



Living Cell Technologies Ltd

PO Box 3014, Auburn VIC 3123

ABN: 14 104 028 042

COMPANY ANNOUNCEMENT

Positive Preliminary Data on DiabeCell® Phase I/IIa Trial

9 October 2007, Auckland, New Zealand and Melbourne, Australia:

Living Cell Technologies Ltd (ASX:LCT, OTC: LVCLY) is releasing this announcement concerning positive results of its Russian diabetes transplant trial to ensure that clinical information is available to all shareholders.

This preliminary data would not normally be released until a specified phase of the trial is completed, however a patient's progress in an un-blinded study is easily observed and disseminated. NaviGroup Management Ltd (the US based investment group proposing to invest up to \$9.8 million in LCT as announced last week) will be conducting due diligence and will know of the early positive results achieved in the DiabeCell® clinical trial, therefore this information is being made available to all shareholders.

The object of the phase I/IIa trial is to determine whether a small dose of live micro-encapsulated pig islets injected into the abdominal cavity of type I diabetic patients is safe and can produce enough insulin to have a measurable effect on improving the control of blood glucose levels.

LCT's Medical Director, Professor Bob Elliott advises that two of the 6 patients have been implanted with DiabeCell®.

The first recipient was injected with his first dose in June 2007 while the second recipient was implanted with DiabeCell® in September 2007 at the Sklifasovsky Institute in Moscow. As expected, both patients are doing well and no adverse effects have been reported by the trial monitor, Geny Research, a Boston based Clinical Research Organisation.

In the trial, each patient is to receive two transplants of the smallest dose (5,000 islet equivalents (IEQ's) which is equivalent to one third of the maximum dose (15,000 IEQ's) planned for testing in the proposed New Zealand study.

After receiving half of the final total dose, both recipients have well exceeded the 25% reduction in insulin requirements anticipated for this small dose at the three months and one month of follow-up respectively.

This early indication of success is heartening for the prospects of the trial and development of a commercially available product.

However, this is very preliminary information and should be interpreted in the context of more data from the remainder of the trial.

For further information: www.lctglobal.com

Paul Tan CEO Mob: 0402 716 984 (AUS) 021 608 784 (NZ) Tel: +64 9 270 7941

Prof Bob Elliott Medical Director Mob: +64 272 924 177
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About Living Cell Technologies: www.lctglobal.com

Living Cell is developing live cell therapy products to treat life threatening human diseases. The company owns a biocertified pig herd that it uses as a source of cells for treating diabetes and neurological disorders. For patients with type 1 diabetes, the company transplants microencapsulated islet cells so that near-normal blood glucose levels may be achieved without the need for administration of insulin or at significantly reduced levels. The company entered clinical trials for its diabetes product in 2007.

Further background information on the trial is available at

<http://www.lctglobal.com/news/167.php>

<http://www.lctglobal.com/news/149.php>

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