

Version 1.1

26 May 2005

Giaconda Limited

Mark Allen

Option Agreement

**GOLDRICK FARRELL
MULLAN**

S O L I C I T O R S

Sydney - Fremantle - Brisbane - Newcastle

Sydney Office:

Suite 1305, Level 13
370 Pitt Street
SYDNEY NSW 2000
Tel: (61) 02 9267 7311
Fax: (61) 02 9267 7008
DX 11815 SYDNEY DOWNTOWN

Option Agreement

Parties

1. **Giaconda Ltd** (ACN 108 088 517) incorporated in the State of New South Wales and having its registered office at Level 32, 2 Park Street, Sydney, NSW, 2000 ("Giaconda")
2. **Mark Allen** of [] ("Allen")

Background

- A. Giaconda is a research and development company specializing in the development of therapies for the treatment of digestive and liver diseases.
- B. Giaconda is in the process of raising funds to support its activities and intends to shortly make an initial public offering ("IPO").
- C. Allen has agreed to promote Giaconda and the IPO to potential investors within the United States of America.
- D. In consideration of the effort of Allen in promoting Giaconda and the IPO, Giaconda has agreed to grant Allen options to acquire shares in Giaconda on the terms and conditions of this Agreement.

Operative Provisions

1 Interpretation

- 1.1 In this Agreement and unless the context requires otherwise, the following terms have the meanings set out below and their derivatives have a corresponding meaning.

| Term | Meaning |
|------------------------------------|---|
| Agreement | This document, together with all schedules and annexures and any variation or replacement of any of them. |
| Corporations Act | The Australian Corporations Act 2001 and the Corporations Regulations and (where the context so permits) includes any prior corresponding legislation. |
| Intellectual Property Right | Any intellectual property right, including but not limited to: <ol style="list-style-type: none"> (a) patents, copyright, rights under the Circuit Layout Act 1989 (Cth) (and equivalent rights outside Australia in circuit layouts), registered designs, trademarks and any right to have any confidential information kept confidential; and (b) any licence or other application or right to use, or grant the use of or apply for registration of, any of the rights referred to in paragraph (a). |
| Confidential Information | All information provided by Giaconda to Allen, obtained and/or created by Allen or any of its representatives, whether obtained before or after the Commencement Date, and all information in any way relating to Giaconda, its business, products, customers, suppliers, contractors and employees whether furnished in writing, orally or in physical configuration including, without limitation, all patent applications, technical data, know-how, concepts, specifications and diagrams, technical drawings, product and |

| Term | Meaning |
|-------------------------------|---|
| | <p>machine, designs, manufacturing processes and procedures, unpublished financial reports, sales information, unpublished information regarding products, Intellectual Property Rights of Giaconda, services and proposed products and services and prototypes, supplier lists and customer lists, other than information which:</p> <p>(a) was, and can be demonstrated to have been, known to Allen prior to its communication by Giaconda; or</p> <p>(b) is in or comes into the public domain otherwise than through any default of Allen or through any disclosure by any person acquiring the same from Allen; or</p> <p>(c) is disclosed to Allen by a Third Party having no obligations of confidence to Giaconda in respect of the information, and has not been disclosed to that Third Party in consequence of a breach of confidence.</p> <p>Confidential Information is not confined to information of Giaconda, but also includes information of its related entities, clients, contractors and employees.</p> |
| Related Body Corporate | Has the same meaning as set out in section 9 of the <i>Corporations Act 2001</i> . |
| Option | An unexercised and unexpired option to purchase ordinary shares in Giaconda granted pursuant to this Agreement |
| ASX | The Australian Stock Exchange. |
| Exercise Period | A period of one month commencing from each date on which Giaconda lodges its half-yearly reports and preliminary final reports with the ASX. |
| Exercise Price | SA 0.50 (fifty Australian cents) per share. |
| Notice of Exercise | The notification form for the exercise of the Options, to be in the form set out on Attachment A, or as otherwise determined from time to time by Giaconda. |
| Expiry Date | The fifth anniversary of the date on which Giaconda Shares first lists on the ASX. |

1.2 In this Agreement, unless the contrary intention appears:

- (a) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (b) a party includes its legal personal representatives, successors and assigns;
- (c) a reference to the singular includes the plural and vice versa;
- (d) a reference to a time shall mean local time, Sydney Australia; and
- (e) a reference to any thing (including any amount) is a reference to the whole and each part of it.

