

7 November 2011

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

Dear Sir,

## **CBio Addresses Shareholder Feedback**

BRISBANE: Dr Michael Monsour, chairman of Australian early-stage drug development company CBio Limited (ASX:CBZ), declared that Dr Michael Monsour, Dr Goran Ando, Dr Peter Corr, Dr Thomas Lonngren and Dr Terje Kalland will continue to serve on the board of CBio.

On 20 October 2011 a letter to shareholders stated that each director of CBio would resign his position from the board in the event that any nominee of the shareholder action group were voted into place. On 4 November 2011 at the general meeting of shareholders Dr Michael Monsour stated that each director named above had reconsidered his position.

"Events of recent weeks culminated with the resignations last week of CBio's chairman, managing director and company secretary. CBio last week was left with no management. Due to this tenuous situation, each individual director reviewed their respective positions in the context of the lack of management resources in the company," Dr Monsour said.

"A big priority in the success of CBio and XToll is continuity in corporate knowledge and leadership. This is especially important with the relationships built up over time with Novo Nordisk and other prospective CBio license partners."

"At this crucial point in the company's history where we are following the strategy agreed with shareholders and seeking to realise value by concluding a commercial transaction for XToll, in light of these resignations to leave the company would have been irresponsible and in neglect of obligations.

"Each director named above took the view that their obligations to shareholders were best met by continuing to serve on the board for at least the immediate term.

For and on behalf of the Board of CBio Limited.

**ROSLYNN SHAND**  
Company Secretary