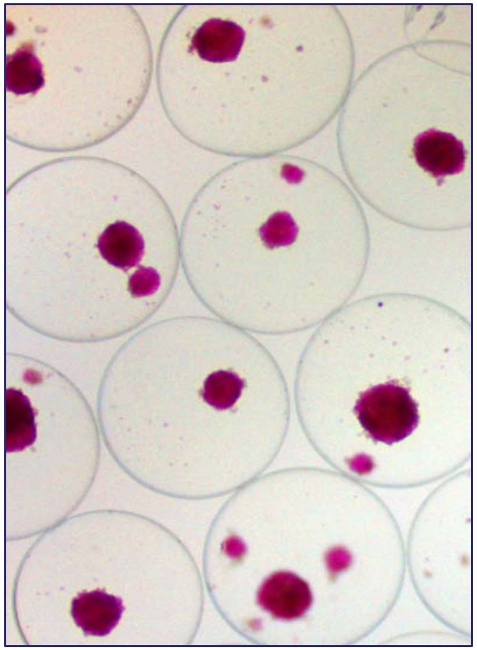
ASX: LCT - OTCQX: LVCLY

Diabetes – Neurodegenerative Diseases – Cell Encapsulation



Encapsulated porcine islets

ANNUAL GENERAL MEETING

18 November 2010

CEO REPORT

Safe Harbor Statement

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 the date of this presentation 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.

LCT- The world leader in cell implant therapies

- A global pioneer in cell encapsulation and implantation for human therapeutics
- First company globally to enter clinical trials using therapeutic porcine cell implants under current regulatory guidelines
- Lead product DIABECELL®: new approach to manage Type 1 diabetes, particularly in patients with unaware hypoglycaemia
- NTCELL: exciting pipeline of cell implant technologies to treat neurodegenerative diseases

Drivers of global value

- The Company has:
  - Lead product DIABECELL in late Phase II clinical trials in New Zealand
  - Completed Phase I/IIa trials of DIABECELL in Russia
  - Plans for multi-jurisdictional pivotal trials of DIABECELL
  - The world's most advanced proprietary encapsulation platform technology, IMMUPEL™: eliminates need for anti-rejection drugs
  - NTCELL pipeline targeting diseases such as Parkinson's disease, Huntington's disease, stroke and hearing loss
  - Developing global partnerships to commercialise the company's product pipeline and technologies
  - Designated pathogen-free pig herd certified as a source of tissue for human therapeutics
  - International recognition

Progress continues

- 2010 was a year marked by solid progress:
  - DIABECELL clinical program
  - Pig facilities and product manufacture
  - NTCELL product development
- Since the reporting period, LCT has:
  - Expanded NZ trial to 12 patients
  - Reported sustained benefit (>30 weeks) for first 4 patients; reduction in the number and severity of hypoglycaemic events
  - Released promising preclinical results with NTCELL in a Parkinson’s disease model
  - Sharpened commercial focus: appointments of Susanne Clay (CBO) and Ross Macdonald (CEO)

DIABECELL

LCT's DIABECELL: Type 1 Diabetes

Alginate-encapsulated porcine islets for xenotransplantation

Loss of insulin secreting beta cells in the pancreatic islets leading to a life-long need for insulin replacement and no ability to self-correct glucose levels

Human Burden of Type 1 Diabetes

- 20m patients (10% of 220m diabetes patients globally)
- Daily insulin injections
- Long term complications
- Major economic burden (>$300b global diabetes cost)
- About 17% have unstable diabetes: hypoglycemic episodes with seizures and coma

