



CNSX
PT

**PACIFIC THERAPEUTICS LTD. PROVIDES UPDATE ON THE DEVELOPMENT OF
LEAD DRUG CANDIDATE PTL-202**

VANCOUVER, BRITISH COLUMBIA- (January 10, 2011) – Pacific Therapeutics Ltd. (the “Issuer”) is a development stage specialty pharmaceutical company focused on the identification and development of drug candidates to treat diseases of excessive scarring (fibrosis).

Mr. Doug Unwin, President and CEO of the Issuer, is pleased to provide an update on its lead drug candidate PTL-202. PTL-202 is a fixed dose combination of Pentoxifylline and NAC (the “Active Ingredients”). The development of PTL-202 is targeted at pulmonary fibrosis including Idiopathic Pulmonary Fibrosis (IPF) and Bronchiolitis Obliterans (excessive scarring) associated with lung transplant. IPF is responsible for more deaths annually than either prostate or breast cancer.

PTL-202 is currently being formulated as a once a day pill. Identification of potential excipients and grades has been completed to establish the best product profile available for the patient. In addition analytical working methods have been developed for both the Active Ingredients. The analytical working methods were developed using high pressure liquid chromatography.

The once a day tablet of PTL-202 uses the multi-layer technology developed by IntelGenx Corp. of Montreal. The multi-layer technology has been identified as an excellent fit to provide different release profiles of the Active Ingredients, establishing blood levels of the Active Ingredients which is designed to maximize their efficacy. Further optimization of the formulation is currently ongoing and stability studies are planned to start in the near future.

The Issuer in association with CRBIO of India has applied to conduct a drug drug interaction study of PTL-202 in humans. This study is the Issuer’s first clinical trial of PTL-202 and is expected to commence in the second quarter of 2012. Completion of this trial will be a significant milestone for the Issuer.

ABOUT PACIFIC THERAPEUTICS LTD.

The Issuer’s strategy includes reformulating approved drugs to increase efficacy and patient compliance, completing the further clinical testing, manufacturing and other regulatory requirements sufficient to seek marketing authorizations. This strategy may reduce the risk, time and cost of developing therapies for fibrosis by avoiding the risks associated with basic research and using compounds with unknown safety and toxicity profiles. The company’s lead drug

409 Granville Street Suite 1023, Vancouver, BC V6C 1T2
Ph: (604) 738-1049 Fax: (604) 738-1094

candidate is PTL-202 a combination of approved drugs focused on treating fibrosis such as Idiopathic Pulmonary Fibrosis.

FORWARD LOOKING STATEMENTS

Certain statements included in this press release constitute forward-looking information or statements (collectively, “forward-looking statements”), including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “may”, “should” and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This press release contains forward looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Readers should not place undue reliance on the Company’s forward-looking statements, as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. The Company does not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

On Behalf of the Board of Directors

/s/ Doug Unwin

Douglas H. Unwin, CEO & President
(604) 738-1049
unwin@pacifitherapeutics.com
www.pacifitherapeutics.com