cbio LIMITED

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30 September 2010

The Manager
Company Announcements Office
ASX Limited
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Dear Sir,

CBIO ANNOUNCES COMPLETION OF LUPUS RESEARCH STUDY

- **Animal studies in effectiveness of Chaperonin 10 as a treatment for Lupus complete**
- **CBio to present results at 74th Scientific Meeting of American College of Rheumatologists**
- **Further evidence that XToll® may have applications across a number of autoimmune diseases**

BRISBANE, 30 September 2010: Australian drug development company CBio Limited (ASX:CBZ) today announced that is has completed animal studies into the effectiveness of Chaperonin 10 in treating systemic lupus erythematosus (SLE).

The results from the Lupus study conducted with the University of Munich show significant potential for the treatment of SLE and strengthen the company's view that its lead compound XToll® has utility beyond a single indication.

Lupus is a chronic inflammatory disease that can affect various parts of the body, especially the skin, joints, blood, and kidneys. SLE is the most serious form of Lupus, a disease which mostly affects young females. The disease is treated with unspecific immunosuppressant's such as steroids or cytotoxic drugs that cause serious toxicities in patients.

XToll® is a potential new-generation drug therapy which could provide safer and more effective treatment of autoimmune diseases.

CBio Managing Director Jason Yeates said this study is an important link in CBio's drug development pipeline.

"We are greatly encouraged by these results as they provide us with further evidence that XToll® could potentially be developed to treat a range of autoimmune diseases," Mr Yeates said.

XToll® is a biologically active, modified variant of the naturally occurring protein, Chaperonin 10. The company has previously completed phase I and early phase II studies with XToll® in rheumatoid arthritis (RA), psoriasis and multiple sclerosis (MS).

Data from the psoriasis trial was published in the Archives of Dermatology. Data from the MS trial was published in Multiple Sclerosis Journal. Data from the RA trial was published in esteemed medial journal, The Lancet.

An abstract detailing how the Lupus study was conducted, its methods and results has been accepted by the 74th Scientific Meeting of the American College of Rheumatologists (ACR), being held in Atlanta in November, 2010.

"This is the preeminent meeting of rheumatologists in the world and we are very pleased that ACR has accepted our abstract," Mr Yeates said.

"This will encourage further discussion and greater exposure of XToll® amongst the worlds leading practitioners, researchers and commercial drug developers," he said.

Further to the promising early results from the early RA clinical trial, CBio is currently conducting a more detailed phase IIa trial of XToll® in patients with moderate to severe rheumatoid arthritis. This trial is fully recruited and is due to complete in Q1 2011.

For and on behalf of the Board

BEN GRAHAM
Company Secretary

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About CBio

CBio (www.cbio.com.au) 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).