



9 March 2006

HEPACONDA® PATENT UPDATE

Sydney, Australia, 9 March 2006. Giaconda Limited (ASX: GIA) today announced that the company has been made aware of certain statements made in error in its listing prospectus of September 2005. In light of this, the Company wishes to clarify the issue as stated below.

Hepaconda® is Giaconda's treatment for Hepatitis C (HCV) and certain other liver diseases. It comprises a combination of two compounds –one being a bile acid and one being a fibrate.

In its discussion of Hepaconda®, the prospectus focused on the particular combination of ursodoxycholic acid and bezafibrate and included statements to the effect that this combination was protected by Giaconda's patents. As a result of a recent review of the Hepaconda® patent portfolio, it was discovered that these statements were incorrect. Giaconda's patent protection in fact extends to all bile acid / fibrate combinations other than this particular combination.

Following this review, Giaconda has shifted its Hepaconda® development focus to the combination of bezafibrate with chenodeoxycholic acid, another bile acid.

The rationale for using chenodeoxycholic acid is supported by independent studies demonstrating that chenodeoxycholic acid, when used as a single compound, reduced Hepatitis C infection (HCV) and improved liver function in patients. The combination of bezafibrate, which has been shown to eliminate HCV, with chenodeoxycholic acid therefore appears to offer an advantage over the ursodoxycholic acid / bezafibrate combination in the treatment of HCV.

About Giaconda Limited

Giaconda Limited is a biotechnology company involved in developing and licensing innovative and cost effective medical therapies in the field of gastroenterology. Giaconda's products are targeted towards the treatment of serious conditions that are not adequately addressed by any existing therapy. In this way, Giaconda's products are intended to satisfy these significant unmet medical needs of the gastrointestinal market. The Giaconda portfolio consists of five products, all of which are novel combinations of known compounds. Giaconda has two lead products, Myoconda® for the treatment of Crohn's Disease and Heliconda® for the treatment of resistant *Helicobacter pylori* infection. Both of these products are ready for Phase III clinical trials, with a Phase IIIa already complete for Myoconda.

Except for historical information, this news release may contain forward-looking statements that reflect the Company's current expectation regarding future events. These forward-looking statements involve risk and uncertainties, which may cause but are not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process, and other risks detailed from time to time in the Company's ongoing quarterly and annual reporting.

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