

ASX ANNOUNCEMENT

Capital Raising Completed

12 May 2008, Sydney, Australia: Medical Therapies Limited (ASX: MTY), announced that it has raised \$506,850 by the issuing of 9,654,286 shares at a price of 5.25 cents per share.

Under ASX Listing Rule 7.1, Medical Therapies may not issue or agree to issue in excess of 15% of its ordinary share capital without shareholder approval. The issuing of shares under this private placement represents just below 15% of the Company's share capital and does not require approval by shareholders.

About Medical Therapies Limited (ASX: MTY):

Medical Therapies Limited is an Australian biotechnology company committed to the commercialisation of its drug candidates for anti-inflammatory indications and cancer. The Company's patent-protected technologies are currently evaluated in preclinical and clinical trials and include a number of metal complexes of anti-inflammatory drugs. In addition Medical Therapies is actively pursuing opportunities to expand its technology portfolio.

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

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Investment in biotechnology companies

There are a number of inherent risks associated with the research, development and commercialisation of pharmaceutical products. Investments 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.