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

CBio Announces Clinical Trial Milestone

- **Accelerated recruitment into clinical trial sees 114 of targeted 150 patients now enrolled**
- **Potential parallel research program into other autoimmune diseases e.g. Lupus, attractive to global pharmaceutical companies**

BRISBANE, 30 June 2010: Australian drug development company CBio Limited (ASX: CBZ) today announced the achievement of a recruitment milestone in its clinical trial of XToll, the potential new-generation drug therapy which could provide safer and more effective treatment of autoimmune diseases such as rheumatoid arthritis (RA).

CBio Managing Director Jason Yeates said that the company was very pleased with recruitment levels achieved by the new clinical trial sites in Central and Eastern Europe as well as the continued support of the trial by sites in Australia.

“114 of the targeted 150 patients have now been recruited into the clinical trial. This increased rate of recruitment means that full recruitment remains on track to complete by the end of September 2010 as outlined in the company’s IPO Prospectus,” Mr Yeates said.

“We continue to work towards completing this trial by the end of March next year,” he said.

Mr Yeates said that recent meetings in Europe designed to keep potential commercial partners informed of development progress were very successful and that there was considerable interest by overseas pharmaceutical companies in the possibility of establishing a parallel research program in other autoimmune diseases such as Lupus.

“At this stage our prime concern is to get the product to market for the treatment of rheumatoid arthritis,” Mr Yeates said.

“Given the scale of suffering caused by rheumatoid arthritis and the commercial market opportunity available to safer and more effective treatments, this remains our priority and we are well advanced on this path,” he said.

“Our ongoing discussions with global pharmaceutical companies continue to highlight for us the wide interest in XToll. Success in this trial would not only give new hope to millions of RA sufferers but open the door to commercialisation on a scale which will reward our investors,” Mr Yeates said.

“Given that the same research path might lead to alternative treatments for diseases such as Lupus the company is now investigating what resources would be needed to start an additional program in this area,” he said.

“There are a number of people who would like to see us move quickly on this path, which is not surprising given that the prospects for the alleviation of suffering as well as commercial return are impressive,” Mr Yeates said.

“However, we will not divert energy from the core rheumatoid arthritis program which is now highly advanced,” he said.

“Up to 2 per cent of the world’s population suffer from rheumatoid arthritis and addressing that market remains the company’s primary focus. If the company is to accelerate research into Lupus, then additional funding would need to be sourced. This is something the Board of Directors may want to consider at some point,” Mr Yeates said.

CBio’s pre-clinical research into therapeutic uses of XToll in diseases other than rheumatoid arthritis has been submitted to a number of global therapeutic conferences being held in late 2010.

www.cbio.com.au

Contact information:

MEDIA

Melanie Farris
Manager, Corporate Projects
CBio Limited
T: +61 449 148 448
melanie.farris@cbio.com.au

COMPANY & INVESTOR RELATIONS

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

ABOUT THE POTENTIAL MARKET FOR XTOLL

While CBio will initially target XToll as a potential RA therapy, the Company believes it may be used to treat a number of other diseases. Global sales for biological therapies for RA were US\$8.6 billion in 2005, rising to an estimated US\$12 billion-plus in 2009 and are forecast to reach over US\$18.5 billion by 2013.

This RA market is currently dominated by three drugs: the “blockbuster” anti-TNF therapies Remicade, Enbrel and Humira. While the primary market for these drugs is in the treatment of RA, they are used as therapies for other autoimmune diseases including Crohn’s disease, ulcerative colitis, psoriaticarthritis and ankylosing spondylitis. It is estimated that one-quarter of Remicade revenues come from indications other than RA; roughly one-sixth of Enbrel revenues come from indications other than RA; and one-eighth of Humira revenues come from indications other than RA.

In 2008 sales of these top three drugs for the treatment of RA were US\$10.9 billion. However, the total global sales of these three drugs in all disease states were in excess of US\$17 billion.

Biological disease modifying anti-rheumatic drugs (bDMARD) have essentially revolutionised the treatment of RA throughout the world, although they are also the most expensive of all available RA treatments. Between 2009 and 2013, the value of the biologic market for the treatment of RA is estimated to grow by a compound annual growth rate of around 11%. Fuelling growth in this market will be a general increase in the uptake of biologics for the treatment of RA as they gain greater acceptance from physicians, the higher levels of patient disease education, and the ageing American and European populations. Apart from patent expirations facing current bDMARD leaders (two leading RA therapies have patent expiry dates in the coming seven years: Enbrel - 2012; Humira – 2016) and new product launches, it is expected that few other factors will slow the growth in this market for the foreseeable future.

Yet there remains a significant unmet need for new, clinically efficacious therapies for RA. The pipeline for rheumatoid arthritis therapies therefore remains strong.