Unit F34, Daresbury Innovation Centre,
Keckwick Lane, Daresbury, Cheshire, WA4 4FS,
United Kingdom.

Tel: +44 75 4007 2628

Tissue Therapies Limited

Meeting Documentation

2012 Annual General Meeting

To be held at the offices of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Monday 12 November 2012 at 10.30 a.m (Brisbane time).

Chairman's Letter

Tissue Therapies Limited, ABN 45 101 955 088
Level 19, 179 Turbot Street, Brisbane, QLD 4000 Australia.

Dear Shareholder

I am pleased to invite you to the Annual General Meeting of Tissue Therapies Limited (Company), which will be held at the offices of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Monday 12 November 2012 at 10.30 a.m (Brisbane time).

At the meeting, our CEO and Managing Director Dr Steven Mercer and I will take the opportunity to update shareholders on progress and outlook. I also encourage you to read the 2012 Annual Report for further information in relation to the Company's financial position and performance. The Company's recent key achievements and milestones, as announced to the ASX, include:

1. The manufacturing of VitroGro® ECM has been completed with inventory ready for sale currently stored at the main logistics hub in Holland and a smaller back-up facility in Belgium;

2. The sales and distribution network combining Tissue Therapies, Movianto (logistics & distribution) and Quintiles (sales staff) has been implemented and tested. This network involves many processes and people and is a key milestone in being able to get product to customers effectively. A comprehensive sales target list has been established for both the UK and Germany and all VitroGro related marketing and education materials have been finalized; and

3. Early conservative health economic data comparing VitroGro® ECM with standard of care indicates that the use of VitroGro® ECM will reduce the cost of treating venous leg ulcers by 15% in the United Kingdom. Similar savings are expected German health economic modeling. The demonstrated value is critical for early reimbursement activities.

If you are unable to attend the meeting, I would encourage you to participate by completing and returning the enclosed proxy form.

I look forward to seeing you at this year's AGM.

Yours sincerely

Roger Clarke
Chairman

Notice is given that the Annual General Meeting of Tissue Therapies Limited (**Company**) will be held at the offices of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Monday 12 November 2012 at 10.30 a.m (Brisbane time).

Ordinary Business

Financial Statements and Reports

To receive and consider the Company's financial statements and the reports of the directors and the auditor for the financial year ended 30 June 2012.

Resolutions

1. **Directors' Remuneration Report**

   To consider and, if thought fit, to pass the following resolution in accordance with section 250R(2) of the Corporations Act:

   'That the Remuneration Report be adopted.'

   NB: This resolution shall be determined under section 250R(2) of the Corporations Act. Votes must not be cast on this resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

   The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

2. **Re-election of Mel Bridges**

   To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

   'That Mel Bridges, who retires in accordance with Rule 16.1 of the Company's Constitution, and being eligible, and having offered himself for re-election, be re-elected as a Director of the Company.'

   NB: Information about Mel Bridges appears in the Explanatory Memorandum accompanying this Notice of Meeting.

   The Directors (with Mr Mel Bridges abstaining) recommend that you vote in favour of this resolution.

3. **Re-election of Cherrell Hirst**

   To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

   'That Cherrell Hirst, who retires in accordance with Rule 16.1 of the Company's Constitution, and being eligible, and having offered herself for re-election, be re-elected as a Director of the Company.'

   NB: Information about Cherrell Hirst appears in the Explanatory Memorandum accompanying this Notice of Meeting.

   The Directors (with Dr Cherrell Hirst abstaining) recommend that you vote in favour of this resolution.

4. Re-election of Iain Ross

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'*That Iain Ross, who was appointed to fill a casual vacancy and retires in accordance with Listing Rule 14.4 and Rule 13.2 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.'*

NB: Information about Iain Ross appears in the Explanatory Memorandum accompanying this Notice of Meeting.

The Directors (with Mr Iain Ross abstaining) recommend that you vote in favour of this resolution.

