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COMPANY ANNOUNCEMENT

Further Positive Preliminary Data on DiabeCell® Phase I/IIa Trial

22 October 2007, Auckland, New Zealand and Melbourne, Australia: Living Cell Technologies Ltd (ASX:LCT, OTC: LVCLY) is releasing this update on the excellent initial responses observed in its DiabeCell® trial in Russia to ensure that the information is available to all shareholders, following the preliminary announcement on October 9th.

Medical Director of LCT, Professor Bob Elliott, advises that two patients have been implanted with their first dose of DiabeCell® and are due for a second dose 6 months later. DiabeCell® is administered to patients without the need for immunosuppressant drugs.

The first patient was injected with his first dose in June 2007 without adverse effects. Control of blood glucose levels has been maintained while his daily insulin requirement was gradually reduced by about 40% over the past 4 months.

The second recipient was implanted with her first dose of DiabeCell® in September 2007 without adverse effects and control of blood glucose has been maintained with progressive reduction of daily insulin requirements. At one month following the implant, the patient has been weaned off insulin altogether.

"These early stage results have exceeded our expectations, with one patient no longer dependant on insulin therapy following the smallest dose of DiabeCell®," said Professor Bob Elliot, Medical Director of LCT.

LCT CEO, Dr Paul Tan says, "This outstanding result increases the prospects of DiabeCell® as an effective commercial product for diabetes."

The object of the phase I/IIa trial in Russia 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.

In the trial at the Sklifasovsky Institute in Moscow, each of 6 patients 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.

However, this is very preliminary data and LCT management looks forward to assessing these results in the context of full clinical trial data.

For further information: www.lctglobal.com

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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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