

## THERALASE POSTS Q2 2009 INCREASE IN REVENUE

For Immediate Release

Toronto, Ontario – August 25, 2009

Theralase Technologies Inc. (TSXV: TLT) today announced financial results for the three months ended June 30, 2009.

### Financial Review Highlights

- 2Q 2009 revenue increased 4% to \$629,004, compared to \$604,996 in 2Q 2008
- After allowance for a one time revenue of \$184,486 received in 2Q 2008, 2Q 2009 revenue increased 50%
- Canadian product sales in 2Q 2009 increased 107% year-over-year to \$531,018
- US product sales in 2Q 2009 decreased by 51% year-over-year to \$81,057

### Key Corporate Development Highlights

#### **TLC-2000: Biofeedback Laser Technology**

Theralase made progress on commercializing its next generation therapeutic laser – the patented TLC-2000. The TLC-2000 biofeedback technology targets tissue at depth with higher precision than its competitors enabling exact doses of energy to be delivered to injured tissue for enhanced efficacy and accelerated healing. The TLC-2000 is also a learning device that remembers the most optimized protocols based on individual patient's optical tissue profiles.

In 2Q 2009, Theralase completed the beta prototype of the TLC-2000 biofeedback therapeutic laser system and is preparing to conduct clinical studies in conjunction with the Scripps Institute and University of California San Diego (La Jolla, California) and the University of Buffalo (Buffalo, New York) to demonstrate the efficacy of the TLC-2000 in the areas of diabetic wound healing and myofascial pain, respectively. These clinical studies, if proven successful, could secure a new Current Procedural Terminology (CPT) code for reimbursement of laser treatments in the U.S. Theralase expects to start selling the TLC-2000 in the first quarter of 2010.

#### **TLC-3000: Cancer Therapy and Wound Healing**

In February 2008, Theralase first announced positive R&D results in the destruction of individual cancer cell lines. All three Theralase patented Photo Dynamic Compounds (PDCs) used in the trials were proven to have the ability to selectively target cancerous cells over cells derived from healthy tissue. Additional cancer cell lines and various bacterial species were next to be evaluated to determine cell kill by the PDCs.

In September 2008, Theralase designed, manufactured and delivered the alpha prototype of the TLC-3000 light source to University Health Network. The TLC-3000 alpha prototype is custom designed by Theralase for the Company's patented PDC's and will be instrumental in providing the initial pre-clinical and technical knowledge required to further develop future versions of the TLC-3000 PDC activating light source.

In March 2009, in-vitro experiments conducted at the Ontario Cancer Institute at Princess Margaret Hospital demonstrated complete destruction of brain tumour cells (9L) following application of the Company's patented PDCs and subsequent activation with the Company's TLC-3000 light source. The PDCs or TLC-3000 activation light source, when used individually, had no effect on normal cells or cancerous cells, attesting to the safety of both the PDCs and TLC-3000 light source; however, when combined this technology completely eradicated all brain tumour cells, proving the efficacy of this type of leading edge therapy in the destruction of cancer cells. This destructive effect was proven in a number of the PDCs evaluated, supporting the understanding that the patented PDC

platform could produce multiple lead compounds, custom designed for targeting specific cancerous cells, dependent upon the application.

The research and development has further demonstrated that photoactivation of the PDCs can be achieved in the absence of oxygen furthering their usefulness in the destruction of cancer.

Lothar Lilge Ph.D., lead researcher on the project stated, "I am excited about the possibilities and opportunities that these PDCs present in the destruction of cancer cells. An oxygen independent reaction is unique for this type of cancer therapy, where low oxygen conditions pose a major problem. The ability to completely destroy cancer cells in the absence of oxygen presents the unique opportunity of treating solid tumours of the breast, prostate, lung and brain, to name a few."

Further investigation is currently underway with the Theralase PDC platform with a variety of cancer and bacteria cell lines in order to identify the lead candidate PDC and cancer cell line to evaluate in a small animal cancer model, slated to commence in 1Q 2010.

## **Breakthrough Scientific Research**

Independent research conducted at University Health Network, demonstrated the superiority of the Company's proprietary laser technology over competitive laser and light based systems, in the production of nitric oxide. Nitric oxide production is well researched and has been previously demonstrated in published clinical studies to increase the diameter of capillaries, bringing much needed oxygen and fuel molecules to injured tissue, accelerating their natural healing processes, as well as activating and controlling inflammation. The Company's proprietary technology is able to increase the production of nitric oxide in cells by 700% over baseline versus little to no effect by all other competitive wavelengths evaluated.

The independent scientific research was peer reviewed and accepted for publication in the March 2009 edition of the highly regarded Lasers in Surgery and Medicine publication.

"We are pleased to demonstrate what our customers have always known, that the Theralase® proprietary 905 nm super-pulsed technology has created the best therapeutic laser on the market," said Roger Dumoulin-White, President & CEO of Theralase® Technologies. "Our technology has been scientifically proven to activate both known cellular pathways: the ATP pathway, which increases the energy to cells, and the Nitric Oxide pathway, which increases the blood flow to cells, while also reducing inflammation. By activating both known cellular pathways, the Theralase® proprietary 905 nm super-pulsed technology has now been proven to be more effective in neural muscular skeletal conditions, wound healing and chronic pain as compared to competitive systems. Theralase prides itself on investing in the scientific rigor to unravel the cellular mechanisms of therapeutic laser technology in order to bring this technology into the main stream of the scientific and medical communities. By fully understanding the clinical benefits of therapeutic laser technology, in application to the growing list of medical conditions suited for this particular treatment (pain, inflammation, neural muscular skeletal conditions and wound healing), a new treatment methodology can be brought to the forefront to treat the conditions of an aging population that are not being adequately addressed with existing pharmaceutical and alternative medicine methodologies."

## **Outlook**

The Company is focusing on increasing product sales and market acceptance of the TLC-1000 laser technology in the second half of 2009, supported by the new independent scientific research that confirms the superiority of the Company's proprietary technology over other competitive technology. The Company will continue to focus its sales and marketing efforts exclusively on the Canadian market until 4Q 2009, when the Company will turn its focus to sales and marketing initiatives in the US market. The Company will continue to commercialize its patented next generation TLC-2000 biofeedback technology for launch in the first quarter of 2010, while researching and developing its patented TLC-3000 photodynamic compounds aimed at the destruction of cancer, bacteria and

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viruses. Due to the requirement of capital to fund the Company's growth, the Company is investigating financing options – on both the debt and the equity side. The Company feels that these initiatives will increase shareholder value as the Company achieves its strategic objectives.

Theralase Technologies Inc. is focused on a two-part strategy:

1. Production, marketing and distribution of the Theralase Super-Pulsed Laser for sale to health care practitioners focused on the treatment of chronic pain, sports injuries and wounds.
2. Commercialization of patented cancer treatment through progressive research, clinical trials and advancement of new technology in the direct destruction of cancers.

For more details, visit [www.theralase.com](http://www.theralase.com)

*This President's Message contains forward-looking statements which reflect the Company's current expectations regarding future events. The forward-looking statements involve risks and uncertainties. Actual results could differ materially from those projected herein. The Company disclaims any obligation to update these forward-looking statements*