

25 August 2011

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

Dear Sir,

CBio Limited (ASX:CBZ) advises that the Convertible Loan Agreement with SpringTree Special Opportunities Fund, LP (SpringTree) announced to the market on 18 May 2010 has been terminated by mutual consent with immediate effect.

“This funding provided a level of financial stability for the Company over the past year during which time the company completed its phase IIa RA clinical trial,” said CBio Managing Director, Mr Jason Yeates.

“Completion of the clinical trial was a significant milestone for CBio and we thank SpringTree for their valuable support over this important period,” he said.

SpringTree is a New York-based investment fund that makes equity and equity-linked investments in small and mid-cap public companies around the world.

For and on behalf of the Board

BEN GRAHAM
Company Secretary

About CBio Limited

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 (RA) and lupus. Novo Nordisk, 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. XToll has been trialled in over 330 patients. The company's largest clinical trial to date completed in Q2 2011. CBio's phase IIa study evaluated the efficacy and safety of XToll in patients with moderate to severe rheumatoid arthritis despite treatment with methotrexate (MTX). Headline results of the trial announced in August 2011 indicate that XToll shows biological activity and real clinical effect in patients. The final clinical trial report is expected in Q4. CBio's Board includes Vice-Chairman of Novo Nordisk, Dr Goran Ando; former Executive Director of the European Medicines Agency, Dr Thomas Lönngren; retired Vice President of Novo Nordisk's Biopharmaceuticals Research, Dr Terje Kalland; former Senior VP for Science and Technology at Pfizer, Dr Peter Corr; and Professor of Medicine at Monash University, Professor John Funder, AO.

INVESTOR RELATIONS

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