

1 November 2011

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

Dear Sir

## PLACEMENT

CBio Limited ('CBio' or 'Company') (ASX: CBZ) is pleased to announce that, following strong demand for the Company's shares in the recent Rights Issue, it has successfully completed a placement to clients of Zheng He Securities Pty Ltd ("Placement"),

The Placement raised approximately \$2.3 million from the issue of 12.7 million new shares at \$0.18 per share (approximately 6% of the Company's capital raising capacity under ASX Listing Rules).

The funds raised will be applied to drug formulation studies and increased drug manufacturing capacity in order to undertake a larger Lupus trial than originally contemplated, as well as providing further working capital.

The Placement is consistent with CBio's history of taking advantage of all capital raising opportunities and given the uncertainty in the global economy, the Board considered it prudent to proceed with the Placement to provide CBio with a high degree of financial certainty and maximum flexibility going forward.

An Appendix 3B will be released to issue the new shares.

For and on behalf of the Board of CBio Limited.

Roslynn Shand  
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 Lönngren (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).

#### ENQUIRIES:

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