



Living Cell Technologies Limited

Company Announcement

Living Cell Technologies Awarded NZ\$4.04 Million New Zealand Government Grant to advance DIABECCELL[®] for type 1 diabetes

- LCT to receive NZ\$4.04 million over two years
- The grant supports development costs to upscale production of DIABECCELL[®] and conduct the NZ clinical trial

12 February 2010: Sydney, Australia, Auckland, New Zealand – Cell implant company **Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY)** today announced that it has been awarded a grant of NZ\$4.04 million from the New Zealand government's Foundation for Research Science & Technology.

The funds from the grant are to be made available over two years to support the ongoing development of DIABECCELL[®], LCT's lead product for insulin dependent type 1 diabetes.

Dr Paul Tan, Chief Executive Officer LCT said: "Positive clinical data from our early Phase I/IIa trials compels us to address future market demand and further develop our manufacturing capability as part of the commercialization programme for DIABECCELL[®]."

"This grant contributes to the investment required to increase production of DIABECCELL[®] to commercial scale and the cost of the New Zealand clinical trial currently underway with DIABECCELL[®]."

We are pleased that the commercial and scientific peers who reviewed our grant application for the New Zealand government endorsed LCT's business and development strategy to commercialize DIABECCELL[®]."

Dr David Brookes, Chairman LCT Board, said, "This is a very exciting time in the company's development with the fourth patient in the New Zealand trial implanted this week. We look forward to progressing our milestones with the funds raised from our shareholders in 2009 and from this New Zealand government grant."

The New Zealand government awards grants to assist companies to bridge technology gaps to bring products to market more rapidly. Specific projects supported by this grant relate to upscaling the bioprocessing of cells, the commercial manufacture of alginate gel and commercial encapsulation methods. These technologies are essential in the manufacture of DIABECCELL[®] and are also applicable for encapsulating other cell products in the LCT pipeline. These projects enhance LCT's ability to license its cell encapsulation technology to other parties.

DIABECCELL[®] is LCT's treatment designed to normalise the lives of people with insulin dependent diabetes. DIABECCELL[®] is implanted into patients and works by self-regulating and efficiently secreting insulin in the patient's body. LCT's encapsulation technology means that this procedure does not require the use of immunosuppressant drugs.



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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.