Limited Treatment Options

•No cure

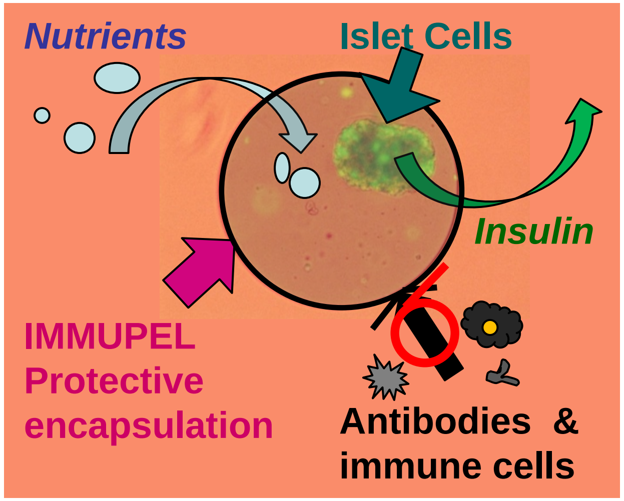
•Insulin therapy little changed in 80+ years

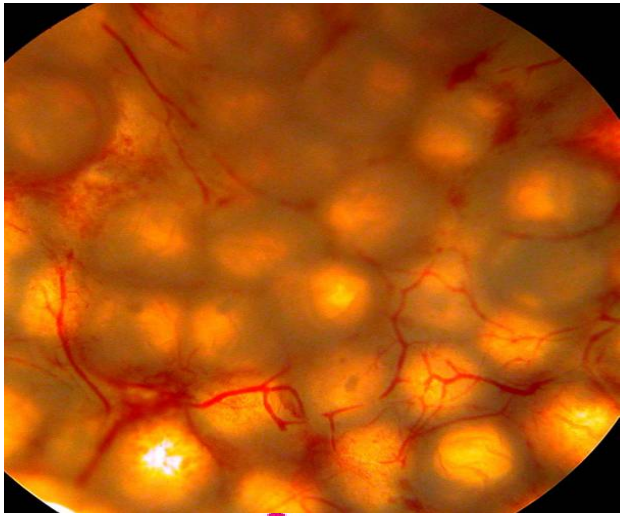
•Multiple approaches researched, but with serious hurdles

•DIABECELL provides real potential to safely manage Type 1 diabetes

Sources: WHO (Nov 2009) , JDRF , National Diabetes Fact Sheet 2007(NIH, CDC, ADA)

DIABECELL: Self-regulated insulin production





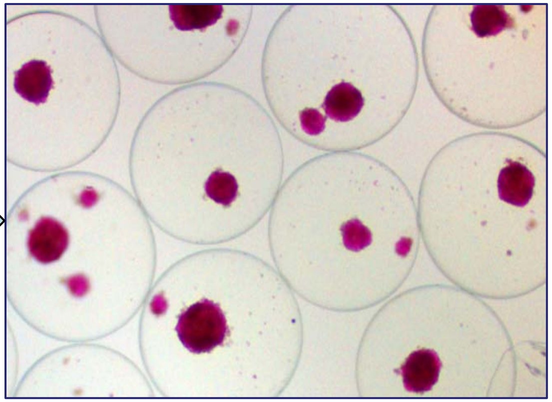
- Structure of IMMUPEL microcapsules enables nutrients to reach cells but prevents immune rejection
- Immunosuppression **not** required
- Cells function naturally as islet cells in body
- Diabetes is controlled and health improves

DIABECELL Manufacture

from Pig to Patient

Islet isolation and processing → *In vitro culture* → *Islet encapsulation and testing* → *DIABECELL packed and transported to clinic* → *DIABECELL implanted via laparoscopy into abdomen*

Manufacture



DIABECELL - Encapsulated islets

Surgical implant

Revenue Model for DIABECELL

Commercial pathway

- Approval enabling clinical trials in multiple markets
- First approval expected 2013
- Strategic alliances with leading health centers: Designated DIABECELL Centers of Excellence (DDCE's) as distributors
- Scalable, fully integrated manufacturing
  - owned, controlled and managed by LCT

High value product

- Treating 1,000 patients @ $150K delivers revenue of A$150m, 50%-60% gross margin (*cf* cost of human islets @ $250K ea)
- Significant revenue from small (1%) market penetration
- Human islet procedures reimbursed in EU + certain states in US