1.3 Headings are for convenience only and do not affect the interpretation of this Agreement.

2 Grant

- 2.1 In consideration of the efforts stated in this clause in respect of promoting Giaconda and the IPO and Allen's agreement to continue such promotion until the IPO, Giaconda hereby grants Allen, subject to the terms and conditions of this Agreement, a total of 200,000 options to vest as follows:
- (a) for ongoing support of Giaconda's Myoconda therapy for Crohn's disease within the scientific community of the Midwest region, including presentations at continuing medical education conferences and similar events as required by Giaconda, 50,000 options vesting at the time of regulatory approval of Myoconda in the United States;
 - (b) for assisting as required by Giaconda with Giaconda's presentations to the US Food & Drug Administration during the registration process, 50,000 options vesting automatically upon Myoconda receiving regulatory approval; and
 - (c) upon Giaconda receiving United States Share Applications with a cumulative value exceeding US\$500,000 at the time of the IPO, 100,000 options vesting automatically at the time of the IPO.
- 2.2 For the purpose of this clause 2, a "USA Share Application" is a binding written commitment from a person or persons resident in the United States of America to acquire ordinary shares in Giaconda through the IPO.
- 2.3 Allen has no right to the options specified in clauses 2.1(b) and 2.1(c) until such time as the conditions for vesting have been met.
- 2.4 Allen will be issued an option certificate for all vested options promptly upon such options vesting. The initial option certificate will be issued within 7 days of the execution of this agreement.
- 2.5 Each option entitles Allen to acquire one ordinary share in Giaconda at the Exercise Price.

3 Escrow

- 3.1 Allen acknowledges that under the rules of the ASX, Allen will be deemed a "promoter" of the Giaconda IPO and agrees:
- (a) that the Options will be held in escrow for a period of two years from the date on which the shares of Giaconda first list on the ASX (the "Escrow Period");
 - (b) that all shares issued to Allen from the exercise of escrowed Options will themselves be held in escrow for the remainder of the Escrow Period; and
 - (c) to enter into and abide by any escrow agreement required by the ASX in respect of the Options or the shares issued to him on exercise of the Options.

4 Exercise

- 4.1 The Options may only be exercised in accordance with this Agreement.
- 4.2 Allen may exercise all or part of the Options at any time after the ordinary shares in Giaconda have listed on the ASX, but not before.
- 4.3 Allen may exercise an Option by submitting to Giaconda an executed copy of a Notice of Exercise, together with a bank cheque (or such other form of payment as may be agreed to by Giaconda) for an amount being the sum of the Exercise Prices for all shares that are the subject of the Options being exercised (the "Option Shares").
- 4.4 On receipt of a Notice of Exercise and clearance of the full payment amount for the Options, Giaconda must promptly during the first available Exercise Period:
- (a) issue the Option Shares and allot them to Allen;
 - (b) enter Allen on the Register as the owner of the Option Shares; and

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(c) issue Allen with an electronic holding notice of entitlement in respect of the Option Shares.

- 4.5 Allen will have no interest in any Option Share unless and until that Option Share is allotted to him as a result of the exercise of the relevant Option.
- 4.6 Shares allotted as a consequence of the exercise of Options shall, from the date of allotment, rank equally with all other issued shares of the same class.

5 Lapse of options

- 5.1 An Option expires and all rights of Allen in respect of that Option lapse if the Option is not exercised prior to the Expiry Date.

6 Reconstruction of capital

- 6.1 If there is a reorganisation of the capital of Gioconda after the IPO (but not including any reconstruction associated with the IPO), the Options will be treated as follows:

- (a) in a consolidation of capital, the number of Options held by Allen will be consolidated in the same ratio as the ordinary capital and the Exercise Price will be amended in inverse proportion to that ratio;
- (b) in a sub-division of capital, the number of Options held by Allen will be subdivided in the same ratio as the ordinary capital and the Exercise Price will be amended in inverse proportion to that ratio;
- (c) in a return of capital, the number of Options held by Allen will remain the same, and the Exercise Price will be reduced by the same amount as the amount returned in relation to each ordinary security;
- (d) in a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled, the number of Options held by Allen and the Exercise Price will remain unaltered;
- (e) in a pro-rata cancellation of capital, the number of Options held by Allen will be reduced in the same ratio as the ordinary capital and the Exercise Price will be amended in inverse proportion to that ratio; and
- (f) in any other case, the number of Options held by Allen, or the Exercise Price, or both, will be recognised so that Allen will not receive a benefit that holders of ordinary securities do not receive. This does not however prevent a rounding up of the number of securities to be received on exercise if the rounding up is approved at the shareholders meeting which approves the reorganisation.

