

27 September 2010

Dear Option holder,

Non-renounceable Rights Issue- Option holder participation

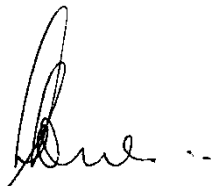
CBio Limited (ASX: **CBZ**) today lodged with the ASX a Rights Issue cleansing Notice (Notice) and Information Booklet, for a non-renounceable rights issue to raise up to \$9.3 million.

Copies of the Notice and information Booklet are available on the ASX website (www.asx.com.au) as well as on the Company's website (www.cbio.com.au).

Investors who hold options in CBio but do not hold shares may only participate in the offer if some or all of their options are exercised prior to the Record Date, being 6 October 2010, and they are recorded on the share register as shareholders.

Should you wish to exercise your options please contact the Company Secretary on (07) 3841 4844.

Yours sincerely



STEPHEN JONES
Executive Chairman