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Giaconda Completes Sale of 3 Products to RedHill Biopharma

Sale of patents brings significant cash injection into Giaconda Giaconda stands to benefit if the patents are successfully commercialised

Sydney, NSW, 31 August 2010 - Giaconda Limited (ASX:GIA) (the "Company") today announced that it has completed the sale of its Myoconda, Heliconda and Picoconda patents to RedHill Biopharma Ltd ("RedHill") as announced in the 16 August 2010 release. Giaconda is receiving an upfront payment of US\$500,000 plus 7% of the net sales earned by RedHill from a commercialised treatment and 20% of sublicensing receipts after certain development costs have been deducted.

The US\$500,000 payment is structured as an initial payment of US\$100,000 that has already been paid and a US\$400,000 payment in the next week. The US\$100,000 advance was secured by a fixed mortgage over all the intellectual property in Myoconda, Heliconda and Picoconda, as well as by a featherweight floating charge over all the assets and undertakings of the Company. These securities will now be released.

Under the terms of the agreement, RedHill will assume all costs for the development of the patents through to regulatory approval and will be responsible for the commercialisation of the approved products.

Giaconda has an option to buy back the patents and the associated intellectual property at their acquisition and development cost if RedHill fails to commercialise the patents in accordance with the agreement.

In addition, RedHill assumes Giaconda's rights to future gastrointestinal treatments or therapies developed by Professor Borody or the Centre for Digestive Diseases.

Giaconda's Chief Executive Officer and acting Chairman, Mr Patrick McLean, said:

"We are exceptionally pleased that this agreement has been completed in such a short period of time. It represents the next step in the commercialisation of Myoconda, Heliconda and Picoconda and fulfils our promise to shareholders when we started the company. RedHill's team has a proven track record in commercialising pharmaceutical products. RedHill are committed to commercialising the Myoconda, Heliconda and Picoconda therapies and we are confident that Giaconda shareholders will receive significant benefits once those products reach the marketplace and royalty payments flow."

RedHill's Chief Executive Officer, Mr Dror Ben-Asher, said: "We are delighted to have reached this deal with Giaconda. We believe the products have significant potential to help patients in need, as well as significant commercial potential."

For further information please contact:

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