

ASX ANNOUNCEMENT

Capital Raising Completed, Convertible Notes Satisfied

23 February 2009, Sydney, Australia

Medical Therapies Limited has completed its capital raising and satisfied the conditions pursuant to the amended terms of the Convertible Note Deed Poll. As a consequence, the Company's obligation to pay \$1.1M in relation to the Notes has been extinguished.

Terms of capital raising

Today the Company issued 7,500,000 ordinary shares at 3 cents each and 7,500,000 Converting Notes at a face value of 3 cents each for a total consideration of \$450,000.

The Converting Notes have been issued at a zero coupon rate and will automatically convert into ordinary shares at the rate of one share per note once shareholder approval to issue the shares on conversion of the notes has been received.

Medical Therapies will call an extraordinary general meeting of shareholders at the earliest possible time, but not later than six months from the date of issue, to seek approval for the conversion in relation to the Converting Notes.

Satisfying conditions of Convertible Notes

Noteholders have been issued 2.55 ordinary shares and have been paid 6.8 cents cash for each Convertible Note held.

The Company today paid a total of \$454,239 and issued 17,033,994 shares to Noteholders, and therefore fully satisfied the conditions of the amended terms of the Convertible Notes.

end

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

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About Medical Therapies Limited (ASX: MTY):

Medical Therapies Limited is a biotechnology company listed on the Australian Stock Exchange. The Company is the owner of the largest intellectual property portfolio around midkine globally. Midkine is a significant novel therapeutic and diagnostic target and MTY owns a large portfolio of patents in relation to therapeutic uses of the protein and its antagonists, a large number of anti-midkine antibodies with their respective hybridoma cell lines as well as anti-midkine nucleotides.

Midkine is a native protein expressed during early cancer formation as well as at the onset of inflammatory processes. Medical Therapies is committed to the commercialisation of its novel drug candidates and diagnostic assets. In addition to its in-house product development program MTY is actively seeking partnership opportunities for its non-core therapeutic and diagnostic assets.

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.

