

ASX ANNOUNCEMENT

MATERIAL TRANSFER AGREEMENT SIGNED WITH KUMAMOTO UNIVERSITY

- MTY and Kumamoto University signed an agreement for the further validation of midkine as a diagnostic and therapeutic agent
- The agreement involves a number of projects over several years and it is directly related to MTY's early cancer diagnostic and midkine therapeutic patent portfolio
- MTY will contribute to the projects by supplying its proprietary antibodies to Kumamoto University from its existing inventory
- In return MTY will have first right to commercialise any new invention

Sydney, 6 September 2009: **Medical Therapies Limited (ASX: MTY)** today signed a Material Transfer Agreement (Agreement) with Kumamoto University. Pursuant to the Agreement MTY will supply its proprietary IP14 antibodies to Kumamoto University in return for first right to review and commercialise any new data and invention by the midkine research team. The rights acquired by MTY include patenting rights of any invention at the Company's option.

The Agreement between Kumamoto University and Medical Therapies provides both parties with significant advantages. The researches at Kumamoto University will gain access to MTY's high performing, proprietary IP14 antibodies. These antibodies are well characterised and have high affinity to midkine, which will facilitate more accurate results and could lead to further new inventions.

Medical Therapies will have access to the data generated from the validation projects conducted by the outstanding experts in midkine research at Kumamoto University. In addition, MTY will have the first right to commercialise any novel findings arising from the new research projects. "Besides the third party scientific validation of our technology it represents this Agreement will also add momentum to the clinical validation programs of our cancer diagnostic portfolio" said Maria Halasz, CEO of Medical Therapies.

The validation and research work will be funded entirely by Kumamoto University and MTY's contribution will be limited to the supplying of the IP14 antibody from its existing inventory.

Kumamoto University was established in 1887 and it is one of the oldest and most prestigious institutions in Japan. The University has 13 research institutes and boasts a number of partnerships with researchers and universities around the world. Kumamoto University's Graduate School of Medicine has an ongoing and substantial commitment to the further validation of midkine as a diagnostic and therapeutic target. The planned midkine research programs span a number of fields over several years.

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

Maria Halasz, CEO

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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 and most comprehensive intellectual property portfolio around midkine globally. Midkine is a significant novel therapeutic and diagnostic target. It is a native protein expressed during early cancer formation as well as at the onset of a number of inflammatory processes.

Medical Therapies is committed to the commercialisation of its novel cancer diagnostic assets to improve therapeutic outcomes. In addition to its in-house diagnostic product development program MTY is actively seeking partners for its high value therapeutic programs.

About Kumamoto University

Kumamoto University was established in 1887 in the city of Kumamoto, which is located in the heart of Kyusyu Island in the southern part of Japan. It is one of the oldest and most prestigious universities in Japan with seven faculties, seven graduate schools and 13 research institutes. The University has over 10,000 students from 39 countries in addition to its extensive and growing international student exchange programs.

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.