



## **Living Cell Technologies Ltd**

*PO Box 3014*

*Auburn VIC 3123*

ABN: 14 104 028 042

### **COMPANY ANNOUNCEMENT**

#### **LCT to raise \$2.4 million with option to purchase up to \$9.8 million in placement by international investors**

*3 October 2007, Melbourne, Australia and Auckland, New Zealand:*

Living Cell Technologies Ltd (ASX:LCT; OTC: LVCLY) today signed a non-binding letter of intent for the sale of up to AUD\$9.8 million in ordinary shares by clients of US-based investment group, NaviGroup Management Ltd.

The private placement will consist of an initial \$2.4 million to occur within thirty days of today's execution of the letter, subject to the satisfactory completion of due diligence by the investor. The placement will be made within the amount of shares available under ASX listing rule 7.1\*.

The non-binding letter of intent provides for a 90-day period for one or more additional placements to occur following this first tranche amount, up to an aggregate amount of \$7.4 million, for a total potential closing of \$9.8 million.

The initial closing will represent a total of approximately 22.4 million shares with an issue price based on 80% of the last 30 day average trading price at \$0.11. Subsequent closings will be priced to be the lower of AUD\$0.20, or 80% of the 30-day average closing bid price per ordinary share of the Company as quoted on the ASX. Additional shares will be subject to shareholder approval pursuant to applicable ASX rules.

NaviGroup Management represent an international group of investors. NaviGroup Management will be entitled to appoint a director on the Board of LCT. Each additional tranche will enable an additional director to represent the Investment group, up to a maximum of three directors. It is anticipated that the new directors will bring international experience in funding and finance.

"The placement will extend our international shareholding and bring in new sophisticated investors that are supportive of DiabeCell's clinical development," said Dr Paul Tan, Chief Executive Officer.

The funds will be used as working capital to further LCT's DiabeCell clinical trials in Russia and New Zealand, as well as ongoing expansion of the pig breeding herd to meet clinical requirements.

"The full amount would alleviate LCT's capital requirements for the near-term period and the company will not need to raise additional funds for some period."

This is a direct placement with the investors and will not be subject to brokerage fees. Following the initial funding of \$2.4 million, the definitive agreements will not prohibit LCT from assessing further long-term funding opportunities.

"Investors are recognising the significant achievements of the Company in recent months with the start of clinical trials and product accreditation, making LCT the world leader in its field - moving closer to a commercial product," commented Dr Tan.

<b>Further information:</b>	
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**About Living Cell Technologies:** [www.lctglobal.com](http://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.*

**\*Background Information:**

*ASX Listing Rule 7.1 provides that a company, must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.*

**LCT disclaimer**

This document contains certain forward-looking statements, relating to LCT's business, which can be identified by the use of forward-looking terminology, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. In particular, management's expectations regarding the approval and commercialization of product candidates could be affected by, among other things, unexpected clinical trial results; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects.