

17 May 2010

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

Dear Sir,

SHARE PURCHASE PLAN CLEANSING NOTICE

In accordance with ASIC Class Order 09/425 (CO 09/425), CBio Limited (ASX: CBZ) gives notice that:

- a) the Company will make offers to issue ordinary shares under a Share Purchase Plan (SPP) without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (Act);
- b) this notice is given in accordance with CO 09/425 and in particular, paragraph 7(f)(ii) of CO 09/425 which requires that the Company give this notice to ASX within the 24 hour period before the SPP offer;
- c) as at the date of this notice, CBZ has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the CBZ; and
 - (ii) section 674 of the Act; and
- d) as at the date of this notice, CBZ confirms that there is no information that is 'excluded information' (in accordance with the requirements of subsections 708A(7) and 708A(8) of the Act, as if the notice were a notice under paragraph 708A(5)(e) of the Act).

BEN GRAHAM

Company Secretary
CBio Limited

For further information:

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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).