



Living Cell Technologies Ltd

COMPANY ANNOUNCEMENT Appendix 4C Quarterly Report

Living Cell Technologies in strong cash position to accelerate clinical trial program

January 31, 2008 – Melbourne, Australia and Auckland, New Zealand - Living Cell Technologies Limited (ASX:LCT; OTC: LVCLY.PK) today announced that the cash balance at the end of the quarter to 31st December 2007 was A\$7,643,560, compared to A\$1,246,366 at the end of the quarter to September 30th 2007. Operational cash flow at (A\$1,388,660) was maintained at a comparable level to the (A\$1,164,925) spent in the preceding quarter.

The A\$6,397,194 increase in cash (or 513 percent improvement) was primarily due to the two capital placements invested into LCT totaling A\$8,296,308 as announced by the Company on October 3 and 30, 2007. A further US\$6.0m is expected to be invested into the Company by Palmert Members, as announced on January 9, 2007. Furthermore, the convertible notes issued in June 2006 are being converted to shares and therefore LCT will not be required to pay the A\$2m that was owed on those notes, as announced on January 25, 2008.

Richard Justice, Chief Financial Officer said: "The company's significantly improved cash balance places LCT in a stronger financial position. We are very pleased and encouraged by the level of confidence that global investors have demonstrated in LCT during recent weeks. Our current funding allows us to complete the current Russian clinical trial and it will also enable us to commence a clinical trial in New Zealand, following approval from the New Zealand Health Minister."

Dr Paul Tan, Chief Executive Officer of LCT "Apart from continuing and expanding our clinical trials, a further focus for 2008 will be the expansion of our production and manufacturing capabilities, as well as the commencement of a targeted and strategic commercialisation program for our technology.'

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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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