

ASX ANNOUNCEMENT

Medical Therapies raised \$550,000

7 July 2009, Sydney, Australia

Medical Therapies Limited has raised \$550,000 in a private placement of ordinary shares and options to qualified investors.

The issue price of the shares is 2.2 cents each pursuant to Resolution 5 of the Company's recent Notice of Extraordinary General Meeting. The resolution was ratified by shareholders on 5 May 2009.

Resolution 5 prescribed the pricing of the shares as not lower than a 20% discount to the average market price of the Company's ordinary shares over the last five (5) days on which sales were recorded before the issue is made (in accordance with ASX Listing Rules 7.3.3).

Subscribers to this issue will also receive, at no additional consideration, one attaching 5-year unlisted option for every five shares subscribed for at an exercise price of 5 cents each. No related parties have participated in the private placement and the issuing of the shares and options pursuant to this raising is not subject to further shareholders' approval.

With this announcement, as foreshadowed in the Company's letter to the ASX on 3 July 2009, Medical Therapies expects its shares to return to normal trading.

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. MTY's core strategy is deliver early revenue by developing its diagnostic portfolio to market and license out its therapeutic portfolio to suitable partners. 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 cancer diagnostic assets to improve therapeutic outcome. In addition to its in-house diagnostic product development program MTY is actively seeking partnership opportunities for its non-core therapeutic and diagnostic assets.