



Living Cell Technologies Ltd

COMPANY ANNOUNCEMENT

Living Cell Technologies to Receive US\$6.0M through Exercise of Option

January 9, 2008 – Melbourne, Australia and Auckland, New Zealand - Living Cell Technologies Limited (ASX:LCT; OTC: LVCLY.PK) today announced that Palmert Members Limited (a British Virgin Island company) will purchase 24,150,408 ordinary shares of LCT at A\$0.29 per share for an aggregate purchase price of US\$6.0 million. Palmert will make this investment through exercising an option that was granted to NaviGroup Management Limited and assigned to Palmert by NaviGroup. The option, which expires on January 24, 2008 was exercised on December 20, 2007 and allows the holder to purchase up to US\$6.0 million of LCT's ordinary shares at 80% of the 30-day average closing bid price per ordinary share of the Company. The issue of these shares will occur at an exchange rate of US\$0.8567 per AU\$1.00 and is subject to certain shareholder approvals.

NaviGroup has the right on completion of the total of US\$8.0 million placement to appoint up to three members of LCT's Board of Directors, of which up to two may be replacements of existing directors. The first US\$2million placement was announced on November 6 and the appointment of Dr Robert Caspari to the LCT Board as the first NaviGroup appointment was announced yesterday, January 8, 2008.

Palmert is part of a Russian investment group whose investments include companies involved in metals, mining, and biotechnology among others. Palmert is independent from NaviGroup and does not have an affiliation with any of the parties involved in LCT's clinical trial in Russia.

The exercise of the option by Palmert, the private placement of A\$6 million announced on November 30, and the previous investment in LCT by Navigroup, together bring the total of recent capital raised by LCT to an amount in excess of A\$14 million. The combined funds place the Company in a strong financial position to achieve its immediate goals of supporting DiabeCell® Phase I/IIa clinical trials in Russia and New Zealand, as well as expansion of its infrastructure to meet clinical trial requirements.

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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.

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 as of January 9, 2008, 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.