



Living Cell Technologies Limited

ABN 14 104 028 042

NOTICE OF GENERAL MEETING

to be held at 11.00am on
Friday 7 March 2008
at the offices of
Australian Company Secretaries
Level 5
255 George Street
Sydney NSW 2000
Australia

Registered Office:
C/- Australian Company Secretaries Pty Ltd
GPO Box 4231
Level 5
255 George Street
SYDNEY NSW 2001
Australia

Telephone +612 9252 1933
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Living Cell Technologies Limited

ABN 14 104 028 042

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting ("the Meeting") of Living Cell Technologies Limited ("the Company") will be held at the offices of Australian Company Secretaries, Level 5, 255 George Street, Sydney, NSW, 2000 at 11.00am on Friday 7 March 2008.

BUSINESS – Ordinary Resolutions.

Resolution 1 Election of Dr Robert Caspari

To consider and, if thought fit, pass the following ordinary resolution:

"That Dr Robert Caspari, who was appointed a Director during the year, and who retires in accordance with Clause 9.2 of the Company's Constitution and, being eligible, offers himself for election, be elected as a Director of the Company".

Resolution 2 Approval of issue of options to Dr Paul Tan in accordance with ASX Listing Rule 10.11

To consider, and if thought fit, pass the following ordinary resolution:

"That approval be given pursuant to ASX Listing Rule 10.11 for the issue of 500,000 unlisted options over ordinary shares at a nil issue price and an exercise price of A\$0.30 per option to Dr Paul Tan, the details of which are set out in the explanatory notes to resolution 2 in the notice of this meeting."

Resolution 3: Approval of issue of shares to Palmert Members Limited pursuant to ASX Listing Rule 7.1

To consider, and if thought fit pass, the following ordinary resolution:

"That the Company approves for the purposes of ASX Listing Rule 7.1, the issue of 24,150,408 ordinary shares at a price of A\$0.29 per share to Palmert Members Limited, the details of which are set out in the explanatory notes to resolution 3 in the notice of this meeting."

Resolution 4 Ratification of issue of 20,000,000 ordinary shares pursuant to ASX Listing Rule 7.4

To consider, and if thought fit, pass the following ordinary resolution:

"That, in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 20,000,000 fully paid ordinary shares at an issue price of A\$0.30 per share, the details of which are set out in the explanatory notes to resolution 4 in the notice of this meeting."

Resolution 5 Ratification of issue of 5,752,312 ordinary shares pursuant to ASX Listing Rule 7.4

To consider, and if thought fit, pass the following ordinary resolution:

"That, in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 5,752,312 fully paid ordinary shares at an issue price of A\$0.01 per share, the details of which are set out in the explanatory notes to resolution 5 in the notice of this meeting."

Resolution 6: Approval of issue of shares to holders of convertible notes pursuant to ASX Listing Rule 7.1

To consider, and if thought fit pass, the following ordinary resolution:

"That the Company approves for the purposes of ASX Listing Rule 7.1, the issue of 3,224,868 fully paid ordinary shares at an issue price of A\$0.01 per share, the details of which are set out in the explanatory notes to resolution 6 in the notice of this meeting."

Resolution 7: Approval of issue of shares to satisfy the interest component of convertible notes

To consider, and if thought fit, pass the following ordinary resolution:

“That approval be given pursuant to ASX Listing Rule 7.1 for the issue of 1,950,794 fully paid ordinary shares at an issue price of A\$0.175 per share, details of which are set out in the explanatory notes to resolution 7 in the notice of this meeting.”

Dated 31 January 2008

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'N J V Geddes', written over a horizontal line.

N J V Geddes
Company Secretary

Living Cell Technologies Limited

ABN 14 104 028 042

VOTING EXCLUSIONS

Resolution 2

The company will disregard any votes cast on Resolution 2 by:

- Dr Paul Tan or any of his associates (within the meaning of the Corporations Act 2001).

