

CBio LIMITED ACN 094 730 417

Further Supplementary Prospectus

This is a further supplementary prospectus ('Further Supplementary Prospectus') dated 27 April 2007 intended to be read with the Prospectus dated 16 March 2007 and Supplementary Prospectus dated 24 April 2007 relating to the offer of approximately 2,006,880 shares in CBIO Limited ACN 094 730 417 ('CBio').

This Further Supplementary Prospectus was lodged with ASIC on 27 April 2007. ASIC takes no responsibility for the contents of this Further Supplementary Prospectus. Terms used in this Further Supplementary Prospectus have the same meaning as those used in the Prospectus. The information below is to supplement and amend the information presently contained in the Prospectus and Supplementary Prospectus namely:

The following wording contained in the Supplementary Prospectus is deleted:

'Unauthorised market

CBio has become aware of an entity which has claimed to "conduct a secondary market" in CBio shares.

The conduct of a secondary market in CBio's Shares must comply with the Australian Corporations Act 2001 (Cth) and the Australian Securities and Investments Commission Act 2001 (Cth). A secondary market involves the transfer of existing issued shares and not the issue of new shares under a prospectus. The lawful conduct of a secondary market would be subject to applicable market licence requirements (which are not normally granted to financial advisers who hold an Australian Financial Services Licence), market disclosure requirements and independence from the vendors to the transaction. The conduct of an unlicensed market involves unlawful activity, and gives rise to the risk of an uninformed market, a potential lack of market integrity, counter party risk in terms of completion and potential invalidity of transfers.

CBio does not make any offer by, authorise, endorse or encourage the conduct of any secondary market and has no arrangement or understanding with any such party. CBio is concerned that the operation of such a market must comply with the Australian Corporations Act 2001 (Cth) and the Australian Securities and Investments Commission Act 2001 (Cth) and there are considerable risks to investors if it does not.

CBio has referred the conduct of this market and related matters to the Australian Securities & Investments Commission.

Shareholders are advised to observe the legal requirements of, and to take the benefit of the protection given by the Australian Corporations Act 2001 (Cth) and the Australian Securities and Investments Commission Act 2001 (Cth) and not to participate in any unlicensed market.

The entity has further claimed in communications that a small parcel of 4,000 Shares has been sold recently at \$4.00 per Share in this market. CBio has not, since this claim was made, received any share transfer documentation which would verify this claim.

Irrespective of such claims, there are many reasons why a buyer or seller might agree a particular share price. In this instance, the entity purporting to conduct a market has a history of dispute with CBio and certain of its directors.'

The above wording contained in the Supplementary Prospectus is replaced by the following:

Secondary market

CBio has become aware of an entity which has claimed to conduct a secondary market in CBio shares.

CBio does not make any offer by, authorise and has no arrangement or understanding with any such party.

The following wording contained in the Supplementary Prospectus is deleted:

'Applications

The Prospectus timetable remains unaltered, however as a result of the issuance of this Supplementary Prospectus, under section 724 of the Australian Corporations Act 2001 (Cth), parties that have applied for New Shares as at the date of this Supplementary Prospectus will be issued New Shares as described in the Prospectus, but shall have one month to withdraw their application and be repaid.

Applicants for Shortfall New Shares will be given a copy of the Supplementary Prospectus and any application for Shortfall New Shares will, subject to any new matter arising under section 724, be deemed a valid application and no right of withdrawal will apply.'

The above wording contained in the Supplementary Prospectus is replaced and references to the timetable for the Offer (including sections 2.4 and 4 of the Prospectus) are amended as follows:

Timetable and Applications

The Prospectus timetable shall be as follows:

- Closing Date for acceptance and payment of subscription price – extended until 5:00pm AEST on 18 May 2007 (Eligible shareholders applying under Entitlement and Acceptance Form)
- Allotment date - 28 May 2007
- Shortfall Closing date for placement of Shortfall New Shares – 27 July 2007 (applicants under Shortfall Application Form)

As a result of the issuance of this Further Supplementary Prospectus, under section 724(2)(b) of the Australian Corporations Act 2001 (Cth), applicants for New Shares as at the date of this Further Supplementary Prospectus shall be given one month to withdraw their application and be repaid.

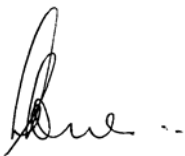
Further applicants for New Shares (applying before the extended Closing Date noted above) will be given a copy of the Supplementary Prospectus and Further Supplementary Prospectus and any application for New Shares by applicants who have received the Supplementary Prospectus and Further Supplementary Prospectus will, subject to any new matter arising under section 724, be deemed a valid application and no right of withdrawal will apply.

Applicants for Shortfall New Shares will be given a copy of the Supplementary Prospectus and Further Supplementary and any application for Shortfall New Shares by applicants who have received the Supplementary Prospectus and Further Supplementary Prospectus will, subject to any new matter arising under section 724, be deemed a valid application and no right of withdrawal will apply.

If you have any queries please contact Link Market Services on 1300 554 474 or +61 8280 7454.

Consents

Each of the Directors consents to the issue and lodgement of this Further Supplementary Prospectus. None of the Directors have withdrawn their respective consents before this Further Supplementary Prospectus was lodged with ASIC



Mr Stephen Jones

Executive Chairman

Dated 27 April 2007