

15 September 2010

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

Dear Sir,

### REPAYMENT OF SPRINGTREE CONVERTIBLE NOTE

CBio wishes to advise that pursuant to the terms and conditions of the Convertible Loan Agreement with the SpringTree Special Opportunities Fund, LP ("SpringTree"), it has today repaid in cash the \$150,000 convertible note issued to SpringTree which was due to mature on 16 September.

Details of the convertible notes on issue following this repayment are as follows:

Value \$	Conversion Rate \$	Shares issued if converted	Options issued if converted	Option exercise price \$	Note expiry
125,000	0.50	250,000	125,000	1.00	31 Dec 2010
2,000,000	0.50	4,000,000	2,500,000	1.00	30 Jun 2011
2,000,000	0.286	7,000,000	2,500,000	1.00	31 Dec 2011
<b>4,275,000</b>	-	<b>11,250,000</b>	<b>5,125,000</b>	-	-

### CHANGE TO DIRECTOR STATUS

The Company wishes to advise that Dr Dennis Feeney has resigned as an executive of CBio with effect from 30 September 2010. Dr Feeney will remain on the Board as a non-executive Director and will provide consulting services to CBio on an ad-hoc basis as the need arises.

The Board wishes to express its appreciation for the contribution that Dr Feeney has made to CBio as part of its management team and looks forward to continued interactions in his new capacities.

For and on behalf of the Board

**BEN GRAHAM**  
 Company Secretary

#### COMPANY & INVESTOR RELATIONS

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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 trialed 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).

#### **About Rheumatoid Arthritis**

Rheumatoid Arthritis is a chronic autoimmune disease, mainly characterised by inflammation of the lining of the joints. It can lead to long-term joint damage, resulting in chronic pain, loss of function and disability. The effects of RA are systemic, which means it can affect other organs in the body, and cardiovascular dysfunction in addition to RA is common. RA symptoms can make even the simplest activities – such as opening a jar or taking a walk – difficult to manage. RA has a worldwide distribution with a prevalence of 1 to 2% – which currently equates to approximately 100 million people. Prevalence increases with age, approaching 5% in women over age 55. RA is two to three times more common in women than in men and generally occurs between the ages of 40 and 60, but it can also affect young children and older adults. Currently, there is no cure.