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3

The company will disregard any votes cast on Resolution 3 by:

- NaviGroup Management Limited or Palmert Members Limited or any of their associates (within the meaning of the Corporations Act 2001) and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4

The company will disregard any votes cast on Resolution 4 by:

- Clients of Taylor Collison that participated in this placement of 20,000,000 fully paid ordinary shares or any of their associates (within the meaning of the Corporations Act 2001).

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5

The company will disregard any votes cast on Resolution 5 by:

- any of the holders of the convertible notes issued on 29 June 2006 or any of their associates (within the meaning of the Corporations Act 2001).

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6

The company will disregard any votes cast on Resolution 6 by:

- any of the holders of the convertible notes issued on 29 June 2006 or any of their associates (within the meaning of the Corporations Act 2001) and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7

The company will disregard any votes cast on Resolution 7 by:

- any of the holders of the convertible notes issued on 29 June 2006 or any of their associates (within the meaning of the Corporations Act 2001) and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY NOTES

Resolution 1 – Election of Dr Robert Caspari (Non- Executive Director)

Dr. Caspari is a physician with extensive experience in the pharmaceutical and biotechnology industries. He has led clinical groups at international pharmaceutical companies such as Schering Plough Corporation and Boehringer Mannheim Corporation, as well as holding product manager and medical affairs positions at such companies. Dr. Caspari has also had significant clinical experience with diabetes.

More recently, Dr. Caspari has held senior positions at US-based biotechnology companies. He was Senior Vice President of Commercial Operations at Myogen Inc., and is currently President and CEO of Aurogen Inc., a drug development company focused on neurological disorders.

Dr. Caspari is appointed pursuant to the agreement with NaviGroup Management Ltd which has, among other rights, the right to appoint a new director following its investment of US\$2 million on November 6, 2007.

Resolution 2 – Approval of issue of options to Dr Paul Tan in accordance with ASX Listing Rule 10.11

In March 2007 Directors approved the grant of the following unlisted options over ordinary shares to Dr Paul Tan for nil consideration:

- 500,000 options with an exercise price of A\$0.20 per option (“**Tranche 1 Options**”) and
- 500,000 options with an exercise price of A\$0.30 per option (“**Tranche 2 Options**”).

Shareholder approval was obtained in June 2007 for the grant of the Tranche 1 Options.

The Board is now recommending that Members approve the grant of the Tranche 2 Options to Dr Paul Tan, the Chief Executive Officer and a Director of the Company.

It is proposed that the Tranche 2 Options be granted within three months of the date of this General Meeting and, if made, will constitute a component of Dr Tan’s remuneration. Remunerating Directors in this manner reduces the cash cost to the Company and aligns the reward to senior management with those to shareholders.

As Dr Tan is a Director of the Company, ASX Listing Rule 10.11 requires shareholder approval for the proposed issue of the Tranche 2 Options. If shareholder approval is given under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1.

No funds will be raised by the issue of the Tranche 2 Options to Dr Tan.

The terms of the Tranche 2 Options are as follows:

- The Tranche 2 Options will be issued for nil consideration;
- The Tranche 2 Options will vest on 23 February 2008 (12 months from the date Dr Tan was appointed to the Board);
- The Tranche 2 Options will be exercisable at a price of A\$0.30 per option;
- Each Tranche 2 Option, on exercise, gives Dr Tan the right to be issued one fully paid ordinary share in the Company;
- The Tranche 2 Options may not be assigned or transferred;
- The Tranche 2 Options expire after 5 years from the date of issue;
- If Dr Tan retires or resigns other than for health reasons before the Tranche 2 Options vest, they will be forfeited.

Resolution 3 – Approval of issue of shares to Palmert Members Limited pursuant to ASX Listing Rule 7.1

ASX Listing rule 7.1 provides that a company may not issue or agree to issue more than 15% of its issued capital in any 12 month period without shareholder approval.

If shareholders approve an issue of shares or agreement to issue shares for the purposes of ASX Listing Rule 7.1 then those shares will not be included in the 15% cap.

Such shareholder approval provides the Company with flexibility in capital management and allows the Company to raise further working capital if the need arises.