- 6.2 If any adjustment made pursuant to clause 6.1 results in Allen being entitled to a fraction of a share, the fraction shall be disregarded.

- 6.3 Where a re-organisation of the capital of Gioconda occurs and the number of Options or the Exercise Price or both are varied pursuant to clause 6.1 Allen will be issued with a new Option Certificate for all Options held by Allen and upon such issue, the original Option Certificate(s) will be automatically cancelled without the need for further action or notice.

- 6.4 The terms of the Options will be changed to the extent necessary to comply with the ASX Listing Rules applying to a re-organisation of Gioconda's capital at the time of the re-organisation.

- 6.5 Unless otherwise defined, the words and expressions in this clause 6, will have the meaning ascribed to them under the ASX Listing Rules in effect as at the date of this Agreement.

7 Compliance with ASX Listing Rules

- 7.1 Where there is any inconsistency between the rights or obligations of a party under this Agreement and the obligations of Gioconda in respect of the ASX Listing Rules, as these

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may be amended from time to time, this Agreement is deemed to be amended to such extent as is necessary for Giaconda to comply with its obligations under the ASX listing Rules.

8 Confidentiality

- 8.1 Allen acknowledges that in the course of promoting Giaconda and his discussions with representatives of Giaconda, he may receive or become aware of confidential information of Giaconda.
- 8.2 Allen agrees to keep secret and confidential the Confidential Information and must not at any time whether during the currency of this Agreement or after its termination without the prior written consent of Giaconda disclose, divulge, make known or in any way communicate, to any person, or permit or allow any of its employees or agents to disclose, divulge, make known or in any way communicate to any person, any of the Confidential Information.
- 8.3 Allen must:
- (a) maintain and take all steps necessary to maintain all Confidential Information in the strictest confidence;
 - (b) ensure that proper and secure storage is provided for the Confidential Information while in his possession; and
 - (c) take all precautions necessary to prevent accidental disclosure of any of the Confidential Information.
 - (d) It is not a breach of this clause for Allen to disclose Confidential Information which he is obliged by law to disclose to the person to whom it is disclosed.
- 8.4 Allen must return all documents and other media which contain Confidential Information to Giaconda immediately when requested by Giaconda to do.
- 8.5 Allen's obligations and undertakings continue indefinitely and are not diminished or terminated by the completion or termination for any reason of this Agreement.
- 8.6 Allen acknowledges and agrees that:
- (a) the provisions and restrictions contained in this clause are reasonable and necessary for protection of the legitimate interests of Giaconda;
 - (b) Giaconda would have entered into this Agreement in the absence of such provisions and restrictions; and
 - (c) any violation of any provision of this clause by Allen or Allen's associates may result in irreparable injury to Giaconda and that such injury will be inadequately compensable in monetary damages.
- 8.7 Allen must not use or disclose Confidential Information during and after the term of this Agreement except in the following circumstances:
- (a) where Giaconda has given its prior written consent;
 - (b) to the extent required by law.
- 8.8 The rights and remedies of Giaconda under this clause are cumulative and in addition to any other rights or remedies to which Giaconda may be entitled under this Agreement or at law.

9 Continued Promotion and Reporting

- 9.1 Allen must continue to diligently promote Giaconda and the IPO to United States based private and institutional investors and the medical community.
- 9.2 Allen agrees to provide quarterly reports of such promotional activities to Giaconda in a format to be agreed between the parties.

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- 9.3 Allen further agrees to provide a report to Giaconda of all promotional activities undertaken by him in relation to Giaconda prior to the date of this Agreement.
- 9.4 Allen agrees that in the promotion of Giaconda and the IPO, he must:
- (a) comply with all laws and regulations in effect in the United States in relation to the promotion of companies and initial public offerings; and
 - (b) only make such representations in relation to Giaconda and/or the IPO as are approved in writing by Giaconda or are current public representations made by Giaconda.
- 9.5 Allen agrees that he will have no claim against Giaconda should the laws and/or regulations of the United States prevent or inhibit his ability to promote Giaconda or the IPO and/or secure United States Share Applications for Giaconda.