Special Business

5. Ratification and Approval of Previous Allotment and Issue of Shares under a Placement

To consider and, if thought fit, to pass the following ordinary resolution:

'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of ***3,000,000*** *shares at an issue price of $0.37 per share, issued under a placement to a sophisticated investor as detailed in the Explanatory Memorandum attached to this Notice of Meeting.'*

The Directors recommend that you vote in favour of this resolution.

6. Ratification and Approval of Previous Allotment and Issue of Shares for Consultancy Services

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of ***115,712*** *ordinary shares at an issue price of $0.52 per share and* ***127,160*** *ordinary shares at an issue price of $0.41 per share to Mr Geoff Morris in part payment of consultancy services provided to Tissue Therapies pursuant to a Consultancy Agreement, the terms of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting.'*

The Directors recommend that you vote in favour of this resolution.

7. Ratification and Approval of Previous Allotment and Issue of Shares for Consulting Services

To consider and, if thought fit, to pass the following ordinary resolution:

That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of ***14,898*** *ordinary shares at an issue price of $0.49 per share to Ms Patsy Trisler in part payment of consultancy services provided to Tissue Therapies pursuant to a Consultancy Agreement, the terms of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting.'*

The Directors recommend that you vote in favour of this resolution.

8. Ratification and Approval of Previous Allotment and Issue of Shares Following the Exercise of Options Issued Under the Existing Equity Option Plan

To consider and, if thought fit, to pass the following ordinary resolution:

*That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of **360,000** ordinary shares at an issue price of $0.26 per share and **25,000** ordinary shares at an issue price of $0.15 per share to employees of Tissue Therapies Limited and Queensland University of Technology (QUT) who exercised options issued under the existing Equity Option Plan the terms of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting.'*

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

9. Approval of New Equity Option Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purpose of Listing Rule 7.2, exception 9(b) and for all other purposes, the Company approve the issue of securities under the Equity Option Plan of the Company, the terms and conditions of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting.'

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

10. Approval of additional capacity to issue shares under Listing Rule 7.1A

To consider and, if in favour, to pass the following as a special resolution:

'For the purposes of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the Company having the additional capacity to issue equity securities under Listing Rule 7.1A, on the terms and conditions set out in the Explanatory Memorandum.'

The Directors recommend that you vote in favour of this resolution.

Dated 5th October 2012
By order of the board

Drummond McKenzie
Company secretary

Tissue Therapies Limited, ABN 45 101 955 088
Level 19, 179 Turbot Street, Brisbane, QLD 4000 Australia.

Corporations Act

Resolution 1 - The Company will disregard votes cast by a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member, in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.
Resolution 8 – The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.
Resolution 9 – The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Listing Rules

In accordance with the Listing Rule 14.11, the Company will disregard votes cast:

Resolution 5 – Ratification and Approval of Previous Allotment and Issue of Shares under Placement	By any person and associates of any person who participated in the placement the subject of resolution 5.
Resolution 6 – Ratification and Approval of Previous Allotment and Issue of Shares for Consultancy Services	Mr Geoff Morris and his associates.
Resolution 7 – Ratification and Approval of Previous Allotment and Issue of Shares for Consultancy Services	Ms Patsy Trisler and her associates.
Resolution 8 – Ratification and Approval of Previous Allotment and Issue of Shares Following the Exercise of Options issued Under the Existing Equity Option Plan	Participating employees of Tissue Therapies Limited and QUT and their associates
Resolution 9 – Approval of New Equity Option Plan	Mr Roger Clarke, Mr Steven Mercer, Mr Mel Bridges, Dr Cherrell Hirst, Mr Iain Ross and their associates
Resolution 10 – Approval of additional capacity to issue shares under listing Rule 7.1A	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or an associate of such person. NB. In accordance with Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

However, Tissue Therapies need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Notes

(a) Subject to the Corporations Act, including sections 250R and 250BD: A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
(b) The proxy need not be a member of the Company. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
(c) If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form.
(d) A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
(e) The Company has determined in accordance with Regulation 7.11.37 Corporations Regulations that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Company's register of members as at 10:30 am (Brisbane time) on Saturday 10 November 2012.
(f) If you have any queries on how to cast your votes then call (07) 3334 3900 during business hours.

