



Living Cell Technologies Ltd

COMPANY ANNOUNCEMENT

Living Cell Technologies Confirms Insulin Delivery from Implants in Diabetes Clinical Trial

June 25, 2008 – Melbourne, Australia and Auckland, New Zealand - Living Cell Technologies Limited (ASX:LCT; OTC: LVCLY) today reported that patients in the DiabeCell[®] phase I/IIa diabetes clinical trial had porcine insulin in their blood samples providing additional scientific confirmation that implants of DiabeCell[®] actively produce insulin and directly contribute to clinical benefit.

Professor Bob Elliott, LCT Medical Director, said, “The early clinical response in the first two patients showed that following DiabeCell[®] treatment they were able to control their diabetes with reduced insulin dose. By detecting porcine insulin in blood samples, we have demonstrated with certainty that the reduced insulin requirement is due to the implanted cells.”

“Porcine insulin was present in the circulation of the first patient at 11 months follow up and in the second patient 6 months after receiving the implant. In the second patient it was detected after she stopped insulin injections clearly demonstrating the effect of the implants,” continued Professor Elliott.

Dr Paul Tan, LCT Chief Executive Officer, said, “This recent information is consistent with LCT’s published research which demonstrated presence of porcine insulin in a patient 10 years after a similar implant. This has now been validated again after 11 months without use of immunosuppressive drugs in the current trial and at the lowest dose of DiabeCell[®]. The long term functioning of the encapsulated cells is important and we expect LCT’s current encapsulation technology to keep the cells alive and functioning long term”.

“The preliminary data from this world-first diabetes clinical trial of encapsulated porcine insulin-producing cells gives us increasing confidence as we advance DiabeCell[®] to larger scale trials with higher doses,” continued Dr Tan. LCT announced earlier this month that it would be expanding the Russian trial.

This preliminary data from the first two patients will be followed by results from the other patients in the trial. All 5 patients who have received transplants are participating in the follow-up programme. All remain well and without complication. The first two have received their second implant while the other three are to be scheduled for their second implants.

Professor Bob Elliott is travelling to Russia in July to review all patients with their personal physicians and to collate clinical data. LCT expects to be able to provide a complete trial update in late July.

DiabeCell[®], encapsulated porcine insulin producing cells, is the Company’s lead product. It is currently undergoing phase I/IIa clinical trials for insulin dependent type 1 diabetes.

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About Living Cell Technologies: www.lctglobal.com

Living Cell 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 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'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. 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.

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