10 Miscellaneous

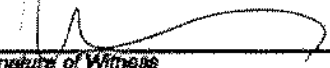
- 10.1 The parties agree that nothing in this Agreement creates a relationship between the parties of partnership, employment, principal and agent or of trustee and beneficiary and neither party may hold itself out as being so related.
- 10.2 Allen agrees to pay any and all taxes, duties and imposts that may be imposed on this Agreement. If Giaconda pay any taxes, duties or imposts on or relating to this Agreement or any transfer or other transaction contemplated by this Agreement, Allen will pay that amount to Giaconda upon demand.
- 10.3 A single or partial exercise or waiver of a right relating to this Agreement will not prevent any other exercise of that right or the exercise of any other right. A party will not be liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.
- 10.4 This Agreement may only be amended by a written agreement executed by both parties.
- 10.5 Each party will promptly execute all documents and do all things that another party from time to time reasonably requires of it to effect, perfect or complete the provisions of this Agreement.
- 10.6 If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, this Agreement will remain otherwise in full force apart from such provision which shall be deemed deleted.
- 10.7 This Agreement is governed by and is to be construed in accordance with the laws in force in New South Wales, Australia and the parties agree that all proceedings arising out of this document must be commenced in New South Wales.
- 10.8 This Agreement may consist of a number of counterparts and if so the counterparts taken together constitute one and the same instrument.

ngh


Execution

Executed as an Agreement in New South Wales on 20/6/05

Signed by an authorised representative of
Giaconda Pty Limited
in the presence of



Signature of Witness

Rachel V Blakey

Name of Witness (please print)



Signature of Authorised Officer

PATRICIA L. McLENNAN

Name of Authorised Officer (please print)

Signed by
Mark Allen
in the presence of



Witness

Deborah L Roberts

Name of witness (please print)



Signature

Attachment A – Notice of Exercise

Giaconda Limited

ACN 108 088 517

Notice of Exercise of Options

I, Mark Allen hereby exercise *[specify number]* of the options evidenced by Option Certificate(s) *[specify number(s)]* to acquire *[specify number]* ordinary shares in the capital of Giaconda Limited.

I enclose:

- (a) my cheque in the sum of \$. representing the exercise price of \$. for each ordinary share; and
- (b) the Option Certificate(s) described above.

I agree that on issue of these shares, I will be bound by the terms of the Constitution of Giaconda Limited.

Date:

(Signature)

Version 1.1

3 May 2005

Giaconda Limited

James Hare

Option Agreement

**GOLDRICK FARRELL
MULLAN**

S O L I C I T O R S

Sydney - Parramatta - Canberra - Newcastle

Sydney Office:
Suite 1306, Level 13
370 Pitt Street
SYDNEY NSW 2000
Tel: (61) 02 9287 7311
Fax: (61) 02 9287 7008
DX 11815 SYDNEY DOWNTOWN



Option Agreement

Parties

1. **Glaconda Ltd** (ACN 108 088 517) incorporated in the State of New South Wales and having its registered office at Level 32, 2 Park Street, Sydney, NSW, 2000 ("Glaconda")
2. **James Hare** of Old Mill House, Stype, Hungerford, Berks RG17 0RE United Kingdom ("Hare")

Background

- A. Glaconda is a research and development company specializing in the development of therapies for the treatment of digestive and liver diseases.
- B. Glaconda is in the process of raising funds to support its activities and intends to shortly make an initial public offering ("IPO").
- C. Hare has agreed to promote Glaconda and the IPO to potential investors within the United Kingdom.
- D. In consideration of the effort of Hare in promoting Glaconda and the IPO, Glaconda has agreed to grant Hare options to acquire shares in Glaconda on the terms and conditions of this Agreement.

