

**Form 603**  
Corporations Act 2001  
Section 671B

## Notice of initial substantial holder

To Company Name/Scheme Invion Limited

ACN/ARSN 094 730 417

### 1. Details of substantial holder (1)

Name Invion Limited

ACN/ARSN (if applicable) 094 730 417

The holder became a substantial holder on 31/08/2012

### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	141,848,759	141,848,759	37.04%

### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Invion Limited ACN 094 730 417	Invion Limited has a relevant interest in its own securities as a result of various voluntary escrow agreements entered into with shareholders which give it the power to control the exercise of a power to dispose of those securities for the purpose of section 608(1).  Pro forma copy of escrow agreement attached as <b>Annexure A</b> .	141,848,759 ordinary shares

### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Refer to <b>Annexure B</b>			

### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Invion Limited	31 August 2012	NIL		141,848,759 ordinary shares

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:


Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Invision Limited ACN 094 730 417	Unit 2, 120 Bluestone Circuit, Seventeen Mile Rocks, Queensland 4073

**Signature**

print name	Melanie Farris	capacity	Company Secretary
sign here		date	4 September 2012

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**Annexure A – Voluntary Escrow Agreement  
Invion Limited ACN 094 730 417**

This is Annexure A of 11 pages referred to in Form 603 (Notice of initial substantial holder).



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Melanie Farris  
Company Secretary  
Invion Limited

Date: 4 September 2012

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## Escrow Deed

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CBio Limited ACN 094 730 417

[insert]

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# Escrow Deed

Dated

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## Parties

**Company**                    **CBio Limited ACN 094 730 417**  
of Brisbane Technology Park, 85 Brandl Street, Eight Mile Plains, Queensland,  
Australia 4113

**Holder**                    **[insert]**  
of **[insert]**

## Background

- A     The Company is listed on the official list of ASX.
- B     The Company intends to issue, allot and procure the transfer of the Securities to the Holder and the Holder agrees to hold the Securities on the terms set out in this document.
- C     The parties have agreed to enter into this document voluntarily in relation to the Securities.

## Agreed terms

### 1 Definitions and interpretation

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#### 1.1 Definitions

In this document:

<b>Term</b>	<b>Definition</b>
<b>Merger Agreement</b>	means the merger agreement dated <b>[insert]</b> between Company, Inverseon, Inc., CBio USA, Inc., and Dr William J Garner regarding the acquisition by the Company of all of the issued securities in Inverseon, Inc. in consideration for the issue and allotment of up to <b>[insert]</b> fully paid ordinary shares of the Company.
<b>ASX</b>	means ASX Limited ACN 008 624 691.
<b>Business Day</b>	means a day that is not a Saturday, Sunday or public holiday in Brisbane.
<b>Commencement Date</b>	means the date of completion of the Merger Agreement.
<b>Listing Rules</b>	means the official listing rules and requirements of the ASX.

Term	Definition
<b>Restricted Period</b>	The period beginning on the Commencement Date and ending on the date which is [18 months] [6 months] from the Commencement Date. <b>[Note: Period to be 18 months for Bill Garner and Mitchell Glass and 6 months for other Inverseon security holders]</b>
<b>Securities</b>	means [insert] fully paid ordinary shares in the Company.
<b>Takeover Bid</b>	has the meaning given to that term in the <i>Corporations Act 2001</i> (Cth).

## 1.2 Interpretation

In this document:

- (a) a singular word includes the plural and vice versa;
- (b) a word which suggests one gender includes the other gender;
- (c) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (d) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;
- (g) a reference to this document includes the agreement recorded by this document;
- (h) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (i) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;
- (j) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity; and
- (k) a reference to 'month' means calendar month.



## **2 Restrictions**

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### **2.1 Restrictions on Holder**

During the Restricted Period, but subject to clauses 3 and 4, the Holder must not do any of the following:

- (a) sell, transfer, or otherwise dispose of, or agree or offer to sell, transfer or otherwise dispose of, the Securities;
- (b) create, or agree to create, any security interests in the Securities; or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Securities.

### **2.2 No impact on other share rights**

For clarity and subject to clause 7.2, the restrictions contained in this clause 2 do not affect the Holder's entitlement to dividends, distributions or bonus share issues or exercise of voting rights or any other right attached to the Securities.

### **2.3 Deposit of certificates**

If the Securities are kept on a certificated subregister the Holder must deposit the certificates for the Securities with a bank or recognised trustee for the Restricted Period.

### **2.4 Holding lock**

If the Securities are kept on an issuer sponsored subregister, the Holder agrees to the application of a holding lock to the Securities.

