

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

CBio Limited

ABN

76 094 730 417

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Rights Issue: 60,058,036 Ordinary shares
(Maximum: actual number to be confirmed)

Issued as fees: not yet known. Refer to 21 for further details. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares issued at \$0.18 per share |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.18 each</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the Offer is to raise funds primarily for:</p> <ul style="list-style-type: none"> • Further progression of commercialisation discussions with pharmaceutical companies in relation to XToll®; • Mechanism of action research studies and other research; • Phase 1 clinical trial in Lupus at clinical trial sites in Australia, Taiwan and Hong Kong; • Drug manufacturing; • Further strengthening of the Company's intellectual property portfolio; and • General working capital requirements
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>By 17 October 2011</p>

+ See chapter 19 for defined terms.

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		216,853,054	Ordinary Shares
		18,787,355	Share options exercisable at \$1.00 each on or before 31 December 2012
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		See Attachment A	Restricted fully paid shares and share options, unlisted share options, unlisted performance rights and convertible notes.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	3 new shares for every 8 shares held
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary shares
15	⁺ Record date to determine entitlements	13 September 2011
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has +security holders who will not be sent new issue documents	Canada, China, Great Britain, Hong Kong, India, Monaco, Singapore, United States of America, Sweden, Malaysia, Liechtenstein
	Note: Security holders must be told how their entitlements are to be dealt with.	
	Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	7 October 2011
20	Names of any underwriters	Zheng He Securities Pty Ltd
21	Amount of any underwriting fee or commission	<p>The following fees will be payable to the Underwriter:</p> <ul style="list-style-type: none"> • Advisory fee \$250,000; • a Management Fee of 1% plus GST of total funds raised pursuant to the Offer; • an Underwriting fee: <ul style="list-style-type: none"> (a) in cash of 6% plus GST of the Underwritten Amount, being the Underwritten Securities multiplied by the Price; or (b) at the Underwriters sole discretion, an Underwriting fee of 8% plus GST of the Underwritten Amount, being the Underwritten Securities multiplied by the Price in the event that payment of the Underwriting fee is made by way of issuance of new Shares in the Company.
22	Names of any brokers to the issue	n/a
23	Fee or commission payable to the broker to the issue	n/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	n/a

+ See chapter 19 for defined terms.

25	If the issue is contingent on +security holders' approval, the date of the meeting	n/a
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	19 September 2011
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	5 September 2011
28	Date rights trading will begin (if applicable)	n/a
29	Date rights trading will end (if applicable)	n/a
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	n/a
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	n/a
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	n/a
33	+Despatch date	By 17 October 2011

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1

+ See chapter 19 for defined terms.

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34 (a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34 (b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

Not applicable

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Not applicable	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company secretary)

Date: 5 September 2011

Print name: BEN GRAHAM

+ See chapter 19 for defined terms.

ATTACHMENT A

Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)

(a) 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

(b) 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

(c) Convertible Notes on Issue

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

(d) Performance Rights on Issue

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

+ See chapter 19 for defined terms.