



ASX Announcement: January 29, 2008

Dia-B Tech raises \$4 million in a Convertible Loan

Dia-B Tech Limited (DIA:ASX) is pleased to announce it has finalized a placement of \$4 million in a secured, convertible loan.

"Dia-B is pursuing an FDA registration of our ISF402 drug as it proceeds to Phase II human trials. This funding will allow us to finalize this application, and at the same time minimize potential dilution to existing shareholders" stated Dr Michael Wooldridge, Chairman of Dia-B. "Dia-B has the opportunity to become a world leader in the development of oral insulin sensitizers as ISF402 undertakes clinical development under the auspices of the US FDA"

The term of the loan is 2 years, the interest rate is 9.5% p.a. compounded monthly, and the interest is paid in Dia-B scrip at the election of Dia-B. The loan converts at the lower of 7 cents per share or 85% of the lowest Volume Weighted Average Price (VWAP) over the 5 days prior to a conversion notice being issued. Any issue of shares on conversion is required to comply with ASX Listing Rule 7.1, including a requirement for Dia-B to seek shareholder approval, if necessary.

The funding has been provided by London-based Trafalgar Capital Specialised Investment Fund. This fund is an alternative investment fund for privately negotiated funding transactions for small and mid-cap publicly traded companies. Dia-B has arranged this funding for working capital to support the ISF402 product development program.

About Dia-B Tech Ltd

Dia-B is an Australian publicly listed biotechnology company (ASX:DIA) focused on the development of therapeutics for the treatment of diabetes and its associated complications. Dia-B has three compounds in development:

- ISF402 has completed Phase Ia/Ib clinical trial in Australia as an orally administered diabetes treatment
- IMO14 in preclinical development as an insulin sensitizer
- CDA1 in preclinical development for diabetic nephropathy and atherosclerosis

Diabetes is a major metabolic disease reaching epidemic proportions in the developed world. Australia has more than 1 million diabetics and this number is growing by 100,000 per year. Fears about the social and economic burden of a looming epidemic have led the federal, state and territory governments to agree recently to a \$200 million program to tackle the disease. In the US over 20 million people (7% of the population) have diabetes.

For more information:

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