Operative Provisions

1 Interpretation

- 1.1 In this Agreement and unless the context requires otherwise, the following terms have the meanings set out below and their derivatives have a corresponding meaning.

| Term | Meaning |
|------------------------------------|---|
| Agreement | This document, together with all schedules and annexures and any variation or replacement of any of them. |
| Corporations Act | The Corporations Act 2001 and the Corporations Regulations and (where the context so permits) includes any prior corresponding legislation. |
| Intellectual Property Right | Any intellectual property right, including but not limited to: <ol style="list-style-type: none"> (a) patents, copyright, rights under the Circuit Layout Act 1989 (Cth) (and equivalent rights outside Australia in circuit layouts), registered designs, trademarks and any right to have any confidential information kept confidential; and (b) any licence or other application or right to use, or grant the use of or apply for registration of, any of the rights referred to in paragraph (a). |
| Confidential Information | All information provided by Glaconda to Hare, obtained and/or created by Hare or any of its representatives, whether obtained before or after the Commencement Date, and all information in any way relating to Glaconda, its business, products, customers, suppliers, contractors and employees whether furnished in writing, orally or in physical configuration including, without limitation, all patent applications, technical data, know-how, concepts, |



| Term | Meaning |
|-------------------------------|---|
| | specifications and diagrams, technical drawings, product and machine, designs, manufacturing processes and procedures, unpublished financial reports, sales information, unpublished information regarding products, Intellectual Property Rights of Giaconda, services and proposed products and services and prototypes, supplier lists and customer lists, other than information which: |
| | (a) was, and can be demonstrated to have been, known to Hare prior to its communication by Giaconda; or |
| | (b) is in or comes into the public domain otherwise than through any default of Hare or through any disclosure by any person acquiring the same from Hare; or |
| | (c) is disclosed to Hare by a Third Party having no obligations of confidence to Giaconda in respect of the information, and has not been disclosed to that Third Party in consequence of a breach of confidence. |
| | Confidential Information is not confined to information of Giaconda, but also includes information of its related entities, clients, contractors and employees. |
| Related Body Corporate | Has the same meaning as set out in section 9 of the <i>Corporations Act 2001</i> . |
| Option | An unexercised and unexpired option to purchase ordinary shares in Giaconda granted pursuant to this Agreement |
| ASX | The Australian Stock Exchange. |
| Exercise Period | A period of one month commencing from each date on which Giaconda lodges its half-yearly reports and preliminary final reports with the ASX. |
| Exercise Price | \$A 0.50 (fifty Australian cents) per share. |
| Notice of Exercise | The notification form for the exercise of the Options, to be in the form set out on Attachment A, or as otherwise determined from time to time by Giaconda. |
| Expiry Date | The fifth anniversary of the date on which Giaconda Shares first list on the ASX. |

1.2 In this Agreement, unless the contrary intention appears:

- (a) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (b) a party includes its legal personal representatives, successors and assigns;
- (c) a reference to the singular includes the plural and vice versa;
- (d) a reference to a time shall mean local time, Sydney Australia; and
- (e) a reference to any thing (including any amount) is a reference to the whole and each part of it.

1.3 Headings are for convenience only and do not affect the interpretation of this Agreement.

2 Grant

- 2.1 In consideration of the efforts undertaken to date in respect of promoting Giaconda and the IPO and his agreement to continue such promotion until the IPO, Giaconda hereby grants Hare the following options subject to the terms and conditions of this Agreement:
- (a) 50,000 options vesting immediately;
 - (b) an additional 100,000 options vesting automatically upon Giaconda receiving UK Share Applications with a cumulative value exceeding £500,000; and
 - (c) an additional 50,000 options vesting automatically upon Giaconda receiving UK Share Applications with a cumulative value exceeding £500,000
- 2.2 For the purpose of this clause 2, a "UK Share Application" is a binding written commitment from a person or persons resident in the United Kingdom to acquire ordinary shares in Giaconda through the IPO.
- 2.3 Hare has no right to the options specified in clauses 2.1(b) and 2.1(c) until such time as the conditions for vesting have been met.
- 2.4 Hare will be issued an option certificate for all vested options promptly upon such options vesting. The initial option certificate will be issued within 7 days of the execution of this agreement.
- 2.5 [Each option entitles Hare to acquire one ordinary share in Giaconda at the Exercise Price.

3 Escrow

- 3.1 Hare acknowledges that under the rules of the ASX, Hare will be deemed a "promoter" of the Giaconda IPO and agrees:
- (a) that the Options will be held in escrow for a period of two years from the date on which the shares of Giaconda first list on the ASX (the "Escrow Period");
 - (b) that all shares issued to Hare from the exercise of escrowed Options will themselves be held in escrow for the remainder of the Escrow Period; and
 - (c) to enter into and abide by any escrow agreement required by the ASX in respect of the Options or the shares issued to him on exercise of the Options.

