Living Cell Technologies Limited

Company Announcement

LCT receives approval to expand DIABECELL® NZ Trial

- NZ Minister of Health approves the addition of four patients to Phase II trial
- New patients add further rigour to trial by generating valuable additional data

4 August 2010: Sydney, Australia & Auckland, New Zealand. Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY), a global company pioneering the development of a cell implant to treat diabetes, today reported that the Minister of Health has approved an addition to the New Zealand Phase II clinical trial of DIABECELL® to include more patients. To date, eight insulin dependent diabetes patients have received the implants DIABECELL® , LCT's encapsulated porcine islets, and now another four patients will be enrolled into the dose ranging trial. The expansion of the New Zealand study has also been approved by the Regional Ethics Committee and the Data Safety and Monitoring Board. The Minister stated that he is satisfied that amending the original approval to include more patients will add further rigour to the study and may provide valuable additional information.

LCT has recently reported that in the current trial of eight New Zealand patients with unstable diabetes, all have shown the benefit of reduction or elimination of episodes of low blood glucose levels that are often life-threatening. The dramatic results to date showing DIABECELL®'s ability to ameliorate this serious complication of diabetes, known as hypoglycaemic unawareness, are one key indicator of potential benefit to patients.

The first four patients received one implant of DIABECELL® at the dose of 10,000 islet equivalents per kilogram body weight (IEQ/kg) without any reported adverse events attributable to the treatment. A second group of four patients has received a higher dose of 15,000 IEQ/kg, also with no significant adverse events attributed to the treatment. At this time, the follow up period is too short to assess efficacy with this second group.

The safety profile of DIABECELL® continues to be confirmed and therapeutic benefit remains promising as the Company progresses with its dose ranging trials, aimed at identifying the most efficient dose to achieve optimal efficacy.

Prof Bob Elliott, LCT Medical Director said: "This approval allows us to administer up to 20,000 IEQ/kg in four patients which I expect is likely to be the maximum consideration for a single dosing. It will enable a future assessment of a possible commonly seen plateau effect in dosing which will allow us to understand dosing efficiencies for various patient indications. "

Dr Paul Tan, NZ Chief Executive Officer LCT added: "The Minister's approval to expand the New Zealand trial is part of LCT's clinical and commercial development plan to see DIABECELL® advance to market. This additional patient information will be important when analysing the data to assess the necessary doses to meet various endpoints relevant to patients with unstable Type 1 diabetes."

DIABECELL® is LCT's treatment designed to normalise the lives of people with insulin dependent diabetes. DIABECELL® comprises encapsulated porcine insulin-producing cells (islets) that are implanted into the abdomen of patients using a simple laparoscopic procedure, and work by self-regulating and efficiently secreting insulin in the patient's body. LCT's breakthrough proprietary encapsulation technology, IMMUPEL, means that patients receiving DIABECELL® treatment do not require immunosuppression after implantation.

- Ends -

For further information: www.lctglobal.com

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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 the treatment of Parkinson's disease and other neurological disorders, the company transplants microencapsulated choroid plexus cells that deliver beneficial proteins and neurotrophic factors to the brain. LCT's breakthrough encapsulation delivery technology, IMMUPEL, 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.

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