Voting Entitlement And Admission To Meeting

For the purpose of determining entitlement to attend and vote and voting rights at the Annual General Meeting, Shares shall be taken to be held by persons who are registered as Shareholders as at 10:30am (Brisbane Time) on Saturday 10 November 2012. Transactions registered after that time will be disregarded in determining entitlements to attend and vote.

Voting by Proxy

If you are a Shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Annual General Meeting.

A proxy need not be a Shareholder of the Company. A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

To be effective, the proxy must be received at the share registry of the Company no later than 10.30am (Brisbane time) on Saturday 10th November 2012 (48 hours before the commencement of the meeting). Proxies must be received before that time by one of the following methods:

By post:	Link Market Services Limited Locked Bag A14 SYDNEY SOUTH NSW 1235
By facsimile:	In Australia (02) 9287 0309 From outside Australia +61 2 9287 0309

By delivery: Link Market Services Limited
Level 15, 324 Queen Street
BRISBANE QLD 4000

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Voting By Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.30am (Brisbane time) on Saturday 10th November 2012.

Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Annual General Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Annual General Meeting a properly executed letter or other document confirming its authority to act as the company's representative.

Ordinary Business

Financial Statements and Reports

The Corporations Act requires that the report of the Directors, the Auditor's report and the financial report be laid before the Annual General Meeting. In addition, the Company's Constitution provides for such reports to be received and considered at the meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the Annual General Meeting on such reports or statements. However, Shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

In addition to asking questions at the meeting, Shareholders may address written questions to the Chairman about the management of the Company, or to the Company's Auditor which are relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial statements to be considered at the meeting.

Any written questions must be submitted to the Company Secretary before 29th October 2012 by email to info@tissuetherapies.com, fax to (07) 3334 3999 or by mail to GPO Box 1596, Brisbane, Queensland 4001.

Resolutions

1. Remuneration Report

The Corporations Act requires that the Remuneration Report be put to Shareholders for adoption by way of a non-binding vote. Under the current legislation, this vote is advisory and does not bind the Directors or the Company in relation to the remuneration policy.

The Remuneration Report is contained in the Annual Report.

Following consideration of the Remuneration Report, the Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments upon, the Remuneration Report.

Directors' recommendation

As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, make no recommendation regarding this resolution.

2. Re-election of Mel Bridges

Rule 16.1 of the Company's Constitution provides for the retirement of one third of the Directors from office at each Annual General Meeting and is consistent with the requirements of Listing Rule 14.4.

In accordance with the Constitution, Mel Bridges retires as Director and offers himself for election as a new Director at this Annual General Meeting.

Set out below is a brief bio for Mel Bridges

Mel Bridges

Mel Bridges is a non-executive Director of the Company. He holds a Bachelor of Science (Chemistry), a Honorary Doctorate from the Queensland University of Technology and is a Fellow of the Australian Institute of Company Directors.

Mel has extensive experience as a CEO and Company Director in Healthcare, Agricultural Technology, Drug Development, Pathology, Diagnostics and Medical Devices. Related experience in Retail. Has successfully raised in excess of $300M investment capital in the healthcare/biotech sector and been directly involved in over $1B in M&A and related transactions.

Mel is Chairman of Alchemia Limited, Genetic Technologies Limited and Leaf Energy Limited (formerly AquaCarotene Limited), and a Director of Benitec Biopharma Limited, Campbell Brothers Limited and ImpediMed Limited.