4 Exercise

- 4.1 The Options may only be exercised in accordance with this Agreement.
- 4.2 Hare may exercise all or part of the Options at any time after the ordinary shares in Giaconda have listed on the ASX, but not before.
- 4.3 Hare may exercise an Option by submitting to Giaconda an executed copy of a Notice of Exercise, together with a bank cheque (or such other form of payment as may be agreed to by Giaconda) for an amount being the sum of the Exercise Prices for all shares that are the subject of the Options being exercised (the "Option Shares").
- 4.4 On receipt of a Notice of Exercise and clearance of the full payment amount for the Options, Giaconda must promptly during the first available Exercise Period:
- (a) issue the Option Shares and allot them to Hare;
 - (b) enter Hare on the Register as the owner of the Option Shares; and
 - (c) issue Hare with an electronic holding notice of entitlement in respect of the Option Shares.
- 4.5 Hare will have no interest in any Option Share unless and until that Option Share is allotted to him as a result of the exercise of the relevant Option.



- 4.6 Shares allotted as a consequence of the exercise of Options shall, from the date of allotment, rank equally with all other issued shares of the same class.

5 Lapse of options

- 5.1 An Option expires and all rights of Hare in respect of that Option lapse if the Option is not exercised prior to the Expiry Date.

6 Reconstruction of capital

- 6.1 If there is a reorganisation of the capital of Giaconda after the IPO (but not including any reconstruction associated with the IPO), the Options will be treated as follows:
- (a) in a consolidation of capital, the number of Options held Hare will be consolidated in the same ratio as the ordinary capital and the Exercise Price will be amended in inverse proportion to that ratio;
 - (b) in a sub-division of capital, the number of Options held by Hare will be sub-divided in the same ratio as the ordinary capital and the Exercise Price will be amended in inverse proportion to that ratio;
 - (c) in a return of capital, the number of Options held by Hare will remain the same, and the Exercise Price will be reduced by the same amount as the amount returned in relation to each ordinary security;
 - (d) in a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled, the number of Options held by Hare and the Exercise Price will remain unaltered;
 - (e) in a pro-rata cancellation of capital, the number of Options held by Hare will be reduced in the same ratio as the ordinary capital and the Exercise Price will be amended in inverse proportion to that ratio; and
 - (f) In any other case, the number of Options held by Hare, or the Exercise Price, or both, will be recognised so that Hare will not receive a benefit that holders of ordinary securities do not receive. This does not however prevent a rounding up of the number of securities to be received on exercise if the rounding up is approved at the shareholders meeting which approves the reorganisation.
- 6.2 If any adjustment made pursuant to clause 6.1 results in Hare being entitled to a fraction of a share, the fraction shall be disregarded.
- 6.3 Where a re-organisation of the capital of Giaconda occurs and the number of Options or the Exercise Price or both are varied pursuant to clause 6.1 Hare will be issued with a new Option Certificate for all Options held by Hare and upon such issue, the original Option Certificate(s) will be automatically cancelled without the need for further action or notice.
- 6.4 The terms of the Options will be changed to the extent necessary to comply with the ASX Listing Rules applying to a re-organisation of Giaconda's capital at the time of the re-organisation.
- 6.5 Unless otherwise defined, the words and expressions in this clause 6, will have the meaning ascribed to them under the ASX Listing Rules in effect as at the date of this Agreement.

7 Compliance with ASX Listing Rules

- 7.1 Where there is any inconsistency between the rights or obligations of a party under this Agreement and the obligations of Giaconda in respect of the ASX Listing Rules, as these may be amended from time to time, this Agreement is deemed to be amended to such extent as is necessary for Giaconda to comply with its obligations under the ASX listing Rules.



