

1 December 2010

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

Dear Sir,

APPOINTMENT OF DR TERJE KALLAND TO THE BOARD

CBio Limited (ASX: CBZ) is pleased to announce that Dr Terje Kalland has been appointed a Non-Executive Director of the Company.

Dr Kalland, MD, PhD, is a former professor of tumour immunology and has served 22 years in the pharmaceutical industry. He is the retiring senior vice president of the Biopharmaceuticals Research Unit at Novo Nordisk. His leadership has been with a focus on discovery and preclinical development, and he also has experience in phase I/II clinical development. He has brought more than 40 large and small molecule-based drug candidates into development.

Prior to his appointment at Novo Nordisk, Dr Kalland was Chief Scientific Officer at Biovitrium AB in Stockholm, Sweden. From 1988 to 2001, he worked at Pharmacia, where he spent the last seven years of his appointment as the global head of Oncology Research.

Dr Kalland bring with him a wealth of drug development experience which will be invaluable to CBio as it completes its current phase IIa clinical trial in Rheumatoid Arthritis and plans future drug development activities.

For and on behalf of the Board of CBio Limited

BEN GRAHAM

Company Secretary

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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 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).

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.