

ASX ANNOUNCEMENT

Resignation of Director

26th August 2008, Sydney, Australia

Dr. Stephanie Williams has resigned as Non-executive Director of Medical Therapies Limited, effective immediately.

The appointment of Dr. Williams was made earlier this year on a temporary basis to assist with the Company's transformation during the process of the acquisition of the Midkine Intellectual Property Portfolio.

The acquisition was settled on 3 July 2008 and a strategic business plan for the new portfolio has now been completed.

The Board expresses their thanks to Dr Williams and will continue to actively look for suitably qualified directors to guide the delivery of the company's new strategic plan in the future.

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, including several therapeutic uses of the protein and a large number of anti-midkine antibodies and nucleotides. Midkine is a native protein expressed during early cancer formation as well as at the onset of inflammatory processes. Midkine is a significant therapeutic and diagnostic target and Medical Therapies is committed to the commercialisation of these exciting drug candidates. In addition to its in-house therapeutic program Medical Therapies is actively seeking partnership opportunities for its non-core therapeutic and diagnostic assets.

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. 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.

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.