



Share Subscription Agreement Termination and Restriction Agreement Expiry

Sydney, NSW, 31 October, 2008 – Giaconda Limited (ASX: GIA), today announced that the Share Subscription Agreement with Australian Medical Therapy Investments Pty Ltd (AMTI) announced on 18 July 2008 has been terminated by Giaconda. AMTI did not satisfy the pre-conditions for the placement by 30 October 2008.

The Restriction Agreement between AMTI and Professor Thomas Borody concerning his shareholding in Giaconda has also expired.

Giaconda will continue to seek alternative funding arrangements.

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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 MAP (*Mycobacterium avium ss paratuberculosis*) infection in Crohn's Disease and Heliconda[®] for the treatment of resistant *Helicobacter pylori* infection.

For more information please visit www.giacondalimited.com

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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