

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 | OPTIONS |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 950,000 options issued to key Tissue Therapies' staff and contractors who had not previously been offered options in the Company. |
| 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) | <ol style="list-style-type: none">1. The exercise price of the Options is \$0.59 and has been calculated as a 15% premium to the volume-weighted average price of Tissue Therapies shares for the 10-day period ending Friday, 18 May 2012;2. Options expire on 4 July 2014;3. Options will vest 12 months from the date of their issue (or immediately, in the event that the Directors recommend acceptance of a takeover bid for the Company);4. In the event that the Option holder is no longer employed by Tissue Therapies Limited, a subsidiary of Tissue Therapies Limited or a contracted consulting company supplying services to Tissue Therapies Limited or a subsidiary of Tissue Therapies Limited, the Options will lapse if not exercised within 30 days from the date of termination of employment;5. The Options are not be transferable;6. The Options cannot be exercised unless the exercise price is less than the share price on the exercise date. |

+ See chapter 19 for defined terms.

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<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>NO.</p> <p>From the date of exercise of the Options.</p>				
<p>5 Issue price or consideration</p>	<p>59 cents</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To provide equity incentives for key people working with Tissue Therapies Limited.</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>19 June 2012</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="702 1209 1005 1254">Number</th> <th data-bbox="1005 1209 1514 1254">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="702 1254 1005 1464">169,342,294</td> <td data-bbox="1005 1254 1514 1464">Ordinary fully paid shares.</td> </tr> </tbody> </table>	Number	⁺ Class	169,342,294	Ordinary fully paid shares.
Number	⁺ Class				
169,342,294	Ordinary fully paid shares.				

+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">⁺Class</th> </tr> </thead> <tbody> <tr> <td>1,680,000 options (total) constituted by:</td> <td></td> </tr> <tr> <td>40,000 options</td> <td>Exercisable at 64c each before 15 July 2012.</td> </tr> <tr> <td>25,000 options</td> <td>Exercisable at 15c each before 15 July 2012.</td> </tr> <tr> <td>25,000 options</td> <td>Exercisable at 15c each before 13 January 2013.</td> </tr> <tr> <td>140,000 options</td> <td>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.</td> </tr> <tr> <td>500,000 options</td> <td>Exercisable at 26c each on or before 31 October 2012.</td> </tr> <tr> <td>950,000 options</td> <td>Exercisable at 59c each on or before 4 July 2014.</td> </tr> </tbody> </table>	Number	⁺ Class	1,680,000 options (total) constituted by:		40,000 options	Exercisable at 64c each before 15 July 2012.	25,000 options	Exercisable at 15c each before 15 July 2012.	25,000 options	Exercisable at 15c each before 13 January 2013.	140,000 options	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.	500,000 options	Exercisable at 26c each on or before 31 October 2012.	950,000 options	Exercisable at 59c each on or before 4 July 2014.
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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.																

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A.
13	Ratio in which the ⁺ securities will be offered	N/A.
14	⁺ Class of ⁺ securities to which the offer relates	N/A.
15	⁺ Record date to determine entitlements	N/A.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A.

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17	Policy for deciding entitlements in relation to fractions	N/A.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with.</small> <small>Cross reference: rule 7.7.</small>	N/A.
19	Closing date for receipt of acceptances or renunciations	N/A.
20	Names of any underwriters	N/A.
21	Amount of any underwriting fee or commission	N/A.
22	Names of any brokers to the issue	N/A.
23	Fee or commission payable to the broker to the issue	N/A.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A.
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	N/A.
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	N/A.
28	Date rights trading will begin (if applicable)	N/A.
29	Date rights trading will end (if applicable)	N/A.
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A.

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- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

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

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Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

N/A.

39 Class of +securities for which quotation is sought

N/A.

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

N/A.

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)

N/A.

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	N/A.	N/A.

+ 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: 19 June 2012
Company Secretary

Print name: Drummond McKenzie
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