



Living Cell Technologies Ltd

COMPANY ANNOUNCEMENT

LCT Expands Diabetes Clinical Trial

June 5, 2008 – Melbourne, Australia and Auckland, New Zealand - Living Cell Technologies Limited (ASX:LCT; OTC: LVCLY) today announced that the positive preliminary data from its first clinical trial of Diabecell® for insulin dependent type 1 diabetes has encouraged the Company to expand the trial and proceed with testing higher doses.

In LCT's first Phase I/IIa trial of DiabeCell®, its lead product of encapsulated porcine insulin producing cells, 5 patients have been implanted with the lowest dose. As reported in the Company's clinical update on 31 March 2008, there have been no significant adverse effects and a clinical effect was demonstrated with reduction in daily insulin requirement for up to six months follow up with satisfactory control of blood glucose.

Professor Bob Elliott, LCT Medical Director said, "The clinical effects observed with the lowest dose and the uncomplicated safety profile to date have encouraged our clinical experts in Moscow to implant higher doses with the expectation of greater clinical benefit."

LCT's Chief Executive Officer, Dr Paul Tan said 'the scientific and ethics approvals allowed the trial protocol to be revised and continued with the total number of patients increased from 6 to 10 at this stage. In subsequent implants, the dose of DiabeCell® will move up from 5,000 islet equivalents per kilogram body weight (IEQ/kg) to 10,000 IEQ/kg.'

"This revision of the clinical protocol in Moscow in effect expedites our clinical program for DiabeCell®," said Dr Paul Tan.

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About Living Cell Technologies Ltd

Living Cell Technologies is developing cell-based products to treat life threatening human diseases. The company owns a bio-certified pig herd that it uses as a source of cells for treating diabetes and potentially for treatment of neurological disorders. For patients having type 1 diabetes, the company implants microencapsulated islet cells so that near-normal blood glucose levels might be achieved without the need for administration of insulin or at significantly reduced insulin levels. The company entered clinical trials for its diabetes product in 2007. LCT also is developing treatments for Huntington's disease and other neurological disorders that will involve

implantation of micro-encapsulated choroids plexus cells to deliver beneficial proteins and neurotrophic factors to the brain. The company's technology has the potential for allowing healthy living cells to be injected into patients to replace or repair damaged tissue without requiring the use of immunosuppressive drugs to prevent rejection. For further information please visit www.lctglobal.com.

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