Directors' recommendation
The Directors (with Mr Mel Bridges abstaining) recommend you vote in favour of this resolution**.**

3. Re-election of Cherrell Hirst
Rule 16.1 of the Company's Constitution provides for the retirement of one third of the Directors from office at each Annual General Meeting and is consistent with the requirements of Listing Rule 14.4.

In accordance with the constitution, Cherrell Hirst retires as Director and offers herself for election as a new Director at this Annual General Meeting.

Set out below is a brief bio for Cherrell Hirst.

Cherrell Hirst

Cherrell Hirst is a non- executive Director of the Company. Cherrell holds a Bachelor of Medicine, a Bachelor of Surgery, a Bachelor of Education, Honorary Doctorates from Queensland University of Technology, Griffith University and Southern Cross University and is a Fellow of the Australian Institute of Company Directors.

Cherrell has had a distinguished clinical career in the screening and diagnosis of breast cancer and extensive and respected achievements as Director and Chair of multiple commercial, government and not-for-profit organisations

Cherrell is Deputy Chair and CEO (part time) of QIC and a Director of Medibank Private Limited, Avant Mutual Group, Avant Insurance Limited, ImpediMed Limited and Xenome Limited

Directors' recommendation
The Directors (with Dr Cherrell Hirst abstaining) recommend that you vote in favour of this resolution.

4. Re-election of Iain Ross
Rule 13.2 of the Company's Constitution, and in accordance with Listing Rule 14.4, provides that any Director appointed to fill a casual vacancy may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting (but is not to be taken into account in determining the number of Directors who are to retire by rotation at the meeting) which is consistent with the requirements of the Listing Rules.

In accordance with the constitution, Iain Ross retires as Director and offers himself for election as a new director at this Annual General Meeting.

Set out below is a brief bio for Iain Ross.

Iain Ross

Iain Ross is a non- executive Director of the Company. Iain holds a Bachelor of Science (Hons) Biochemistry and is a Chartered Director. Iain is Chairman of Ark Therapeutics Plc (LSE), Biomer Technology Limited, and Pharminox Limited, Director of Benitec Biopharma Limited

Directors' recommendation

The Directors (with Mr Iain Ross abstaining) recommend that you vote in favour of this resolution

Special Business

5. Ratification and Approval of Previous Allotment and Issue of Shares under Placement

The purpose of resolution 5 is for Shareholders to approve, pursuant to Listing Rule 7.4, those securities issued pursuant to the institutional placement which occurred on 29th August 2012 which will otherwise count toward the 15% limit under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

The allotment and issue of securities detailed in resolution 5 will not have exceeded the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 4 proposes the approval of the previous allotment and issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

The information required to be provided to Shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

Date of issue	29th August 2012
Number of Shares issued	3,000,000 ordinary shares
Issue price and terms of issue	• The issue price was \$0. 37 • The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and are quoted on ASX.
Persons to whom Shares were issued	Aslog Holding Limited
Intended use of funds:	Further working capital to support the commercialisation of VitroGro®, the regulatory and reimbursement approval process, and operating expenditure

Directors' recommendation

The Directors recommend that you vote in favour of this resolution.

6. Ratification and Approval of Previous Allotment and Issue of Shares for Consultancy Services

The purpose of resolution 6 is for Shareholders to approve, pursuant to Listing Rule 7.4, those securities issued pursuant on 2nd December, 2011 and 20th April, 2012 pursuant to a consulting agreement which will otherwise count toward the 15% limit under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

The allotment and issue of securities detailed in resolution 6 will not have exceeded the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 6 proposes the approval of the previous allotment and issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

The information required to be provided to Shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

Dates of issue	2nd December 2011 and 20th April 2012
Number of Shares issued	242,872 ordinary shares
Issue price and terms of issue	• The issue prices were: ○ 115,712 ordinary shares at $0. 52 (2nd December 2011) ○ 127,160 ordinary shares at $0.41 (20th April 2012) • The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and are quoted on ASX.
Persons to whom Shares were issued	Mr Geoff Morris
Intended use of funds:	Securities issued, for the period to from 1st April 2011 to 31 March 2012, under a consultancy agreement under which the consultant, Mr Geoff Morris, provides consultancy services to Tissue Therapies which which relate to the commercialisation of VitroGro®

Directors' recommendation

The Directors recommend that you vote in favour of this resolution.

