

Theralase Reports 2007 Fourth Quarter and Year-End Results

For Immediate Release

Toronto, Ontario – April 30, 2008

Theralase Technologies Inc. (TSX-V: TLT) today announced financial results for the twelve months ended December 31, 2007.

Highlights

- Revenue increased 9% over 2006 to \$1,559,850 in 2007; U.S. product sales grew 24%
- R&D costs of \$222,414 and non-cash expenses of \$670,878 contributed to a net loss of \$1,113,373
- Raised net proceeds of \$789,317 in a closed, non-brokered private placement
- Accelerated U.S. sales and marketing efforts for TLC-1000 products
- Developed Theralase's next generation laser, the TLC-2000, targeted for commercialization in Q4 2008
- In February 2008, received positive R&D results in the destruction of individual cancer cell lines by combining photodynamic compounds (PDCs) with TLC-3000 laser technology
- In March 2008, signed an agreement with a European pharmaceutical company to contract manufacture ten beta prototype light-based systems for delivery in the second and third quarter of 2008.

"In 2007 we focused substantial effort on developing our product pipeline, specifically the TLC-2000 and the TLC-3000 PDC program, while increasing penetration of our TLC-1000 customer base," said Roger Dumoulin-White, President & CEO of Theralase. "Going forward, we continue to target the large and growing U.S. chronic pain and wound healing markets. Increasing our sales team in the U.S., where product sales grew 24% year-over-year, will enable us to increase our TLC-1000 sales, and provide a distribution network to launch our new TLC-2000 biofeedback laser system. Last month, we achieved a major milestone when we received positive R&D results from combining our patented PDCs with our patented TLC-3000 laser technology in the destruction of individual cancer cell lines."

Financial Review

Revenue increased 9% to \$1,559,850 for the year ended December 31, 2007, compared to \$1,437,256 in 2006.

Product sales increased 13% to \$1,426,451, with sales to the U.S. market rising by 24% to \$657,899. Service revenue decreased by 21% to \$41,451 due to the lower number of products requiring service and calibration during the year. Other product related revenue decreased by 11% to \$71,141 due to the cancellation of the U.S. educational seminars in 2007. The Company has reintroduced the U.S. educational seminars in Q1 2008 by partnering with two educational organizations: Northeast Seminars, and the College and High School Athlete Sports Medicine Conference, which features speakers such as Kevin Wilk, DPT, and Bob Mangine, respectively.

Clinic services revenue decreased by 48% to \$20,807 as Theralase's therapeutic laser rehabilitation and training centre was affected by the corporate relocation in August 2007. The new premises provide Theralase with an in-house therapeutic facility that will be used to treat patients as well as showcase Theralase's products to its customers.

Gross margin was \$1,163,344 or 75% of revenue, compared to \$1,071,240 or 75% of revenue in the prior year.

Operating expenses increased to \$2,281,694 from \$1,634,824 in the prior year due to higher R&D expenses, specifically on the TLC-2000 and TLC-3000 product developments, an increase in headcount, primarily in sales and marketing, mainly related to the TLC-1000 product, costs related to new corporate premises, and higher professional and advisory fees.

The net loss for the year ended December 31, 2007 was \$1,113,373, which included \$709,514 of non-cash expenses (amortization, stock-based compensation expense, foreign exchange loss, lease inducements and non-monetary transactions). Research and development (R&D) expenses were \$222,414 which included stock-based compensation expense of \$14,133. This compares to a net loss for the year ended December 31, 2006 of \$557,688, which included \$518,616 of non-cash expenses and R&D expenses of \$170,685 (including stock-based compensation expense of \$51,100).

Note that certain non-cash adjustments were made to restate the Consolidated Balance Sheet, Consolidated Statement of Operations and Deficit and Consolidated Statement of Cash Flows for the year ended December 31, 2006 to correct the following:

- i) the fair value of stock options which affected stock-based compensation expense and R&D costs;
- ii) development costs and costs relating to patents and trademarks for the TLC-3000, which were capitalized instead of expensed. Although management believes there is significant future value associated with TLC-3000 and related PDC research, it did not meet the CICA Handbook criteria for deferral and has thus been expensed.

During 2007, cash and cash equivalents on hand increased by \$273,371 to \$507,969. The increase in cash consisted of a cash outflow from operating activities of \$351,488, a cash outflow from investing activities of \$94,458 and a cash inflow from financing activities of \$719,317.

