

**CHAIRMAN'S ADDRESS TO SHAREHOLDERS AT THE  
GENERAL MEETING OF MEMBERS OF CBIO LIMITED  
HELD IN BRISBANE ON 22 JUNE 2010**

The purpose of today's meeting is to approve the past issue of shares and options as is required by ASX Listing Rules and the Corporations Act. Particularly so as the Company is able to raise further share capital under the 15% rule which will be necessary to effectuate the Company's financial needs in view of the shortfall in monies raised through the recent IPO of the Company.

As a listed entity, the Board is permitted to issue up to 15% of the issued capital of CBio without first seeking shareholder approval. The issues we are seeking shareholder approval for today were made under this 15% allowance. And this ability needs to be refreshed by members. Which is the purpose of today's meeting of members.

I will now address each of the resolutions which are Agenda items to be put to the meeting today for ratification by members.

The first resolution seeks shareholder approval for the prior issue of 500,000 shares and 5 million share options to the Company's financial and corporate advisor, PT Equities Pty Ltd. The Company entered into an agreement with PT Equities for the provision of ongoing capital raising and advisory services and these shares and options were issued pursuant to that agreement. The 500,000 shares were issued in lieu of paying fees of \$200,000, while the share options have an exercise price of \$1 and an expiry date of 31 December 2012.

PT Equities is a firm which raised almost all of the \$7 million under the IPO, as well as several million more in the pre-IPO capital raising rounds.

As part of their ongoing agreement with CBio, PT Equities are actively pursuing a number of funding opportunities which the Board hopes, given the track record of PT Equities in providing significant monies for CBio by PT Equities over the past year, will become available.

The Board considers it prudent to conserve cash where possible, and the issue of shares and options to PT Equities permits the Company to retain \$200,000 which would otherwise be paid in cash, while also potentially raising a further \$5 million should the share options be exercised.

The second and third resolutions request shareholder approval for the prior issue of 100,000 shares each to PT & FA Nash (Medical) Pty Ltd and Professor Peter Brooks.

Dr Peter Nash, a director of PT & FA Nash (Medical) Pty Ltd, is a world renowned Rheumatologist and has been providing advisory services to CBio for a number of years. Dr Nash is currently the Principal Investigator in CBio's Rheumatoid Arthritis clinical trial.

Professor Peter Brooks is also an internationally regarded Rheumatologist and is a valued advisor to the CBio Board. Professor Brooks has provided assistance and advice to CBio in a number of critical areas in relation to the Company's clinical development program.

The Company issued shares to both PT & FA Nash (Medical) Pty Ltd and Professor Peter Brooks in lieu of the payment of cash consideration for services provided, thereby allowing CBio to further conserve cash resources.

I will now turn to the formal part of the meeting whereby I will put each resolution to the vote.

Because the proxy votes received by the company overwhelmingly support each motion in the positive, I will take each vote from the floor. Should the floor produce a negative outcome contradicting the proxy votes then the effected resolution will be put to a poll.

**STEPHEN JONES**  
**EXECUTIVE CHAIRMAN**