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## TissueGene Initiates Phase I Clinical Trial with TG-C

GAITHERSBURG, MD., July 24, 2006 – TissueGene, Inc., a privately held biopharmaceutical company advancing a pipeline of promising regenerative medicine therapeutics, announced today the acceptance of the Company's Investigational New Drug application (IND), and for the initiation of its Phase I clinical trial evaluating a single dose of TG-C for the treatment of degenerative joint diseases. This clinical trial is designed to assess the safety of TG-C in patients who have opted for total knee arthroplasty. TissueGene has developed TG-C to regenerate cartilage in patients suffering from degenerative arthritis and more specifically for indications such as osteoarthritis of the knee. As an alternative to other methods of cartilage repair, TG-C will involve minimally invasive injections versus a surgical approach. Other techniques currently involve multiple and often invasive surgical procedures and have mixed results. "We are pleased with the approval to start our Phase I program with TG-C and feel that our drug candidate has the potential to be not first-in-class, but also best-in-class" stated Dr. K.H. Lee, President, founder and Chief Executive Officer of TissueGene.

### About TissueGene

TissueGene, Inc. is a privately-held biopharmaceutical company developing a pipeline of promising regenerative medicine therapeutics in the field of cell-mediated therapy, and has several related products in development for the treatment of degenerative diseases. TissueGene is focused on harnessing the power of well known, safe and effective growth factors combined with the dynamic regenerative capacity of mammalian cells to develop state of the art therapeutics. For additional information on the company please visit [www.tissuegene.com](http://www.tissuegene.com).