Key Corporate Developments

TLC-2000: Biofeedback Laser Technology

During 2007 and the first quarter of 2008, Theralase made progress on commercializing its next generation therapeutic laser – the patented TLC-2000. The TLC-2000 biofeedback technology targets tissues with higher precision than its competitors. The TLC-2000 is also a learning device that remembers the most optimized protocols based on individual patients' optical tissue profiles. In April 2008, Theralase is commissioning clinical studies with the Mayo Clinic (Rochester, Minnesota) and the Scripps Institute (La Jolla, California) to demonstrate the efficacy of the new technology in the areas of knee osteoarthritis and diabetic wound healing, respectively. These clinical studies could secure a new Current Procedural Terminology (CPT) code for reimbursements of laser treatments in the U.S. Theralase expects to start selling the TLC-2000 in the fourth quarter of 2008.

TLC-3000: Cancer Therapy and Wound Healing

On July 1, 2007, Theralase, in conjunction with the University Health Network (UHN) and the Ontario Centres of Excellence's Photonics Centre of Excellence (OCE), commenced a two-year project focused on harnessing the energy of patented Photodynamic compounds (PDCs) with patented Theralase laser technology to destroy cancer, bacteria (wound healing), viruses and fat cells. Published results on the analysis of the PDCs are expected in the second quarter of

2008. Commencement of the development of the Theralase TLC-3000 laser system used to activate the PDC compounds is scheduled for the third quarter of 2008.

Prototype PDT Light-Based Systems

On April 8, 2008, Theralase announced that the Company was chosen by a European pharmaceutical company to contract manufacture ten beta prototype photodynamic therapy (PDT) light-based systems for delivery in the second and third quarter of 2008. These PDT light-based systems are to be used in combination with the European pharmaceutical company's proprietary photosensitisers (light sensitive compounds).

Scientific and Medical Advisors

In 2007, Theralase continued to strengthen its relationships with its key scientific and medical advisors. American Sports Medicine Institute was instrumental in introductions to sports teams such as the Oakland As, the Washington Wizards and the Toronto Blue Jays. UHN and OCE have been involved with the development all three of Theralase's product lines. Theralase was recently named as one of the finalists of the OCE's Mind to Market Award, which celebrates the most outstanding OCE-supported research-industry collaboration.

Outlook

At the end of December 2007, the Company had cash and cash equivalents on hand of \$507,969; however, TLC-1000 sales have not been sufficient to enable Theralase to fund all its continuing development and commercialization efforts. Accordingly, management is pursuing alternate financing sources to fund the Company's development and commercialization efforts. Similar to the financing secured through the private placement that took place on August 15, 2007, management believes that the Company will be able to secure the necessary financing through a combination of the exercise of existing warrants for the purchase of common shares, the issuance of new equity or debt instruments, entering into joint venture arrangements or strategic relationships. Nevertheless, there is no assurance that these initiatives will be successful.

Theralase continues to invest in its future growth through the expansion of its U.S. sales force for its TLC-1000 laser technology, the commercialization of its patented TLC-2000 biofeedback technology and R&D of TLC-3000 PDCs aimed at the destruction of cancer, bacteria, viruses and fat cells. The Company's sales growth will depend on how quickly its sales and marketing strategy is implemented in both Canada and the U.S.

Other growth initiatives include:

- exploring new vertical medical markets (i.e. dental, veterinarian and physician),
- introducing recurring revenue models,
- launching a consumer therapeutic laser system,
- re-launching its therapeutic laser rehabilitation and training center, and
- partnering with existing medical facilities to create additional Theralase certified laser centers.

The complete consolidated financial statements and MD&A for the year ended December 31, 2007 can be found at www.theralase.com and www.sedar.com.

Theralase Technologies Inc. designs, develops and manufactures patented, super-pulsed laser technology used in a wide range of bio-stimulation and bio-destruction clinical applications. The Theralase technology platform targets several diverse healthcare sectors: firstly, for non-invasive pain management and clinical therapy, in hundreds of neural muscular skeletal conditions, including arthritis; secondly, to bio-stimulate and accelerate wound care and healing, including bone fracture regeneration; and thirdly, combining photodynamic compounds with super-pulsed, biofeedback laser technology to attack specifically targeted cancer, bacteria, viruses and fat cells.

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This press release 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.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the contents of this release.