Living Cell Technologies Limited
Company Announcement

LCT Approved to Further Expand DIABECELL® NZ Trial

- NZ Minister of Health approves addition of 2 patients to be dosed at 5,000 islet equivalents per kilogram of body weight
- New patients bring total number of study participants in NZ phase II trial to 14, spread across four dose groups
- Fourth treatment arm at low 5,000 dose will help build the dose ranging data set needed to define target product profile for Phase III trials

20 December 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 announced that the New Zealand Minister of Health has approved the addition of two patients to the New Zealand Phase II clinical trial of DIABECELL. These patients will be in addition to the 12 patients already approved to receive DIABECELL implants, LCT's encapsulated porcine islets for the treatment of Type 1 diabetes.

To date, 11 of the 12 approved New Zealand patients with unstable insulin dependent diabetes have received this ground-breaking treatment, which has been shown to improve diabetes management and reduce or eliminate episodes of life-threatening low blood glucose levels. The dramatic results to date show DIABECELL's ability to ameliorate this serious complication of diabetes, known as hypoglycaemic unawareness, is an important potential benefit to patients.

The expansion of the trial will allow LCT to build its dose-ranging data set of DIABECELL, which is key to determining the dose regimen which provides optimal patient benefit. The first four patients received one implant of DIABECELL at a dose of 10,000 islet equivalents per kilogram body weight (IEQ/kg). A second group of four patients has received a higher dose of 15,000 IEQ/kg. In the third group of two patients, a high dose of 20,000 IEQ/kg was administered. The fourth group of four patients will receive a dose of 5,000 IEQ/kg.

The expansion of the New Zealand study has also been approved by the Northern X Regional Ethics Committee and the Data Safety and Monitoring Board. The safety profile of DIABECELL continues to be confirmed and therapeutic benefit remains promising as the Company progresses with its dose-ranging studies and prepares for initiating pivotal Phase III trials next year.

Professor Bob Elliott, LCT Chairman and Medical Director said: "As often happens in medicine, we see a threshold zenith where there appears to be little additional therapeutic response to higher doses of DIABECELL, and it is currently thought that this threshold may have been reached in this clinical trial. We believe reducing the dose may increase the clinical benefit of this treatment and will also mean we will require fewer islet cells to treat each patient. If this is proven true, it will be a very good outcome for the commercialisation of DIABECELL."

Dr Ross Macdonald, Chief Executive Officer of LCT added: “The data generated from this trial is invaluable to finalizing our target product profile so we can finalise planning of our final Phase III trials next year. We are working quickly toward the commercialisation of DIABECELL and gathering as much data as possible to ensure DIABECELL offers the optimal level of benefit to patients.”

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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 implants lead product DIABECELL, 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, NTCELL, which delivers beneficial proteins and neurotrophic factors to the brain. LCT’s breakthrough microencapsulation 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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