

Consegna signs LOI in readiness for global distribution of BreatheAssist™

Melbourne, Monday, 16 July 2012. Consegna Group Limited (ASX:CGP) is pleased to announce that it has entered into a Letter of Intent with Triple A Holdings Limited of Grand Cayman, an investment company that in cooperation with Consegna, will roll out the global distribution of the BreatheAssist™ range of products.

It is the intent of the parties to enter into a definitive legally binding agreement on or before 30 September 2012 which will call for the payment of \$5 million for a global license and guaranteed minimum 25% gross profit payments of \$3 million on the second anniversary of the agreement, \$5 million on the third, \$7 million on the fourth and \$10 million on the fifth to Consegna.

Triple A Holdings will be responsible for the funding of the marketing and distribution globally. The definitive agreement will contain a buy back option should the parties reach an agreement with a major global Pharma distributor that ensures Consegna maximizes the monetisation of BreatheAssist™ while meanwhile having its products marketed and distributed globally by Triple A Holdings from their own resources. Mutual due diligence is underway and upon signing of the definitive agreement, Consegna will have secured a solid minimum earning stream from Triple A Holdings.

Triple A Holdings is owned by a foreign institutional investor and full particulars of both the investor and the roll out timetable will be set out upon completion of the mutual due diligence effort and signing of the definitive agreement in a further announcement to all shareholders on or before 30 September this year. This announcement is being made to comply with ASX requirements and any earlier release of detailed information would, for commercial reasons of confidentiality, be premature until the parties have entered into the definitive agreement.

Consegna has entered into a separate funding Agreement with the Australian Special Opportunity Fund, LP, a New York-based institutional investor managed by The Lind Partners, LLC (together, "Lind"), allowing a maximum \$5.675 million to be advanced to support all of Consegna's projects. Consegna has negotiated flexibility with this facility so that other sources of capital can be utilised where advantageous to do so. Key aspects of the Agreement can be found below.

Consegna's CEO, Mr Fabio Pannuti said, *"We are delighted to be monetising BreatheAssist through the agreement with Triple A Holdings and look forward to completing the definitive agreement shortly. Whilst the transaction is subject to final documentation, mutual due diligence and the fulfillment of several regulatory requirements, on completion at 30 September it delivers our company \$5 million of non-dilutive funding. It also delivers a capex moratorium on BreatheAssist and the opportunity to derive significant global royalty income whilst simultaneously preserving the opportunity for Consegna to participate in the proceeds of any future sale of this exciting product."*

The previously announced Imugene-Linguet sale remains on track to complete July 17, 2012 and our discussions in Russia are progressing positively towards a significant and exciting joint venture to take our Aspen Medisys investment to the next stage of development. These transactions are delivering on our strategy and providing Consegna with a solid platform for significant incremental value to be added to our portfolio over the balance of this year."



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He continued, *“We also welcome the flexibility that the facility with The Lind Partners provides, particularly as we know that the successful culmination of all of these activities demonstrates to the market a transformation of the Consegna Group from a development stage company to a license income and investment producing group that can look forward to enjoying the results of the monetizing of our products.”*

The launch of the two of the BreatheAssist™ products will commence commercially globally in early 2013, commencing with the release of the BreatheAssist™ Elite Sports, initially targeting the cycling market followed by BreatheAssist™ Snore Relief, specifically designed to provide snoring relief for everybody! Fuller details will be provided upon the completion of the definitive agreement with Triple A Holdings.

Details of Lind funding Agreement:

The facility provides Consegna with a facility of up to \$5,675,000 over the next 24 months.

- Consegna will issue an unsecured convertible security to Lind with a face value of \$400,000 and a term of 24 months at a zero % interest rate.
- Over the 24 months term, a minimum of \$75,000 of shares will be purchased by Lind from Consegna, approximately monthly. The price at which shares will be issued is 90% of the average of the 3 consecutive daily VWAPs during a specific period prior to the issuance of shares. (The Company may elect not to issue shares if the issue price would be less than an agreed floor price).

As part of the Agreement, Lind will be granted 10,000,000 options exercisable at 120% of the average daily volume weighted average prices (“VWAPs”) per share for the 20 consecutive trading days immediately prior to the date of the execution of the Agreement. Consegna has paid to Lind a commencement fee by way of 8,869,180 Consegna shares.

The terms of the Agreement expressly allow Consegna to carry out additional private placements of equity, rights issues and shareholder purchase plans as may be optimal to their capital management plan. In addition, the Agreement does not restrict the company’s ability to enter into strategic industry partnerships.

The Agreement contains provisions requiring the approval of shareholders as required under Listing Rule 7.1. Shareholder approval is not required for the initial funding to proceed.

ENDS

For more information, please contact Consegna on 03 9417 5001

About Consegna Group Limited

Consegna Group Limited’s purpose is to identify, acquire and commercialise late stage therapeutic delivery technologies. The Company targets high value markets and indications using an acquisition strategy driven by strategic value creation, patent protection and realisation criteria. The Company employs a low fixed overhead model with a panel of successful best in field regulatory, intellectual property and scientific advisors. For more information please visit the Consegna website www.consegna.com

About BreatheAssist™ Elite Sports

BreatheAssist™ Elite Sports is a soft polymer nasal dilator that enhances breathing performance while also being discreet, safe, adjustable and comfortable. BreatheAssist™ Elite allows you to get the most out of your workouts and achieve your fitness goals.



Worn inside the nose, it's an inconspicuous device with proven results. Put simply, BreatheAssist™ increases oxygen intake, allowing athletes to perform to their potential and reach their goals faster. Unlike competing products, BreatheAssist™ works in harmony with your body by allowing for efficient oxygen transfer and maximum air intake. To register interests please visit www.breathe-assist.com

About The Lind Partners, LLC

The Lind Partners, LLC is a New York-based alternative asset management company and manager of the Australian Special Opportunity Fund, LP. Lind selectively invests across a broad range of industries and economic environments with a focus on companies with market capitalizations ranging between \$25 million and \$1 billion having definable milestones and key inflection points that have the potential to create considerable shareholder value.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.