

17 May 2010

Dear Optionholder,

**Share Purchase Plan- Optionholder participation**

CBio Limited (ASX: **CBZ**) today announced its Share Purchase Plan (SPP), which will provide the opportunity for eligible shareholders to purchase up to \$15,000 of CBio ordinary shares at \$0.35 per share, without incurring brokerage or transaction costs.

Investors who hold options in CBio but do not hold ordinary shares may only participate in the SPP if some or all of their options are exercised prior to the Record Date, being 21 May 2010, and they are recorded on the share register as ordinary shareholders.

Shareholders who also hold options will not be entitled to purchase any more than \$15,000 of CBio ordinary shares under the SPP by exercising some or all of their options before the Record Date.

Should you wish to exercise your options please contact the Company Secretary on (07) 3841 4200.

Yours sincerely

**BEN GRAHAM**  
Company Secretary  
CBio Limited

**About CBio:**

CBio is an Australian ASX listed company established in 2000. CBio's lead product XToll is a potential new-generation drug therapy which could provide safer and more effective treatment of autoimmune diseases such as rheumatoid arthritis. It is currently being trialled in phase II clinical trials in patients with rheumatoid arthritis (RA). Global sales of RA therapies exceeded US\$17 billion in 2008.

Novo Nordisk A/S, a top 20 global pharmaceutical company and world-leader in diabetes care, has an exclusive option to enter into a licence agreement for the intellectual property rights relating to XToll.

CBio's Board includes internationally experienced drug developers including Dr Goran Ando, Vice-Chairman Novo Nordisk A/S (formerly president of R&D at Pharmacia/Pfizer and R&D director of Glaxo Group, UK); Dr Peter Corr, Founder and co-General Partner of Celtic Therapeutics (formerly Senior Vice-President for Science and Technology at Pfizer and Chairman of the Board of Governors, New York Academy of Sciences); and Professor John Funder, AO, Professor of Medicine at Monash University, Senior Fellow at Prince Henry's Institute of Medical Research (formerly Director of the Baker Institute, 1990-2001).