

4 November 2010

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

Dear Sir,

RIGHTS ISSUE ALLOTMENT

CBio Limited (ASX:CBZ) is pleased to confirm that it has completed the allotment of 31,740,566 fully paid ordinary shares issued as part of the Rights Issue which closed on 27 October.

The Company raised \$5.08 million from existing shareholders under the Rights Issue, which offered eligible shareholders the opportunity to purchase 5 new shares for every 7 shares held at \$0.16 per share.

The Company, along with its corporate advisers Baker Young Stockbrokers, are now proceeding to place the remaining \$4.25 million in shortfall shares and expects to complete these placements during November.

Details of the issued capital of the Company following the issue of the Rights Issue shares are as follows:

(a) Number and class of all securities quoted on ASX

Number	+Class
109,984,943	Ordinary shares
14,287,355	Share options exercisable at \$1.00 each on or before 31 December 2012

(b) ASX Restricted Securities (not quoted)

Number	Class
3,359,744	Ordinary fully paid shares, classified by ASX as restricted securities and to be held in escrow for a period of 24 months from the commencement of official quotation
15,087,494	Share options exercisable at \$1.00 each on or before 31 December 2012, classified by ASX as restricted securities and to be held in escrow for a period of 24 months from the commencement of official quotation

(c) Securities Not Quoted

Number	Class
710,000	Share options exercisable at \$2.00 each on or before 31 December 2012
600,000	Share options exercisable at \$3.00 each on or before 31 December 2012
1,900,000	Share options exercisable at \$0.517 each on or before 16 May 2015
148,148	Share options exercisable at \$0.351 each on or before 15 June 2015
127,443	Share options exercisable at \$0.306 each on or before 15 July 2015
166,667	Share options exercisable at \$0.234 each on or before 16 August 2015

(d) Convertible Notes on Issue

Number	Class
1	Convertible Note with a face value of \$150,000 expiring 16 November 2010.
1	Convertible Note with a face value of \$125,000 expiring 31 December 2010.

Number	Class
2	Convertible Notes with a face value of \$1,000,000 each expiring 30 June 2011
2	Convertible Notes with a face value of \$1,000,000 each expiring 31 December 2011

For and on behalf of the Board of CBio Limited



BEN GRAHAM
Company Secretary

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 (Copenhagen: NOVO-B.CO; NYSE: NVO), 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).