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CBIO SHAREHOLDERS APPROVE MERGER WITH INVERSEON INC. TO FORM CLINICAL-STAGE DRUG DEVELOPMENT COMPANY

- **79% of shares were voted in favour**
- **Merged company to be called Invion Limited**
- **Two clinical-stage drug candidates targeting three initial indications**
- **Phase II asthma and phase II chronic bronchitis studies to be initiated in 2012**

BRISBANE, 30 AUGUST 2012: Australian drug development company CBio Limited (ASX:CBZ) today announced that its shareholders have voted to approve the merger with US based Inverseon Inc.

Approximately 79% of the shares voted at today's general meeting of shareholders were voted in favour of the merger. The total votes cast represented approximately 40% of the total common stock shares on issue.

Shareholders also approved a name change to Invion Limited and the appointments of Dr William Garner and Dr Mitchell Glass as Directors of CBio Limited. All resolutions will come into effect at the close of the transaction, expected to occur in the coming days.

The support for the merger has established a clinical-stage drug development company focused on new treatments for a range of anti-inflammatory diseases including asthma, chronic bronchitis and lupus.

The inflammatory/respiratory world market, covering asthma and chronic bronchitis, is valued at $64.6bn. Invion's INV102 drug, currently used to treat high blood pressure, migraine and chest pain, is being repurposed and targeted towards a paradigm shift in the treatment of inflammatory conditions of the lungs, representing a large market opportunity.

The lupus drug market, estimated to be worth $1.6b by 2018, is currently under-served with only a single drug being approved by the FDA in over 50 years. Invion's Cpn10, thought to act as a modulator of the immune system, has shown strong pre-clinical data in lupus including improved liver function.

Chairman Dr Ralph Craven said the merger marks a new beginning for the company.

"This has been a challenging year, but the Board of Invion Limited is focussed on this transformational merger as an outstanding opportunity to create value for our shareholders. With a sound financial base, two clinical stage assets and an exceptional executive team we believe that Invion Limited is well positioned to further the development of novel therapies for inflammatory diseases. We thank shareholders for their support."

The Transaction

On completion of the transaction, CBio Limited will acquire Inverseon Inc. in exchange for 143,486,978 CBio shares, representing 37.5% of the issued share capital of the merged company. There will be no cash consideration. The transaction is subject to certain customary remaining conditions as detailed in the Notice of General Meeting delivered to shareholders and the market on 30 July 2012. The official name change to Invion Limited is expected to occur on completion of the transaction.

Clinical Programs

Invion Limited will have two key internal drug development programs. The lead compound INV102 exploits the patented use of *beta-2 adrenergic inverse agonism* for the development of treatments for major market opportunities in inflammatory conditions of the lungs such as asthma, chronic bronchitis and cystic fibrosis. INV102, also known as nadolol, has been used in more than 8 million people for the treatment of high blood pressure, migraine and chest pain. Invion is now targeting INV102 for new indications. To date, two phase II clinical trials of INV102 have been completed which have demonstrated acceptable safety as well as dose-related activity showing a reduction of airway hyper-responsiveness. Two further phase II trials are due to commence in H2 2012. The larger of these two trials, a phase II $4.4 million study in asthma patients, is expected to be entirely funded by the US National Institutes of Health.

Invion Limited is also progressing regulatory preparations to investigate its second compound Cpn10 to treat lupus and has requested a pre-IND meeting with the US Food and Drug Administration (FDA) to discuss the proposed development path and regulatory strategy for this compound.

FOR MORE INFORMATION CONTACT:

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