In order to restore the Company’s 15% placement capacity, it is proposed that shareholders approve the shares to be issued to Palmert Members Limited as detailed below.

On 5 November 2007 the Company issued 20,213,249 fully paid ordinary shares to NaviGroup Management Limited. As part of the agreement to issue these shares, NaviGroup was also provided with an option to purchase up to US\$6.0 million worth of shares at an issue price of A\$0.20 per share or 80% of the 30 day average closing bid price per ordinary share in the Company (whichever is lower) (**Purchase Option**), subject to shareholder approval. Subsequently NaviGroup Management Limited waived its right under the Purchase Option to purchase the shares at A\$0.20 per share but retained its right to purchase the shares at 80% of the 30 day average closing bid price per ordinary share and assigned the Purchase Option to Palmert Members Limited. Palmert is a British Virgin Islands Company and 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 the Company's clinical trial in Russia.

Palmert gave notice on 20 December 2007 that it wished to exercise the Purchase Option in advance of the option expiry date of 24 January 2008.

As a result of that exercise, the Company is required to issue 24,150,408 fully paid ordinary shares at A\$0.29 per share to Palmert for an aggregate purchase price of US\$6.0 million (based on an exchange rate of US\$0.8567 per A\$1.00).

If shareholder approval is granted pursuant to this resolution, the 24,150,408 shares will be issued to Palmert within three months of this General Meeting.

Funds raised from the issue of these shares will be employed for working capital by the Company.

Resolution 4 – Ratification of issue of 20,000,000 ordinary shares pursuant to ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that a company may not issue or agree to issue more than 15% of its issued capital in any 12 month period without shareholder approval. ASX Listing Rule 7.4 provides that an issue of equity securities made without shareholder approval under Listing Rule 7.1 is treated as having been made with shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1.

Such ratification will take the shares out of the 15% cap and provide the Company with flexibility in capital management and allow the Company to make further issues for working capital purposes as required.

Accordingly, in order to restore the Company's 15% placement capacity, it is proposed that the Members ratify the Company's issue of 20,000,000 fully paid ordinary shares at an issue price \$0.30 per share to clients of Taylor Collison Ltd on 30 November 2007. That issue of shares did not breach Listing Rule 7.1.

The funds raised from this issue of shares were employed for working capital by the Company.

Resolution 5 – Ratification of issue of 5,752,316 ordinary shares pursuant to ASX Listing Rule 7.4

The terms of the convertible notes issued by the Company on 29 June 2006 ("**Notes**") included a requirement that the Company grant a total of 8,977,184 options exercisable at A\$0.01 per option to note holders. On 25 January 2008 the Company and the note holders entered into a Deed of Settlement and Release under which, among other things, the Company agreed to issue to the note holders such number of fully paid ordinary shares up to a maximum of 8,977,184 in aggregate, as would be permitted under ASX Listing Rule 7.1 at the date of execution of the Deed in lieu of the issue of options under the terms of the Notes. The number of shares that the Company could issue at this date was 5,752,312 and the Company agreed to issue this number of shares at A\$0.01 each. Those shares were issued on 31 January 2007 and the issue did not breach Listing Rule 7.1.

In order to restore the Company's 15% placement capacity (as explained in more detail in the explanatory notes to Resolution 4), it is proposed that the shareholders ratify the issue of 5,752,312 ordinary shares as detailed above for the purposes of ASX Listing Rule 7.1.

Funds raised from the issue of these shares will be employed for working capital by the Company.

Resolution 6 – Approval of issue of shares to holders of convertible notes pursuant to ASX Listing Rule 7.1

Under the Deed of Settlement and Release referred to in the explanatory notes for Resolution 5 above, the Company also agreed, upon the earlier of shareholder approval for the purposes of ASX Listing Rule 7.1 or the Company otherwise being permitted under ASX Listing Rule 7.1, to issue to the note holders, at an issue price of A\$0.01 per share, the balance of the 8,977,184 shares which it was not permitted under ASX Listing Rule 7.1 to issue at the date of execution of the Deed (being 3,224,868 shares) in lieu of the issue of that number of options under the terms of the Notes.

