



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Tissue Genesis Signs Exclusive Distribution and License Agreement with SpineSmith

(Honolulu, Hawaii) Tissue Genesis, Inc. announced a exclusive distribution and licensing agreement for the human spine market with SpineSmith Partners, LP (Austin, Texas). Tissue Genesis will share SpineSmith's revenues from procedures and sales using Tissue Genesis' therapeutic cell technologies, and expects in the future to receive revenue from sales to SpineSmith of TGI 1000™ cell isolation systems and disposables, over the four year term. Additionally, SpineSmith has been granted the rights to manufacture, use and sell TGI 100™ manual cell isolation kits, incorporating Tissue Genesis supplied Adipase™ enzyme solution.

"This exciting new relationship with SpineSmith allows Tissue Genesis to move our therapeutic cell technologies into orthopedic markets," said Anton C. Krucky, President and CEO of Tissue Genesis. "SpineSmith's extensive expertise with bone marrow stem cells, in both isolation and medical insurance reimbursement, provides a clear avenue of advancement of our adipose (fat) derived stem cells into this important market."

"SpineSmith Partners has been involved in the treatment of spine injuries for over two years, having provided bone marrow derived, autologous (the patient's own) stem cell to over three thousand patients," said Kevin Dunworth, Founder of SpineSmith Partners.

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Tissue Genesis expects its proprietary cell isolation system to more rapidly process a small quantity of a patient's own fat tissue to produce large quantities of cells, including adult stem cells and microvascular cells. "By moving from bone marrow derived cells to adipose derived cells, we expect to provide doctors with more than ten times the number of stem cell in each procedure." predicts Mr. Dunworth.

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About Tissue Genesis, Inc.

Tissue Genesis, Inc. (www.tissuegenesis.com) is a Qualified High Technology Business (QHTB) in Honolulu, Hawaii that is seeking to develop innovative tissue engineering solutions and technology to address a range of therapeutic areas including vascular, cardiovascular, and. The company expects its technology to isolate autologous adipose derived cells in less than two hours for delivery of these cells at point of care for immediate patient needs.

About SpineSmith Partners, LP

SpineSmith Partners, LP (www.spinesmithusa.com) is a medical device enterprise focused on stabilization products for spine surgery. Spine surgeons are the pinnacle of the research and development process for SpineSmith. Through a "think tank" approach, SpineSmith provides a vehicle for the spine surgeons to directly impact the direction of its product portfolio. SpineSmith is dedicated to bringing forward innovative biological and hardware technologies for use in treatment of patients with spinal disorders.

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.