



Living Cell Technologies Ltd

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COMPANY ANNOUNCEMENT

LCT Receives Approval for DiabeCell® Clinical Trial in NZ

12 September 2007, Auckland, New Zealand and Melbourne, Australia:

Key Points:

- LCT receives Regional Ethics Committee approval for diabetes clinical trial in NZ
- LCT pig cell transplant diabetes phase I/IIa trial on track to start by end of 2007
- LCT is the only company world-wide to obtain clinical trial approval for a pig cell transplant without immunosuppression under current regulatory guidelines
- DiabeCell® product targets the type 1 diabetes market – with 24 million sufferers globally

Living Cell Technologies Ltd (ASX:LCT, OTC:LVCLY) is pleased to announce that it has obtained all the regulatory and ethics approvals required by the NZ Minister of Health before proceeding with its type 1 diabetes phase I/IIa clinical trial in New Zealand.

The Regional Ethics Committee has now approved LCT's clinical trial protocols and this is the final of successful regulatory applications the Company has assembled to become the leading pig cell therapy company in clinical phase.

The Ethics review considered key areas such as adequate patient consent, the contribution to knowledge and risk/benefit ratio of the trial, rare adverse events and LCT's unique system for managing potential perceived risk to recipients and the community using guidelines released by the US Food and Drug Administration (FDA).

Dr Paul Tan Chief Executive Officer of LCT, said: "LCT has worked closely with the regulatory authorities to establish the framework for conducting clinical trials with pig cells to a new benchmark. In doing so, LCT has built up considerable commercialisation capability and know-how that are essential for taking DiabeCell® to the clinic and market."

Earlier this year, LCT received regulatory approvals from Medsafe and the Gene Technology Advisory Committee - the regulatory bodies that led the international review of the health status of LCT's unique pig herd and certified its DiabeCell® manufacturing plant to Good Manufacturing Practice (GMP) standards for supplying medical grade pig cells for use in humans.

In May this year, LCT became the first company to have an internationally accredited diagnostic facility with the suite of tests for ensuring the absence of infectious viruses and micro-organisms in pig tissue and a system for monitoring recipients of pig cell implants. To progress the trial, LCT has been working with Medsafe, Ministry of Health on the database for a register of transplant recipients and an archive for biological samples, as recommended by the Ethics Committee.

LCT anticipates the NZ Minister of Health will accept the approvals from the regulatory bodies in the next few weeks, which will enable clinical trials of DiabeCell® in type I diabetes patients to commence in NZ in the last quarter of the 2007 calendar year.

Further information: www.lctglobal.com

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About DiabeCell® clinical trial in New Zealand

Supported by a grant from New Zealand Trade & Enterprise, the 12 month phase I/IIa trial is to be conducted at a New Zealand hospital and involves the simple injection of LCT's DiabeCell® product into the peritoneal cavity (abdomen) of eight insulin-dependent diabetes patients, who will receive these cells in a dose escalation, to establish both safety and preliminary evidence of efficacy.

DiabeCell® is a natural pig pancreatic islet cell product for the treatment of insulin-dependent diabetes. DiabeCell® contains pig islet cells wrapped inside a protective alginate gel micro-capsule. DiabeCell® is injected into the body without any immunosuppression and produces insulin to help regulate blood glucose levels appropriate to the amount of glucose detected in the blood stream of the diabetic recipient.

Diabetes globally affects over 240 million people, 24 million of which have type I diabetes (2010 projections, WHO). The direct and indirect costs of diabetes account for up to 20% of government healthcare expenditures. In NZ alone, over \$341 million per annum is spent on treating diabetes, with six times more people dying from diabetes related complications than in the annual road toll (NZ Ministry of Health, Diabetes NZ). Human islet cell transplants are currently available for around US\$300k per patient, but there are not enough human cadavers for this to be a viable treatment.

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. For the treatment of Huntington's disease and other neurological disorders, the company transplants microencapsulated choroid plexus cells that deliver beneficial proteins and neurotrophic factors to the brain. Living Cell also offers medical-grade porcine-derived products for the repair and replacement of damaged tissues, as well as for research and other purposes.

LCT has a US American Depositary Receipt program, enabling US residents to purchase LCT stock. *To purchase ADRs in LCT, please contact your broker (OTC: LVCLY, CUSIP Number: 53838R107). More information about investing in the LCT ADR program can be obtained directly from Violet Pagan, Vice President Depositary Receipts at the Bank of New York, by email : vpagan@bankofny.com .*

LCT disclaimer

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