In order to restore the Company's 15% placement capacity (as explained in more detail in the explanatory notes to Resolution 3), this resolution seeks shareholder approval under ASX Listing Rule 7.1 for the issue of the 3,224,868 ordinary shares referred to above.

If shareholder approval is granted pursuant to this resolution, the 3,224,868 shares will be issued within three months of this General Meeting.

The funds raised from the issue of these shares will be employed as working capital.

Resolution 7 – Approval of issue of shares to satisfy the interest component of convertible notes

Shareholders gave their approval to the issue of 11,736,000 Notes with an aggregate principal value of US\$1,500,000 at the General Meeting held on 6 November 2006. The Notes were convertible into such number of ordinary shares as could be purchased with the amounts outstanding on the Notes at a purchase price of A\$0.175 per share. This equated to 11,736,000 shares, based on the amounts outstanding (being principal only) and exchange rate at the date of the shareholder approval on 6 November 2006.

Pursuant to the Deed of Settlement and Release referred to in the explanatory notes for Resolution 5 above, the Company and note holders have now agreed, subject to certain conditions, on an exchange rate of US\$0.865396 per A\$1.00 for the purposes of conversion of the Notes. This means that the principal value of the Notes is agreed to be A\$1,733,310 and on conversion the Company will be required to issue 9,904,628 shares to the note holders, being 1,831,372 shares fewer than the number of shares that had effectively been approved for issue on 6 November 2006. Accordingly, the Company's issue of the 9,904,628 shares on account of the principal value of the Notes will be made pursuant to the shareholder approval on 6 November 2006.

Shareholder approval is now sought under ASX Listing Rule 7.1 for the issue of 1,950,794 fully paid ordinary shares, at an issue price of A\$0.175 per share, in lieu of the payment of the accrued interest under the Notes to 24 January 2008 which totals A\$341,389.05 (based on the agreed exchange rate of US\$0.865396 per A\$1.00).

As explained in more detail in the explanatory notes to Resolution 3, this shareholder approval is sought pursuant to ASX Listing Rule 7.1 in order to restore the Company's 15% placement capacity.

If shareholder approval is granted pursuant to this resolution the 1,950,794 shares will be issued within three months of this General Meeting.

The funds raised from the issue of these shares will be employed as working capital.

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on the member's behalf. If the member is entitled to cast two or more votes at the meeting, the member may appoint not more than two proxies to attend and vote on the member's behalf.
2. If a member appoints two proxies, each proxy should be appointed to represent a specified proportion or number of the member's votes. In the absence of such a specification, each proxy will be entitled to exercise half the votes.
3. A proxy need not be a member of the Company.
4. To appoint a proxy (or two proxies), a proxy form must be signed by the member or the member's attorney duly authorised in writing. If the member is a corporation, the proxy form must be signed either under the corporation's common seal (if any) or under the hand of its attorney or officer duly authorised.
5. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the Meeting. Proxy forms and authorities may be sent to the Company by post, personal delivery or fax:

Living Cell Technologies Limited
C/- Australian Company Secretaries Pty Ltd

Street address:

Level 5, 255 George Street
Sydney NSW 2000
Australia

Mailing address:

GPO Box 4231
Sydney NSW 2001
Australia

Fax: +612 9252 0188

Please note: Members who forward their proxy forms by fax may be required to make available the original executed form of the proxy for production, if called upon, at the meeting.

6. For the purposes of the General Meeting, persons on the register of members as at close of business on Tuesday 4 March 2008 will be treated as members. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share.

PROXY FORM

Living Cell Technologies Limited

ABN 14 104 028 042

I/We.....

(PLEASE PRINT NAME)

Of.....

