

7 December 2010

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

Dear Sir,

APPENDIX 3Y'S AND BREACH OF LISTING RULE 10.11

On 22 November 2010, the Company lodged Appendix 3Y's in relation to shares acquired by entities associated with Professor John Funder and Dr Michael Monsour as part of the Shortfall to the recent Rights Issue offered by the Company.

The Company was subsequently advised by the ASX that the issue of shares to directors under the Shortfall required prior shareholder approval. As the Company has not received prior shareholder approval the issue was therefore in breach of Listing Rule 10.11. To rectify the breach, the ASX requested that the shares acquired by the Directors under the Shortfall be disposed.

The shares have been disposed of in accordance with the directions of the ASX. The shares were disposed of at a price equivalent to the issue price and therefore no profit was made on this unintentional breach. Appendix 3Y's are attached to this notice.

The breach of Listing Rule 10.11 was inadvertent and unintentional and the Company has taken steps to ensure such a breach is not repeated in the future.

Both Dr Monsour and Professor Funder remain shareholders in CBio and are fully supportive of the Company. Dr Monsour has a relevant interest in 9.7 million CBio shares (8.14% of the issued capital of the Company) and 3.1 million options and recently acquired 3.8 million shares under the 'entitlement' portion of the Right's Issue. Professor Funder has a relevant interest in 100,000 shares and 1 million share options.

For and on behalf of the Company.

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 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.

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	CBIO LIMITED
ABN	76 094 730 417

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	PROFESSOR JOHN FUNDER
Date of last notice	18 November 2010

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Valerie Diamond & John Funder <Val Diamond Super Fund A/C> Dr John Funder & Ms Valerie Funder <Val Diamond Super Fund A/C> Professor Funder is a beneficiary of the superannuation fund.
Date of change	3 December 2010
No. of securities held prior to change	Valerie Diamond & John Funder <Val Diamond Super Fund A/C> 170,000 ordinary fully paid shares Dr John Funder & Ms Valerie Funder <Val Diamond Super Fund A/C> 1,000,000 share options
Class	Ordinary
Number acquired	nil
Number disposed	70,000 ordinary shares

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	\$0.16 per share
No. of securities held after change	Valerie Diamond & John Funder <Val Diamond Super Fund A/C> 100,000 ordinary fully paid shares Dr John Funder & Ms Valerie Funder <Val Diamond Super Fund A/C> 1,000,000 share options
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	Professor Funder recently acquired 70,000 shares under the Rights Issue Shortfall. The ASX have advised that this was in breach of Listing Rule 10.11 and that prior shareholder approval was required for this transaction. ASX have requested the disposal of the 70,000 shares acquired under the Shortfall. The shares have been disposed off-market at \$0.16 per share, a price equal to the price at which the shares were acquired.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	n/a
Nature of interest	n/a
Name of registered holder (if issued securities)	n/a
Date of change	n/a
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	n/a
Interest acquired	n/a
Interest disposed	n/a
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	n/a
Interest after change	n/a

+ See chapter 19 for defined terms.

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Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	CBIO LIMITED
ABN	76 094 730 417

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	DR MICHAEL MONSOUR
Date of last notice	25 NOVEMBER 2010

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct: Dr Michael Monsour Indirect: Described below
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	<ol style="list-style-type: none"> 1. MP Monsour Medical Practice Pty Ltd <MP Monsour Medical Practice Superannuation Fund A/C> 2. MPAMM Pty Ltd 3. Australian Technology Innovation Fund Limited. 4. Australian Biofunds Investments Limited <p>Dr Monsour is a Director and shareholder of the entities identified above.</p>
Date of change	3 December 2010

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

No. of securities held prior to change	<ol style="list-style-type: none"> 1. Dr Michael Monsour 65,464 ordinary shares 2. MP Monsour Medical Practice Pty Ltd <MP Monsour Medical Practice Superannuation Fund A/C> 2,785,848 ordinary shares and 1,490,000 share options 3. MPAMM Pty Ltd 7,540,691 ordinary shares and 1,614,000 share options 4. Australian Technology Innovation Fund Limited 289,118 ordinary shares 5. Australian Biofunds Investments Limited 199,755 ordinary shares
Class	Ordinary
Number acquired	NIL
Number disposed	MPAMM Pty Ltd- 156,250 ordinary shares MP Monsour Medical Practice Pty Ltd <MP Monsour Medical Practice Superannuation Fund A/C>- 978,219 ordinary shares
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	\$0.16 per share
No. of securities held after change	<ol style="list-style-type: none"> 1. Dr Michael Monsour 65,464 ordinary shares 2. MP Monsour Medical Practice Pty Ltd <MP Monsour Medical Practice Superannuation Fund A/C> 1,807,629 ordinary shares and 1,490,000 share options 3. MPAMM Pty Ltd 7,384,441 ordinary shares and 1,614,000 share options 4. Australian Technology Innovation Fund Limited 289,118 ordinary shares 5. Australian Biofunds Investments Limited 199,755 ordinary shares

+ See chapter 19 for defined terms.

<p>Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p>	<p>Entities associated with Dr Monsour recently acquired 1,134,469 shares under the Rights Issue Shortfall. The ASX have advised that this was in breach of Listing Rule 10.11 and that prior shareholder approval was required for this transaction. ASX have requested the disposal of the 1,134,469 shares acquired under the Shortfall. The shares have been disposed off-market at \$0.16 per share, a price equal to the price at which the shares were acquired.</p>
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Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	n/a
Nature of interest	n/a
Name of registered holder (if issued securities)	n/a
Date of change	n/a
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	n/a
Interest acquired	n/a
Interest disposed	n/a
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	n/a
Interest after change	n/a

+ See chapter 19 for defined terms.