



Living Cell Technologies Limited

Company Announcement

Living Cell Technologies signs new research collaboration and option agreement to licence its encapsulation technology

21 December 2009: Sydney, Australia, Auckland, New Zealand – Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY) today announced that it has extended the research collaboration with Centocor Research & Development Inc. and granted an exclusive two year option to take up a world-wide licence for LCT's encapsulation technology which is to be made available only for human cell lines for a specific, but undisclosed, field of use.

Dr Paul Tan, Chief Executive Officer LCT said, "Significant progress made in our research collaboration to date has shown that our proprietary encapsulation technology for our lead product DIABECCELL[®], is applicable to other cells."

The agreement includes a Centocor funded research program for two years. The option to licence is for two years with a fee payable each year. Upon exercise of the option, the parties will enter into a licensing agreement with terms that have been agreed upon including upfront, annual, milestone and royalty payments but, for commercial reasons, LCT is not able to disclose details.

LCT's encapsulation technology places cells in capsules made of alginate derived from seaweed. The capsules protect the cells from rejection by the immune system and allow the cells to be implanted without using immunosuppressive drugs.

LCT's lead product, DIABECCELL[®], comprises encapsulated pig insulin-producing cells designed to normalize blood glucose levels in type 1 diabetes sufferers. DIABECCELL[®] is presently in Phase II human clinical trials in New Zealand and Russia.

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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 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 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.

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 such as "promising," "plans," "anticipated," "will", "project", "believe", "forecast", "expected", "estimated", "targeting", "aiming", "set to," "potential," "seeking to," "goal," "could provide," "intends," "is being developed," "could be," "on track," or similar expressions, 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. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; 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. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. LCT is providing this information and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.