



## **Living Cell Technologies Limited Company Announcement**

### **LCT Completes First Closing on Funding**

**4 January 2011: 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, is pleased to announce today that it has completed the First Closing of a Share Purchase and Convertible Security Agreement, announced 31 December 2010, with New York-based investment fund SpringTree Special Opportunities Fund, LP (SpringTree). The Agreement provides for the issue of up to AUD 5,250,000 worth of shares over an 18-month period from the date of the Agreement and the provision of a AUD 500,000 convertible security, for total funding of up to AUD 5,750,000.

LCT has today received initial funds of AUD 650,000 (AUD 500,000 in a 0% interest, 24 month convertible security to be satisfied by the issue of shares to SpringTree by the Company, plus AUD 150,000, being the first tranche of the AUD 5,250,000 share purchase facility).

Pursuant to the First Closing under the Agreement, LCT has today issued 1,682,692 ordinary shares as Commencement Fee shares to SpringTree at an issue price of AUD 0.1196 per Ordinary Share, and 3,500,000 options at an exercise price of AUD 0.1989, exercisable before 31 December 2013. An Appendix 3B and Cleansing Statement in respect of the issued securities will be lodged promptly following this Announcement.

This funding is to provide funds toward the further development and commercialisation of LCT's lead product DIABECCELL and for general operations. LCT is scheduled to treat the patients recently approved for the fourth treatment arm in its ongoing Phase IIb clinical trial in New Zealand in the coming weeks. LCT is also working with its team in Russia on commercialisation plans for DIABECCELL, recently registered in Russia.

SpringTree is a New York-based investment fund that makes equity and equity-linked investments in small-cap and mid-cap public companies around the world.

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**About Living Cell Technologies, Ltd. - [www.lctglobal.com](http://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.

**About SpringTree Global Investors, LLC**

SpringTree Global Investors, LLC is a New York-based alternative asset management company that makes equity and equity-linked investments in public companies around the world, with a focus on small-cap and mid-cap companies requiring US\$5-US\$150 million in funding. It invests across a broad range of industries and a wide range of geographies and economic environments.

***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.*