(ADDRESS)

being a member/members of Living Cell Technologies Limited

A Appoint

(PLEASE PRINT NAME)

or failing the person so named (or if no person is named) the **Chairman of the Meeting** to vote in accordance with the following directions (or if no directions have been given, as the proxy or the Chairman sees fit) at the General Meeting of Members of Living Cell Technologies Limited to be held at 11.00am on Friday 7 March 2008 and at any adjournment.

B Business

For

Against

Abstain

Resolution 1 – Election of Dr Robert Caspari

Resolution 2 – Approval of options to Dr Paul Tan in accordance with ASX Listing Rule 10.11

Resolution 3 – Approval of issue of shares to Palmert Members Limited pursuant to ASX Listing Rule 7.1

Resolution 4 – Ratification of issue of 20,000,000 ordinary shares pursuant to ASX Listing Rule 7.4

Resolution 5 – Ratification of issue of 5,752,316 ordinary shares pursuant to ASX Listing Rule 7.4

Resolution 6 – Approval of issue of shares to holders of convertible notes pursuant to ASX Listing Rule 7.1

Resolution 7 – Approval of issue of shares to satisfy the interest component of convertible notes

C If Appointing a Second Proxy

State here the percentage of your voting rights

%

Or

Or

the number of shares applicable to this Form

Number

D Insert your daytime telephone number

(S T D)

E Signature(s)

Signatures if Corporate Shareholder (See Note E)

Executed in accordance with section 127 of the Corporations Act

Director/Sole Director sign and print name

Director/Secretary sign and print name

Note: For your proxy to be entitled to vote your shares at the Meeting, the completed Proxy Form must be received by the Company not later than 48 hours prior to the Meeting.

Living Cell Technologies Limited

ABN 14 104 028 042

INSTRUCTIONS FOR COMPLETION OF PROXY FORM

Your vote is important. Please direct your proxy how to vote. For your proxy to be entitled to vote your shares at the Meeting, the completed Proxy Form must be received by the Company not later than 48 hours prior to the Meeting. Any proxy received after this deadline will be treated as invalid.

A. Appoint

Insert here the name of the person you wish to appoint as proxy. Members cannot appoint themselves. If you submit a Proxy Form, which does not name a person to act as your proxy, the Chairman of the Meeting will act as your proxy. You can vote your shares by proxy even if you plan to attend the Meeting.

B. Business

If you wish to direct your proxy how to vote on any item, place a mark in the appropriate box. If a mark is placed in a box, your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate box. The vote will be invalid if a mark is made against more than one box for a particular item or if the total shareholding shown in "For", "Against" and "Abstain" boxes is more than your total shareholding on the share register.

C. If Appointing a Second Proxy

A member is entitled to appoint up to two persons (whether members or not) to attend the Meeting as proxies and vote. If you wish to appoint two proxies please photocopy your proxy form or obtain another proxy form by calling the Company Secretary on +612 9252 1933. Both Forms should be completed with the nominated percentage of your voting rights or number of shares on each Form. If you do not specify the nominated percentage of your voting rights or number of shares, each of the proxies may exercise half of the votes. Please return these Proxy Forms together.

D. Insert your daytime telephone number

This is required in case we need to contact you.

E. Signature(s)

This Form must be signed by the member. If the member is an Australian corporation, the Form must be executed in accordance with section 127 of the Corporations Act or by an attorney. If this Form is signed by a person who is not the registered shareholder then the relevant authority must either have been exhibited previously to the Company or be enclosed with this Form.

Further Important Information

Please return your completed Proxy Form to the Company Secretary:

By post:

**c/- Australian Company Secretaries Pty Ltd
GPO Box 4231
Sydney, NSW, 2001**

In person:

**c/- Australian Company Secretaries Pty Ltd
Level 5, 255 George Street
Sydney, NSW 2000**

Alternatively, the form can be **faxed** to the Company on **+612 9252 0188**. Please note: members who forward their proxy forms by fax may be required to make available the original executed form of the proxy for production, if called upon, at the meeting.

To be effective, the Form must be received by the Company at the above address not later than 48 hours prior to the Meeting.

If you require further information on how to complete the Proxy Form, telephone the Company Secretary on +612 9252 1933.