



CBio LIMITED ACN 094 730 417

Supplementary Prospectus

This is a supplementary prospectus ('**Supplementary Prospectus**') dated 18 November 2008 intended to be read with the Prospectus dated 31 October 2008 ('**Prospectus**') relating to the offer of approximately 3,940,543 shares in CBio Limited ACN 094 730 417 ('**CBio**').

This Supplementary Prospectus was lodged with ASIC on 18 November 2008. ASIC takes no responsibility for the contents of this Supplementary Prospectus. Terms used in this Supplementary Prospectus have the same meaning as those used in the Prospectus. The information below is to supplement and amend the information presently contained in the Prospectus namely:

Issued Capital & Interests of Directors

Subsequent to 31 October 2008, being the date of the Prospectus, the Company advises that the following two material changes have occurred:

1. Convertible Notes

One Convertible Note ('**Note**'), with a face value of \$150,000, was issued to a sophisticated investor to raise working capital for CBio.

The Note may be converted into fully paid ordinary shares in CBio upon election of the Noteholder or by the completion of a long-term funding transaction during the life of the Note. The Note is convertible in accordance with a formula, which allows for the issuance of the Shares at a notional issue price of \$0.85 per share, representing a 15% discount to the issue price of Shares under the Prospectus. If the Note is fully converted to Shares, the number of Shares on issue would increase by 176,471 from 39,405,439 to 39,581,910.

If the Note is not converted to CBio Shares, the Company is liable to repay the full face value of the Note plus accumulated interest of 8% per annum in accordance with the Note terms.

2. Loan Funding

On 14 November 2008 an entity associated with Dr Michael Monsour, a Director of CBio, agreed to loan CBio \$212,000 (Loan) for general working capital, including the payment of key expenses and supplier invoices. The Loan arrangement has been entered into on an arm's length basis, and is therefore exempt from the requirement to obtain shareholder approval under the Corporations Act.

In light of these further matters, the Prospectus shall be amended as follows:

Section 6.3 of the Prospectus shall now include the following:

An entity associated with Dr Michael Monsour, a Director of CBio, has provided loan funds of \$212,000 (Loan) to CBio for general working capital, including the payment of key expenses and supplier invoices. The Loan arrangement has been entered into on an arm's length basis, and is therefore exempt from the requirement to obtain shareholder approval under the Corporations Act.

Section 6.7 of the Prospectus shall now be amended as follows:

The references to Convertible Note in section 6.7 in the Prospectus shall be replaced with plural references to 'Convertible Notes'. Accordingly, the last sentence in the paragraph which appears under the table in section 6.7 shall read as follows:

This assumes that none of the Options currently on issue (refer section 6.8) are exercised or that the Convertible Notes currently on issue (refer section 6.9) are converted or that no Shares under the Share Purchase Agreement (refer section 6.10) are acquired, prior to the Record Date.

Section 6.9 of the Prospectus shall be replaced with:

6.9 Convertible Notes currently on issue

At the date of this Supplementary Prospectus there are two Convertible Notes on issue. If the Convertible Notes were to be converted into Shares in CBio, the total number of Shares would increase by 296,461.

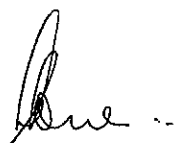
Applications

The Prospectus timetable remains unaltered, however as a result of the issuance of this Supplementary Prospectus, under section 724 of the Australian Corporations Act 2001 (Cth), parties that have applied for New Shares as at the date of this Supplementary Prospectus will be issued New Shares as described in the Prospectus, but shall have one month to withdraw their application and be repaid.

Applicants for Shortfall New Shares will be given a copy of the Supplementary Prospectus and any application for Shortfall New Shares will, subject to any new matter arising under section 724, be deemed a valid application and no right of withdrawal will apply.

Consents

Each of the Directors consents to the issue and lodgement of this Supplementary Prospectus. None of the Directors have withdrawn their respective consents before this Supplementary Prospectus was lodged with ASIC.



Mr Stephen Jones
Executive Chairman

Dated 18 November 2008