

CEO's address to Shareholders at the 2006 AGM for CBio

Good Morning Ladies and Gentlemen.

I would firstly like to say that I feel honoured to have be appointed to the role of CEO of CBio Limited.

I am dedicated to driving Cbio to its commercial success and increasing shareholder value through the commercialisation of XToll, the Company's first drug.

As the Chairman has already stated, we are nearing the end of commercial negotiations with a large Pharma company, which if successful, will be the catalyst for a long and commercially successful period for your company.

Should it be achieved, this collaboration will provide the platform to continue to build shareholder value through the development of XToll and will do this at pace.

A collaboration of this type will also provide economic stability for your company as it is anticipated this deal should provide enough working capital for all future development requirements. Such a commercial relationship with a big pharma company will be received with great interest in the market. It will send a positive signal about the quality of the Asset and the Company.

In the coming year I am committed to driving the company's transformation from an entrepreneurial company to a commercial entity.

CBio has been diligent to date in focusing all resources on developing XToll to get this drug into clinical trials at the earliest possible stage.

With the positive results from these clinical trials this strategy has rewarded the company with the commercial opportunities that are presented today.

It is now time to turn our focus to establishing a fully integrated, commercially viable entity that will provide returns to its shareholders.

These changes have already commenced and further changes will be made soon that will set a platform to allow your company to take advantage of any further commercial opportunities that may present themselves.

One opportunity could be strategic development of new IP due to further research work performed by our scientists, such as further development of our core competencies in Toll Like Receptors. In this respect the Company has already had an initial contact from an interested party from overseas. Any and all possibilities will be considered if the value of your company and your shareholding is enhanced. A pro-active approach here is certainly required.

I will be working closely with your Board on the strategic direction of the company in the coming months.

We understand your needs for the company to continue to build value and provide liquidity for its shareholders. These needs will be addressed over the next 12 months. As part of this strategy the company will also be looking at world class appointments to our scientific competency to assist with the evaluation of the company's scientific program and platform and new development opportunities.

I am excited about the year ahead. Should we be successful with a collaboration in the near term, there is a very real prospect that the value of your shareholding that you have been waiting for will be realised and you will be involved with one of the most successful and exciting biotech companies in Australia.

I thank you for your participation today.