7. Ratification and Approval of Previous Allotment and Issue of Shares for Consultancy Services

The purpose of resolution 7 is for Shareholders to approve, pursuant to Listing Rule 7.4, those securities issued pursuant on 20th June, 2012 pursuant to a consulting agreement which will otherwise count toward the 15% limit under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

The allotment and issue of securities detailed in resolution 7 will not have exceeded the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 7 proposes the approval of the previous allotment and issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

The information required to be provided to Shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

Date of issue	20th June 2012
Number of Shares issued	14,898 ordinary shares
Issue price and terms of issue	• The issue price was $0. 49 • The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and are quoted on ASX.
Persons to whom Shares were issued	Ms Patsy Trisler
Intended use of funds:	Securities issued, for the period to from 1st July 2011 to 31st December 2011, under a consultancy agreement under which the consultant, Ms Patsy Trisler, provides consultancy services to Tissue Therapies relating to regulatory requirements for FDA approval for VitroGro®

Directors' recommendation

The Directors recommend that you vote in favour of this resolution.

8. Ratification and Approval of Previous Allotment and Issue of Shares Following the Exercise of Options Issued Under the Existing Equity Option Plan (EOP)

Resolution 8 gives members an opportunity to endorse the use of options, and ratify the resultant issues of shares on conversion, as a means of the company incentivising eligible parties. In effect, Resolution 8 relates to historical operation of the options program. . The Company sees use of such options programs as an important mechanism to maximise its cash resources towards commercialisation of its lead product, VitroGro®.

As the options were issued over 12 months ago, the ability to issue securities under Listing Rule 7.1 has already been replenished in respect of the relevant options. The Board see it as good corporate governance, however, to put the issue of shares as a consequence of the conversion of options to shareholders to assess the support of members for issues of this kind. The resolution will not however affect the capacity to issue securities under Listing Rule 7.1.

Furthermore, the Company also considers that Listing Rule 7.2 exception 4 (relating to the conversion of securities which were issued in accordance with the Listing Rules) applies to the allotment and issue of shares upon conversion because the original issue of options was issued in accordance with the Listing Rules and was under the 15% limit in Listing Rule 7.1. This rule will apply regardless of the outcome of this resolution. Nevertheless, the Company has chosen to put the resolution to shareholders in the form of a resolution under Listing Rule 7.4 which is the usual format for shareholders to 'ratify' a previous issue of securities pursuant to Listing Rule 7.4

In seeking approval in the form of Listing Rule 7.4, the following information is given reflecting the information requirements of Listing Rule 7.5:

Date of issue	28th March 2012, 30th March 2012 and 10th July 2012
Number of Shares issued	385,000 ordinary shares
Issue price and terms of issue	• 320,000 options exercised each to acquire a share at 26 cents per share on 28 march 2012 • 40,000 options exercised each to acquire a share at 26 cents per share on 30 March 2012 • 25,000 options exercised each to acquire a share at 15 cents per share on 10 July 2012 • The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and are quoted on ASX.
Persons to whom Shares were issued	• Dr Steven Mercer- CEO- 25,000 ordinary shares • Mr Drummond McKenzie- CFO and Company Secretary- 250,000 shares • Professor Zee Upton- Scientific Advisor, Tissue Therapies Limited- 40,000 ordinary shares • Ms Abrona Bugler, Administrative Officer, QUT- 70,000 ordinary shares
Intended use of funds:	Funds received upon exercise of options to acquire shares are applied to working capital to support the commercialisation of VitroGro®, the regulatory and reimbursement approval process, and operating expenditure.

