



PROPOSED SALE OF INTELLECTUAL PROPERTY

Sydney, NSW, 16 June 2010 – Giaconda Limited (ASX: GIA), today announced that it signed a binding term sheet for the sale of Myoconda, Heliconda, and Picoconda to RedHill Biopharma Ltd (“RedHill”).

RedHill is an Israeli company focused primarily on acquisition and development of late clinical-stage new formulations of existing drugs.

The sale of Myoconda, Heliconda, and Picoconda is subject to the completion of due diligence, the execution of a formal binding agreement, Giaconda shareholder approval and any other regulatory approvals. The parties are currently in exclusive negotiations in relation to that agreement. It is intended that the formal agreement be executed within the next few weeks and closed by mid-July.

Key aspects of the term sheet are:

1. Giaconda will receive an upfront payment of US\$500,000 plus 7% of net sales received by RedHill from a commercialised treatment after certain development costs are deducted;
2. Giaconda will receive 20% of sub-licensee sales royalties received by RedHill
3. The establishment and implementation of a robust clinical trial program for the commercialisation of Myoconda, Heliconda, and Picoconda by RedHill.

Giaconda’s Chief Executive Officer and acting Chairman, Mr Patrick McLean, said: “the proposed sale allows Giaconda to maximise the return to shareholders while securing a long term partnership with a company whose management team has a proven track record in commercialising pharmaceutical products. The proposed sale to RedHill provides Giaconda with a realistic opportunity of commercialising Myoconda, Heliconda, and Picoconda.”

A further announcement will be made on signing of the formal binding agreement.

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