

17 May 2010

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

Dear Sir,

### **SHARE PURCHASE PLAN OFFER**

CBio Limited (ASX: **CBZ**) is pleased to announce a Share Purchase Plan (**SPP**) to enable eligible shareholders to purchase up to \$15,000 of CBio ordinary shares without incurring brokerage or transaction costs.

The Shares are being offered at a 10% discount to the volume-weighted average market price for the five days prior to this offer. Eligible Shareholders are able to purchase a minimum of \$2,000 of Shares up to a maximum of \$15,000 worth of shares (subject to ASX waiver, which has been applied for as noted in the SPP Rules).

Funds raised under the SPP will supplement other funding available to the Company, including the \$12.45 million Convertible Loan facility announced by the Company today. The SPP funds will primarily be applied to meeting the remaining costs associated with completing the clinical trial, including the compilation of final study reports. The 150-patient trial is currently underway in Australia, New Zealand and Europe, with the final study reports expected to be delivered by mid 2011.

Participation in the SPP is entirely voluntary. If you are an Eligible Shareholder, you may apply to purchase a parcel of either \$2,000, \$5,000, \$10,000 or \$15,000 of Shares (Parcel).

CBio reserves absolute discretion regarding the amount raised under the SPP, including the right to scale back applications (Scaleback). Should this happen, subscribers may be allocated Shares to a value which is less than the Parcel they applied for and the difference will be refunded to the relevant subscriber.

The issue price of shares under this SPP is less than the average market price during the 5 trading days up to and including 17 May 2010. The market price of CBio shares may change between the date of this offer and the date when the shares are issued to an applicant under the SPP. If this occurs it would effect the relative market value of shares which the applicant received having regard to the market price under the SPP. It may be higher or lower than the price paid by the applicant. This means the applicant may hold shares the value of which is higher or lower than the market price and they may make a gain or loss if they sold the applicable shares.

A summary of the SPP details that will be sent to shareholders is set out below.

<b>Announcement Date</b>	Monday 17 May 2010	Share Purchase Plan is announced to the market
<b>Record Date</b>	Friday 21 May 2010 (7:00pm (AEST))	Date for determining Eligible Shareholders
<b>Opening Date</b>	Thursday 27 May 2010	Share Purchase Plan opens
<b>Closing Date</b>	Wednesday 16 June 2010 (5:00pm (AEST))	Share Purchase Plan closes on this date
<b>Allotment Date</b>	Thursday 24 June 2010	Shares to be issued under Share Purchase Plan are allotted
<b>Despatch Date</b>	Monday 28 June 2010	Confirmation of transaction despatched to Shareholders
<b>Quotation Date</b>	Wednesday 30 June 2010	At which time Shares are expected to be traded on ASX
<b>Issue Price</b>	\$0.35 per Share	Representing a 10% discount to the average market price of the Shares for the 5 days trading prior to the Announcement Date.
<b>Minimum Application Amount</b>	\$2,000 (5,714Shares)	Minimum investment amount and applicable multiples
<b>Intermediate Application Amounts</b>	\$5,000 (14,286Shares) \$10,000 (28,571 Shares)	Incremental amounts in which shareholders may apply for shares
<b>Maximum Application Amount</b>	\$15,000 (42,857Shares)	Maximum investment amount

Shareholders will be sent an Offer letter and SPP documents to enable them to consider this investment.

For further information, please contact the Company Secretary on (07) 3841 4844.

#### **BEN GRAHAM**

Company Secretary  
 CBio Limited

For further information:

Ian Pemberton  
 P&L Corporate Communications  
 T: +61 2 9231 5411  
 M: +61 402 256 576  
 ian.pemberton@plcorporate.com.au

Ben Graham  
 Company Secretary  
 CBio Limited  
 T: +61 7 3841 4844  
 ben.graham@cbio.com.au

**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).