



Living Cell Technologies Ltd

Suite 2.11 / 737 Burwood Rd

Hawthorn VIC 3122

ABN: 14 104 028 042

COMPANY ANNOUNCEMENT

LCT lodges application for clinical trial of its type 1 diabetes treatment

24 August 2006, Auckland, New Zealand:

Living Cell Technologies Ltd (ASX:LCT) today announced it has lodged an application with the New Zealand regulator MedSafe to conduct a Phase I/IIa clinical trial of its type 1 diabetes cell therapy product DiabeCell®.

DiabeCell® is a porcine pancreatic cell product for the treatment of insulin-dependent diabetes. The neo-natal pig cells produce insulin and help regulate blood glucose levels appropriate to the amount of glucose detected in the blood stream of the diabetic recipient.

"DiabeCell® is likely to offer significant benefits over existing treatment options for type 1 diabetics," said LCT Medical Director Professor Bob Elliott. "The ready availability of cells and no immuno-suppression makes this a very attractive treatment option."

Pre-clinical testing of DiabeCell® in animal models has shown no adverse effects with any dose or repeated transplants, extended survival of the islets, a significant reduction in insulin requirements, and insulin independence in some individual animals.

Recently LCT has shown evidence of long-term islet survival and function in a human patient ten years post-transplant of a prototype product.

Human islet cell transplantation as a treatment for diabetes is already conducted in several countries. It is of very limited use, as cadaver donors are scarce, toxic immune suppression is required and long-term success is minimal.

DiabeCell® may offer considerable advantages as there is no need for immuno-suppressive drugs, and the supply of cells from LCT's natural biocertified pig herds can be scaled up to meet market demand.

At the end of 2005, the New Zealand BioEthics Committee recommended that xenotransplantation be approved for use in New Zealand on a case by case basis.

After preliminary consultation with Medsafe NZ, LCT has submitted the application to conduct the clinical trial on eight long standing Type 1 (insulin-dependent) diabetics. The clinical trial is expected to be approximately 12 months in duration.

The trial will involve the simple injection of encapsulated islets into the peritoneal cavity of the diabetic patients. The procedure is minimally invasive and implantation takes approximately ten minutes to complete for each patient.

The recommendations from national and international guidelines on xenotransplantation studies have been adhered to in the clinical trial application, including relevant guidelines from the US FDA.

LCT plans to file an IND application with the US FDA for its NeurotrophinCell product, in line with its strategy to progress both lead products in clinical trials in 2007.

Further information: Images available upon request - pdeluca@lctglobal.com		
Prof Bob Elliott Medical Director Tel: +64 9 270 7943 Mob: +64 272 924 177	Paul Tan Managing Director - NZ Tel: +64 9 270 7941 Mobile: +61 402 716 984	Paris Brooke General Manager – LCT Tel: +61 3 9813 5501 Mobile: + 61 407 715 574

About Living Cell Technologies: www.lctglobal.com

Living Cell Technologies Ltd (ASX: LCT) develop live cell therapy products to treat life threatening human diseases. The ASX listed, vertically integrated company operates globally through offices in New Zealand, Australia and the United States. LCT focuses on developing treatments where healthy living cells are injected into patients to replace or repair damaged tissue, without requiring the use of toxic drugs to prevent rejection. The company's product portfolio focuses on treatments for people with Huntington's disease, insulin-dependent diabetes and haemophilia.

MedSafe: www.medsafe.govt.nz

Medsafe is the New Zealand Medicines and Medical Devices Safety Authority. It is a business unit of the Ministry of Health and is the authority responsible for the regulation of therapeutic products in New Zealand. In carrying out its functions, Medsafe is accountable to the Ministry of Health, and through the Ministry to the Minister of Health.

Background Information:

Scientific papers relating to DiabeCell® are available for download on the LCT website at www.lctglobal.com/diabecell.