

24 June 2010

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

Dear Sir,

### **CLARIFICATION TO MISLEADING INFORMATION CIRCULATING IN THE MARKET**

The Company has become aware of misleading information originating from a biotechnology publication concerning the General Meeting of CBio Limited held on 22 June 2010.

The misleading information originated from the Biotech Daily published on 22 June 2010.

CBio would like to correct this misinformation which is damaging to CBio and to its shareholders. Subscribers to the above publication would have received correspondence with the headline "Significant Dissent at CBio Meeting". This headline is incorrect and grossly misleading.

The publication then went on to say that "CBio's meeting to approve three prior share issues were easily passed but with up to 10.5 percent of votes against the resolutions. CBio said more than 18.86 million proxy votes supported the three resolutions with up to 2,316,330 proxy votes against."

The Company is puzzled and concerned as to how these results can be reported as "significant dissent".

In relation to the meeting held on 22 June 2010:

1. On a show of hands, each of the three resolutions was carried unanimously by Members present;
2. The proxies received showed overwhelming support in favour of each of the three resolutions put to Members; and
3. There was no evidence of "significant dissent" during the course of the meeting; to the contrary, the Members who attended demonstrated their continued interest in and support of the Company and to the resolutions put to them.

The full results from the meeting are clearly set out in the Results of Meeting lodged with ASX by on CBio 22 June 2010.

At this stage the Company is not aware of any other misleading information which may be circulating, however it will continue to advise the market should examples of further incorrect and misleading information be brought to our attention.

CBio would like to advise shareholders that the only source of correct information relating to the Company is that information released by CBio to the market, and which can be found in announcements on the ASX ([asx.com.au](http://asx.com.au)) or on CBio's website ([cbio.com.au](http://cbio.com.au)).

For and on behalf of the Board

**BEN GRAHAM**

Company Secretary

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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).