8 Confidentiality

- 8.1 Hare acknowledges that in the course of promoting Giaconda and his discussions with representatives of Giaconda, he may receive or become aware of confidential information of Giaconda.
- 8.2 Hare agrees to keep secret and confidential the Confidential Information and must not at any time whether during the currency of this Agreement or after its termination without the prior written consent of Giaconda disclose, divulge, make known or in any way communicate, to any person, or permit or allow any of its employees or agents to disclose, divulge, make known or in any way communicate to any person, any of the Confidential Information.
- 8.3 Hare must:
- (a) maintain and take all steps necessary to maintain all Confidential Information in the strictest confidence;
 - (b) ensure that proper and secure storage is provided for the Confidential Information while in his possession; and
 - (c) take all precautions necessary to prevent accidental disclosure of any of the Confidential Information.
 - (d) It is not a breach of this clause for Hare to disclose Confidential Information which it is obliged by law to disclose to the person to whom it is disclosed.
- 8.4 Hare must return all documents and other media which contain Confidential Information to Giaconda immediately when requested by Giaconda to do.
- 8.5 Hare's obligations and undertakings continue indefinitely and are not diminished or terminated by the completion or termination for any reason of this Agreement.
- 8.6 Hare acknowledges and agrees that:
- (a) the provisions and restrictions contained in this clause are reasonable and necessary for protection of the legitimate interests of Giaconda;
 - (b) Giaconda would have entered into this Agreement in the absence of such provisions and restrictions; and
 - (c) any violation of any provision of this clause by Hare or Hare's associates may result in irreparable injury to Giaconda and that such injury will be inadequately compensable in monetary damages.
- 8.7 Hare must not use or disclose Confidential Information during and after the term of this Agreement except in the following circumstances:
- (a) where Giaconda has given its prior written consent;
 - (b) to the extent required by law.
- 8.8 The rights and remedies of Giaconda under this clause are cumulative and in addition to any other rights or remedies to which Giaconda may be entitled under this Agreement or at law.

9 Continued Promotion and Reporting

- 9.1 Hare must continue to diligently promote Giaconda and the IPO to UK-based private and institutional investors.
- 9.2 Hare agrees to provide monthly reports of such promotional activities to Giaconda in a format to be agreed between the parties.
- 9.3 Hare further agrees to provide a report to Giaconda of all promotional activities undertaken by him in relation to Giaconda prior to the date of this Agreement.
- 9.4 Hare agrees that in the promotion of Giaconda and the IPO, he must:



- (a) comply with all laws and regulations in effect in the United Kingdom in relation to the promotion of companies and initial public offerings; and
- (b) only make such representations in relation to Giaconda and/or the IPO as are approved in writing by Giaconda or are current public representations made by Giaconda.

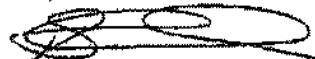
10 Miscellaneous

- 10.1 The parties agree that nothing in this Agreement creates a relationship between the parties of partnership, employment, principal and agent or of trustee and beneficiary and neither party may hold itself out as being so related.
- 10.2 Here agrees to pay any and all taxes, duties and imposts that may be imposed on this Agreement. If Giaconda pay any taxes, duties or imposts on or relating to this Agreement or any transfer or other transaction contemplated by this Agreement, Here will pay that amount to Giaconda upon demand.
- 10.3 A single or partial exercise or waiver of a right relating to this Agreement will not prevent any other exercise of that right or the exercise of any other right. A party will not be liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.
- 10.4 This Agreement may only be amended by a written agreement executed by both parties.
- 10.5 Each party will promptly execute all documents and do all things that another party from time to time reasonably requires of it to effect, perfect or complete the provisions of this Agreement.
- 10.6 If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, this Agreement will remain otherwise in full force apart from such provision which shall be deemed deleted.
- 10.7 This Agreement is governed by and is to be construed in accordance with the laws in force in New South Wales, Australia and the parties agree that all proceedings arising out of this document must be commenced in New South Wales.
- 10.8 This Agreement may consist of a number of counterparts and if so the counterparts taken together constitute one and the same instrument.

Execution

Executed as an Agreement in New South Wales on 3 May 2005

Signed by an authorised representative of
Giaconda Pty Limited
in the presence of



Signature of Witness

ROSA SURACE

Name of Witness (please print)



Signature of Authorised Officer

PATRICK L. McLEAY

Name of Authorised Officer (please print)

Signed by
James Hare
in the presence of

}
}
}

James Hare
Signature

K. INGRAM
Witness

K. INGRAM
Name of witness (please print)

Attachment A – Notice of Exercise

Giaconda Limited

ACN 108 088 517

Notice of Exercise of Options

I, James Hare hereby exercise *[specify number]* of the options evidenced by Option Certificate(s) *[specify number(s)]* to acquire *[specify number]* ordinary shares in the capital of Giaconda Limited.

I enclose:

- (a) my cheque in the sum of \$ representing the exercise price of \$ for each ordinary share; and
- (b) the Option Certificate(s) described above.

I agree that on issue of these shares, I will be bound by the terms of the Constitution of Giaconda Limited.

Date:

(Signature)

