Living Cell Technologies Ltd

COMPANY ANNOUNCEMENT

Living Cell Technologies Comments On Report On Safety of Pig Cell Transplants

April 8, 2009 – Sydney, Australia and Auckland, New Zealand– Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY) says that the safety of using pig cells as a method of treatment has been supported by leading international virologists in an independent scientific paper. The report published recently in the science journal *Xenotransplantation* indicated that even large doses of pig retroviruses injected into monkeys did not cause infection or disease.

LCT's product comprising encapsulated insulin-producing pig cells, DIABECELL®, is in clinical trial for the treatment of type 1 diabetes without the use of immunosuppressive drugs.

LCT medical director, Professor Bob Elliott, said: "This report goes a long way to eliminating concerns that endogenous retroviruses from pig cells would infect people who receive pig cell transplants.

Large amounts of live viruses and viruses modified to infect human cells in culture were injected into monkeys and baboons without causing disease. The animals were given three different immunosuppressive drugs to weaken their immune system and exposure to significant amounts of these viruses still did not result in retroviral infection as no proviral DNA was found integrated in recipient cells or organs after 11 months.

DIABECELL® is given without immunosuppressive drugs so that our patients retain a healthy immune system. LCT's pigs do not secrete infectious virus and are tested regularly to be free of other viruses, bacteria and parasites."

Dr Paul Tan, LCT CEO, said: "The report is consistent with LCT's experience with providing pig cell implants for 18 patients under previous regulations. LCT reported no evidence of pig transmitted infections up to nine years following the implants.

The risk of pig retroviral infection has always been theoretical as it has never occurred. This new report shows that infection does not occur even in monkeys made susceptible to infection."

The paper published in the most recent issue of Xenotransplantation describes a study with rhesus monkeys, pig-tailed monkeys and baboons that were given the immunosuppressant drugs cyclosporine A, methylprednisolone and the rapamycin derivative to induce a state of chronic immunosuppression. Before inoculation with porcine endogenous retroviruses (PERV), complement activation was blocked with C1 esterase inhibitor. The authors concluded that "neither the inoculation of cell-free nor cell-associated PERV using a virus already adapted to primate cells results in an infection; this is despite the fact that peripheral blood mononuclear cells of the same animals are infectible *in vitro*."

References:

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About Living Cell Technologies: www.lctglobal.com

Living Cell Technologies (LCT) is developing cell-based 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. For Parkinson's disease, Huntington's disease and other neurological disorders, the company is developing microencapsulated choroid plexus cells that deliver beneficial proteins and neurotrophic factors to the brain. LCT's technology enables healthy living cells to be injected into patients to replace or repair damaged tissue without requiring the use of immunosuppressive drugs to prevent rejection. LCT also offers medical-grade porcine-derived products for the repair and replacement of damaged tissues, as well as for research and other purposes.