



NEWS RELEASE

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Tissue Genesis Awarded \$3.41 Million Military Contract

Company is moving research to the clinic

HONOLULU, HAWAII – Tissue Genesis, Inc., a world leader in adult stem cell and regenerative medicine therapies, announced today that the U.S. Department of Defense (DoD) has awarded a \$3.41 million contract to the Honolulu based company. Under the contract, Tissue Genesis will expand its clinical validation of adipose (fat) derived regenerative cell therapy for tissue repair, targeted at addressing peripheral vascular disease (PVD) with these cells for the first time. These funds will support the Phase I testing of the safety and feasibility of using this therapy in the treatment of patients at high risk of amputation.

This effort will be conducted in partnership with world leaders in adult stem cell research, Drs. Keith March and Michael Murphy of the Indiana Center for Vascular Biology and Medicine at the Indiana University School of Medicine, and complements the work pioneered by Tissue Genesis' Chief Science Officer, Dr. Stuart Williams of the Cardiovascular Innovation Institute. "This brings together significant research and development with the enabling technology from the Tissue Genesis Cell Isolation System to give options to patients suffering from PVD, which, if left untreated, ultimately results in 130,000 amputations annually," noted Dr. Williams.

“We are happy that this partnership with Tissue Genesis will allow us to test the use of a patient’s own fat-derived stem cells to help treat their legs and avoid amputation, an approach we first demonstrated in animals several years ago,” said Dr. March, Director of the Vascular and Cardiac Center for Adult Stem Cell Research (www.stemcellsignature.iupui.edu). Dr. Murphy, Clinical Director of this Center and leader of the trial, stated, “This 3.4 million dollar award from the DoD represents a giant step forward in the field of stem cell research, as it will support clinical trial work using adult adipose stem cells (ASCs) in treating PVD. While this study will focus on new stem cell based therapies with ASCs to prevent limb amputations, the results from this investigation will direct future clinical trials using ASCs to treat patients suffering from heart disease and stroke.”

PVD affects between eight and 20 million people in the United States. By 2020, the number is expected to increase by 43 percent. Approximately 25 percent of patients with PVD and intermittent claudication, which is usually associated with inadequate blood supply to the muscles causing pain and weakness in the legs that disappears after rest, will progress to Critical Limb Ischemia (CLI). Current therapies for PVD and CLI range from surgical bypass to over-the-counter analgesics. Surgical remedies rarely relieve all symptoms, and for some patients with CLI, the only option for relief from the pain or gangrene is amputation.

“Our company is focused on exploiting the therapeutic potential of adult stem and regenerative cells, and is taking the critical clinical steps necessary to make these therapies available to the military and the healthcare market,” said Anton Krucky, President and CEO of Tissue Genesis. “DoD has recognized the potential for regenerative medicine to help repair severe trauma and injury, especially to the extremities of our soldiers. Tissue Genesis is proud to be leading the effort by accelerating development and clinical translation, in real terms, to deliver on the promise of stem cell therapies,” added Krucky.

About Tissue Genesis, Inc.

An emerging leader in adipose-derived cell therapy and regenerative medicine, Tissue Genesis, Inc. is a high-growth, clinical-stage company based in Honolulu, Hawai‘i. Industry-leading physicians, engineers and scientists have developed a proprietary therapy for Tissue Genesis that may deliver innovative medical solutions for a wide range of existing medical problems, including: cardiac and peripheral vascular disease; orthopedic injuries; cosmetic and soft tissue defects; and many other applications. For more information, visit www.tissuegenesis.com.

Safe Harbor Statement

This press release contains statements, which may constitute "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Those statements include statements regarding the intent, belief or current expectations of Tissue Genesis, Inc., and members of its management as well as the assumptions on which such statements are based. There can be no assurance that Tissue Genesis will be able to commercially develop its therapeutic cell technology or products, that necessary regulatory approvals will be obtained, that any clinical trials will be successful, or that the proposed treatments will prove to be safe and/or effective. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Important factors currently known to management that could cause actual results to differ materially from those in forward-statements include fluctuation of operating results, the ability to compete successfully and the ability to complete before-mentioned transactions. The company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.