

14 April 2010

The Manager
Company Announcements Office
ASX Limited
20 Bridge St
SYDNEY NSW 2000

Dear Sir,

APPENDIX 4C

CBio Limited is pleased to lodge its Appendix 4C for the quarter ending 31 March 2010.

The Company has ended the quarter with cash reserves of \$4.2m, a net increase during the quarter of \$2.1m.

During the quarter, CBio completed its IPO capital raising, which raised a total of \$7.1m. Of this amount, \$5.3m was received during the quarter, with IPO costs of \$904k being met during the period. The Company has raised \$20.1m from the issue of shares and convertible notes in the financial year to date.

The Company's drug development program continues to be the main area of expenditure, with \$7.3m expended on the development of XToll[®] and on other research and development projects during the 9 months to 31 March. Staffing costs (\$3.2m) and patent expenses (\$664k) have been the other major areas of cash expense in the year to 31 March.

Operationally, the Company achieved a number of significant milestones during the March quarter.

In early March CBio announced that it had received ethics approvals for the Central & Eastern Europe sites which will participate in the current 150-patient, Phase IIa clinical trial in Rheumatoid Arthritis (RA). These sites are expected to offer a rapid rate of recruitment of the remaining patients required to complete the RA trial, and will operate in tandem with sites already actively recruiting patients in both Australia and New Zealand.

The Company also announced that it had recruited the 75th patient in the trial in March. This milestone is significant not only because it represents the half-way point in patient recruitment, but also because it triggered a milestone payment of USD\$1 million from Novo Nordisk A/S under their agreement with CBio. The USD\$1 million payment (AUD\$1.1m) was received by CBio subsequent to the end of the March quarter and is therefore not reflected in the 31 March cash balance.

CBio remains on target to complete recruitment into the RA clinical trial by the end of the year and to receive final study reports in 2011.

For and on behalf of the Board



BEN GRAHAM
Company Secretary

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

CBio Limited

ABN

76 094 730 417

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	6	22
1.2 Payments for		
(a) staff costs	(813)	(3,201)
(b) patent costs	(64)	(664)
(c) research and development	(755)	(7,346)
(d) leased assets	(15)	(25)
(e) other working capital	(650)	(2,472)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	31	45
1.5 Interest and other costs of finance paid	(87)	(302)
1.6 Income taxes paid	-	-
1.7 Other-	-	-
Net operating cash flows	(2,347)	(13,943)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

		Current quarter \$A'000	Year to date (9 months) \$A'000
1.8	Net operating cash flows (carried forward)	(2,347)	(13,943)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	(9)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other	-	-
	Net investing cash flows	0	(9)
1.14	Total operating and investing cash flows	(2,347)	(13,952)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares	5,307	14,665
1.16	Proceeds from issue of convertible notes	-	5,200
1.17	Proceeds from borrowings	20	376
1.18	Repayment of borrowings:	-	(126)
1.19	Dividends paid	-	-
1.20	Other Creditors (costs of fund raising)	(904)	(2,024)
	Net financing cash flows	4,423	18,091
	Net increase (decrease) in cash held	2,076	4,139
1.21	Cash at beginning of quarter/year to date	2,103	40
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	4,179	4,179

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	278
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payment of director's fees, compulsory superannuation and consulting fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

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