Directors' recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

Tissue Therapies Limited, ABN 45 101 955 088
Level 19, 179 Turbot Street, Brisbane, QLD 4000 Australia.

9. Approval of New Equity Option Plan

The Company's Existing Equity Option Plan has been in place since at least 2004. The Board has formed the opinion based upon legal and tax advice that it is appropriate to modernise the plan having regard to current market practices and to clarify the taxation position under current legislation. This Resolution seeks shareholder approval for the implementation of the New Equity Option Plan (EOP).

Listing Rule 7.1

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. Pursuant to Listing Rule 7.2, exception 9, an issue under an employee incentive plan will not count toward a company's 15% limit provided the plan was approved by shareholders within three years before the date of the securities being issued. Approval is sought under that rule and the following information is included for compliance with Listing Rule 7.2, exception 9.

The Board will implement the New EOP following shareholder approval, so this is the first time Shareholder approval has been sought for it under Listing Rule 7.2, exception 9. Likewise, no securities have been issued under the New EOP.

Summary of the New EOP Rules

Eligibility	The EOP will be open to eligible employees and Directors of the Company. The New EOP may also be extended to independent contractors (who provide services for the Company). This allows, for example, for issues to be made to key research staff who may not be directly employed by the Company. The Plan provides that the Board must not grant new options if the options on issue would exceed the limits contained in ASIC Class Order 03/184 (which limits issues to non-exempt parties under s708 of the Corporations Act to 5% of the shares on issue).
Grant of options	The Board may set the issue price of the options, however, options will typically be issued for nil consideration. The offer must be in writing and specify, amongst other things, the number of options; the exercise period, any conditions to be satisfied before exercise, the option expiry date and the exercise price of the options. The options may also be subject to specific terms established by the Company.
Exercise	The options may be exercised, subject to any exercise conditions, by the participant giving a signed notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any options.
Lapse	The options shall lapse upon the earlier of the date specified by the Board or events contained in the EOP rules, including within 30 days of termination of employment or resignation, redundancy, death or disablement.
Rights of Participants	Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the options (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. In the event of a change of control, the Board shall have discretion to deal with the options, including allowing accelerated vesting or the issue of options in

	the substituted corporation. A holder of options is not entitled to participate in dividends, a new issue of Shares or other securities made by the Company to Shareholders merely because he or she holds options. Employees must not dispose of Shares acquired without approval of the Board. Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue.
Assignment	The options are not transferable or assignable without the prior written approval of the Board.
Administration	The EOP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the EOP.
Termination and amendment	The EOP may be terminated or suspended at any time by the Board. The EOP may be amended at any time by the Board except where the amendment reduces the rights of the holders of options, including a change to reduce the exercise price, increase the number of Shares to which an eligible employee is entitled or change the exercise period, unless required by the Corporations Act or the Listing Rules.

Directors' recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

10. Approval of additional capacity to issue shares under Listing Rule 7.1A

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. In accordance with new Listing Rules 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of $300 million or less) can issue a further 10% of share capital in 12 months on a non-pro rata basis.

Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A the Company provides the following information:

Minimum price at which the equity securities may be issued	The issue price of each Share must be no less than 75% of the volume weigted average price for the Shares calculated over the 15 trading days on which trades in that class where recorded immediately before: (a) the date on which the price at which the securities are to be issued is agreed; or (b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.

Risk of economic and voting dilution	An issue of shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include: (a) the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and (b) the equity securities may be issued at a price that is at a discount to the market price for the Shares on the issue date. In accordance with Listing Rule 7.3A.2 a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.
Date by which the Company may issue the securities	The period commencing on the date of the annual general meeting (to which this Notice relates) at which approval is obtained and expiring on the first to occur of the following: (a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and (b) the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2. The approval under LR7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.

Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration	It is the Board's current intention that any funds raised pursuant to an issue of securities will be applied towards the commercialization of the Company's lead product VitroGro®. This would principally include: 1. costs of manufacturing, storing and distributing VitroGro®; 2. sales and distribution costs, including directly or indirectly Tissue Therapies, Movianto (logistics & distribution) and Quintiles (sales staff); 3. regulatory and reimbursement approvals; 4. maintenance of intellectual property; 5. research and development of associated product lines; and 6. staff and office costs, audit and compliance expenses, and ASX fees. The Company reserves the right to issue shares for non-cash consideration, including for payment of service or consultancy fees and costs.
Details of the Company's allocation policy for issues under approval	The Company does not currently know the nature of the capital raising which may be conducted under listing Rule 7.1A (if any). No allocation policy has therefore been determined. Consistent with prior capital raising, the Company will consider the most timely and cost effective sources of capital to achieve its commercial objectives, as well as prioritising issues to parties which may assist in strengthening the Company's share register or market standing and in turn, potentially its objective of delivering an increase in share price.
Previous approvals under Listing Rule 7.1A	As this is the Company's first AGM since the introduction of Listing Rule 7.1A no approval has previously been sought.

Information under Listing Rule 7.3A.2:

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

In particular, it assumes that "A" is calculated upon resolutions 5-8 inclusive being approved at the Annual General Meeting.

The table also shows:

(i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

(ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		**Dilution**		
		$0.218 **50% decrease in Issue Price**	$0.435 **Issue Price**	$0.87 **100% increase in Issue Price**
Current Variable A* 172,382,192 Shares	**10% Voting Dilution**	17,238,219 Shares	17,238,219 Shares	17,238,219 Shares
	Funds raised	$3,757,932	$7,498,625	$14,997,250
50% increase in current Variable A* 258,573,288 Shares	**10% Voting Dilution**	25,857,328 Shares	25,857,328 Shares	25,857,328 Shares
	Funds raised	$5,636,897	$11,247,937	$22,495,875
100% increase in current Variable A* 344,764,384 Shares	**10% Voting Dilution**	34,476,438 Shares	34,476,438 Shares	34,476,438 Shares
	Funds raised	$7,515,863	$14,997,250	$29,994,501

* Current Variable A refers to current maximum potential after the AGM assuming approvals per resolutions 5-8 and no further issues.

The table has been prepared on the following assumptions:

(i) The Company issues the maximum number of Shares available under the 10% Listing Rule 7.1A approval.

(ii) No options are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A.

(iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

(iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of share issue under Listing Rule 7.1A , based on that Shareholder's holding at the date of the Meeting.

(v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(vi) The issue of Shares under Listing Rule 7.1A consists only of Shares. .

(vii) The issue price is $0.435, being the closing price of the Shares on ASX on 31 August 2012.

Directors' recommendation
The Directors recommend that you vote in favour of this resolution.

Annual General Meeting	means the Company's annual general meeting the subject of this Notice of Meeting.
Annual Report	means the 2012 Annual Report of the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 or the securities market which it operates, as the context requires.
Board	means the Board of Directors of the Company.
Company or Tissue Therapies	means Tissue Therapies Limited ABN 45 101 955 088.
Constitution	means the constitution of the Company from time to time.
Corporations Act	means the Corporations Act 2001 (Cth).
Corporations Regulations	means the Corporations Regulations 2001 (Cth).
Directors	means the directors of the Company (from time to time, as the context requires).
Existing Equity Option Plan	means the Company's 2004 equity option plan, as previously announced to ASX.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.
Key Management Personnel	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	means the listing rules of ASX.
New Equity Option Plan	means the Company's new equity option plan, approval of which is sought in accordance with this Notice of Meeting.
Notice of Meeting	means the notice of meeting and includes the Explanatory Memorandum.
Remuneration Report	the section of the Directors' report for the 2012 financial year that is included under section 300A(1) of the Corporations Act.
Shares	means the existing fully paid ordinary shares in the Company.
Shareholder	means a person who is the registered holder of Shares.