

CBio LIMITED ACN 094 730 417

Second Supplementary Prospectus

This is a supplementary prospectus ('**Second Supplementary Prospectus**') dated 4 December 2008 intended to be read with the Prospectus dated 31 October 2008 ('**Prospectus**') and the Supplementary Prospectus dated 18 November 2008 ('**Supplementary Prospectus**') relating to the offer of approximately 3,940,543 shares in CBio Limited ACN 094 730 417 ('**CBio**').

This Second Supplementary Prospectus was lodged with ASIC on 5 December 2008. ASIC takes no responsibility for the contents of this Second Supplementary Prospectus. Terms used in this Second Supplementary Prospectus have the same meaning as those used in the Prospectus and Supplementary Prospectus. The information below is to supplement and amend the information presently contained in the Prospectus and Supplementary Prospectus namely:

Issued Capital & Interests of Directors

Subsequent to 31 October 2008, being the date of the Prospectus, and subsequent to 18 November 2008, being the date of the Supplementary Prospectus, the Company advises that the following material change has occurred:

1. Convertible Notes

Ten Convertible Notes ('**Notes**'), with a face value of \$460,000, were issued to sophisticated investors to raise working capital for CBio.

The Notes 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 Notes. The Notes are 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 Notes are fully converted to Shares, the number of Shares on issue would increase by 541,175 from 39,581,910 to 40,123,085.

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

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

Section 6.9 of the Prospectus and Supplementary Prospectus shall be replaced with:

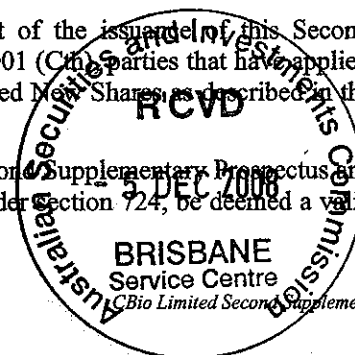
6.9 Convertible Notes currently on issue

At the date of this Second Supplementary Prospectus there are 12 Convertible Notes on issue. If the Convertible Notes were to be converted into Shares in CBio, the total number of Shares would increase by 837,636.

Applications

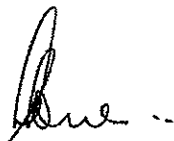
The Prospectus timetable remains unaltered, however as a result of the issuance of this Second Supplementary Prospectus, under section 724 of the Australian Corporations Act 2001 (Cth) parties that have applied for New Shares as at the date of this Second Supplementary Prospectus will be issued New Shares 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 Second 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 Second Supplementary Prospectus. None of the Directors have withdrawn their respective consents before this Second Supplementary Prospectus was lodged with ASIC.



Mr Stephen Jones
Executive Chairman

Dated 4 December 2008