DIABECELL Near Term Revenue Milestones

2011

- Begin pivotal trials (Phase III)
- Strategic alliances with leading health centers

2012

- Final Phase III results

2013

- Revenue from Russia
- LCT reaches profitability

2014

- Approval and revenue – NZ, Aus, US, EU.
- DIABECELL annual revenue capacity $50 - $60 million

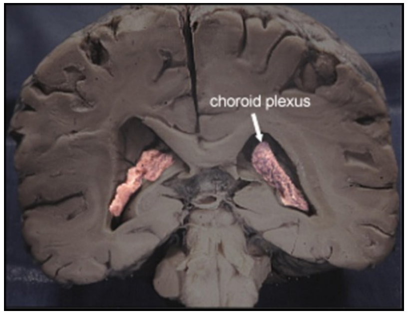
2015

- First two manufacturing sites at capacity
- DIABECELL annual revenue capacity ~$80 million ~ 500 patients

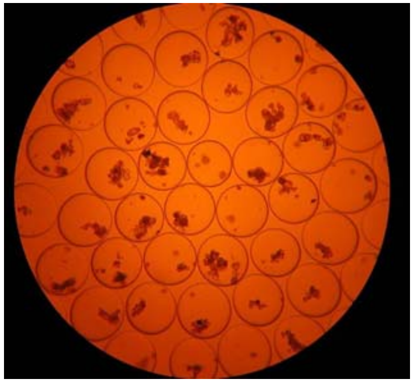
NTCELL

LCT's NTCELL: Neurodegenerative Disease

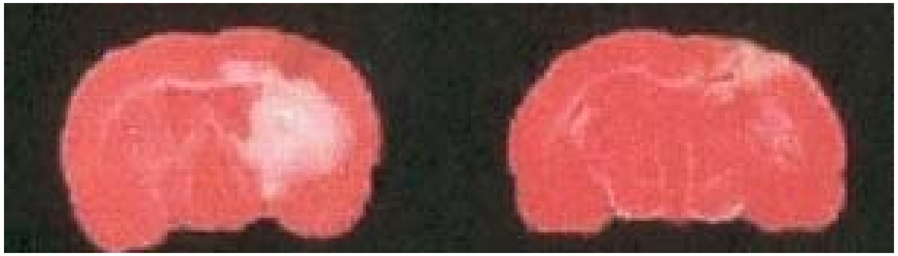
Alginate encapsulated porcine choroid plexus cells



- Choroid plexus cells naturally produce factors that protect neural tissue from degeneration or injury and enhance repair
- Encapsulated with IMMUPEL
- NTCELL has been implanted in animal models of Parkinson's disease, Huntington's disease, stroke and hearing loss



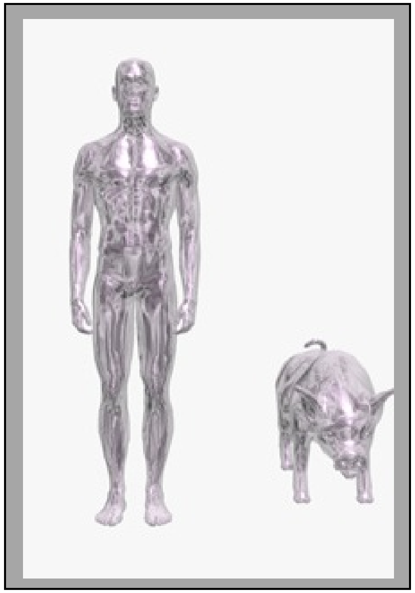
- Aggressive partnering effort to proceed in 2011



Untreated Treated

Rat stroke model; white areas indicate damaged brain tissue

LCT Value Proposition



- Consistent positive Phase II trial data
- Significant revenue potential on horizon
- Protected exclusive high-value assets
- Global, scalable product with direct channel to market
- Broad technology platform offers multiple opportunities

Thank you for your attention….