

17 October 2011

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 31,527,419 fully paid ordinary shares issued as part of the Rights Issue which closed on 7 October.

The Company raised \$5.67 million from Entitlement applications from existing shareholders under the Rights Issue, which offered eligible shareholders the opportunity to purchase 3 new shares for every 8 shares held at \$0.18 per share.

The Company, along with its Underwriter, Zheng He Securities Pty Ltd, are now proceeding to place the remaining \$5.14 million in shortfall shares and expects to complete these placements during October.

Due to a delay in the processing of the allotment, the ASX has deferred the Dispatch Date to Tuesday 18 October. Quotation of securities will commence the following day.

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
188,322,437	Ordinary shares
18,787,355	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
1,700,000	Share options exercisable at \$0.517 each on or before 16 May 2015

**(d) Convertible Notes on Issue**

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

**(e) Performance Rights on Issue**

Number	Class
3,100,000	Performance Rights expiring 19 July 2018

For and on behalf of the Board of CBio Limited.



**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). 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®. XToll® has been trialled in over 330 patients with no pattern of treatment-emergent serious adverse effects. The company's largest clinical trial to date completed in Q2 2011. 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 Thomas Lönnngren (former Executive Director of the European Medicines Agency), Dr Terje Kalland, Chief Scientific Officer of Karolinska Development (formerly Senior-Vice President Biopharmaceuticals Research Unit- Novo Nordisk and Head of Oncology Research, Pharmacia); 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.

#### **COMPANY & INVESTOR RELATIONS**

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#### **MEDIA LIAISON**

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