## **3 Takeover bids**

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### **3.1 Release during Takeover Bid**

The Company must release the Securities from the restrictions in clause 2 by notice in writing to the Holder if:

- (a) a Takeover Bid is made to acquire all of the issued securities of the Company of the same class as the Securities; and
- (b) at least 50% of the securities of the Company in respect of which acceptances are received under the Takeover Bid are not subject to restrictions in the terms of those in clause 2.

### **3.2 Return of certificate or holding lock**

If the Takeover Bid does not become unconditional, the Holder and the Company agree for the certificate for the Securities to be returned to the bank or recognised trustee, or for a holding lock to be applied.

## 4 Merger

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### 4.1 Release during merger

The Company must release all or any part of the Securities from the restrictions in clause 2 by notice in writing to the Holder if the Securities are proposed to be transferred or cancelled as part of a merger by way of scheme of arrangement under part 5.1 *Corporations Act 2001* (Cth).

### 4.2 Return of certificate or holding lock

If the merger by scheme of arrangement is not carried out the Holder and the Company agree for the Securities certificate to be returned to the bank or recognised trustee or for a holding lock to be applied.

## 5 [Merger Agreement claim]

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**[Note: This clause will be included in the escrow agreement for Bill Garner only]**

### 5.1 Release where claim

If the Company makes a claim against the Holder for a breach of any representation or warranty provided by the Holder to the Company in the Merger Agreement and the Holder becomes liable to pay an amount to the Company in respect of such claim, the Company must release from the restrictions in clause 2 sufficient Securities to enable the Holder to satisfy its liability to the Company.

### 5.2 Use of proceeds

Where the Company releases Securities under clause 0, the Holder must immediately sell the Securities on market and apply the proceeds of sale towards the satisfaction of its liability to the Company.

### 5.3 No limitation

Nothing in this clause 5 will limit the Holder's liability to the Company, including where proceeds realised on the sale of the released Securities are not sufficient to satisfy the full amount of the liability.]

## 6 Warranties

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### 6.1 Holder's warranties

The Holder warrants in favour of the Company that:

- (a) before the Restricted Period begins, the Holder has not done, or omitted to do, any act which would breach clause 2 if done or omitted to be done during the Restricted Period;
- (b) the Holder has full legal capacity and power to enter into this document and to carry out the transactions that it contemplates; and
- (c) the Holder will use the proceeds from the sale of securities under clause 4 only to satisfy a warranty claim under the Merger Agreement.

## **6.2 Breach of warranties**

A breach of the warranties in clause 6.1 is a breach of this document.

## **7 Consequences of breaching this document**

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### **7.1 Company to take steps necessary to prevent breach**

If it appears to the Company that the Holder may breach this document, the Company may take the steps necessary to prevent the breach or to enforce the document.

### **7.2 Consequences of breach**

Subject to the Listing Rules, if the Holder breaches this document, each of the following applies:

- (a) the Company may take the steps necessary to enforce the document or to rectify the breach;
- (b) the Company may (in addition to other rights and remedies of the Company) refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Securities; and
- (c) the Holder of the Securities ceases to be entitled to any dividends, distributions or voting rights while the breach continues.

## **8 General**

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### **8.1 Amendments**

This document may only be amended by written agreement between all parties.

### **8.2 Counterparts**

This document may be executed in any number of counterparts. All counterparts together make one instrument.

### **8.3 No merger**

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

### **8.4 Entire agreement**

- (a) This document supersedes all previous agreements about its subject matter and embodies the entire agreement between the parties.
- (b) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion, has no effect except to the extent expressly set out or incorporated by reference in this document.

### **8.5 Further assurances**

Each party must do all things necessary to give effect to this document and the transactions contemplated by it.

**8.6 No waiver**

- (a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.
- (b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.
- (c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

**8.7 Governing law and jurisdiction**

- (a) Queensland law governs this document.
- (b) Each party irrevocably submits to the exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

**8.8 Severability**

A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.

**8.9 Notice**

- (a) A notice, consent or communication under this document is only effective if it is:
  - (i) in writing, signed by or on behalf of the person giving it;
  - (ii) addressed to the person to whom it is to be given; and
  - (iii) given as follows:
    - (A) delivered by hand to that person's address;
    - (B) sent by prepaid mail (and by prepaid airmail if the person is overseas) to that person's address; or
    - (C) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient.
- (b) A notice, consent or communication delivered under clause 8.9(a) is given and received:
  - (i) if it is hand delivered or sent by fax:
    - (A) by 5.00pm (local time in the place of receipt) on a Business Day – on that day; or
    - (B) after 5.00pm (local time in the place of receipt) on a Business Day, or at any time on a day that is not a Business Day – on the next Business Day; and

- (ii) if it is sent by post:
  - (A) within Australia – three Business Days after posting; or
  - (B) to or from a place outside Australia – seven Business Days after posting.

## Execution

EXECUTED as a deed

Signed sealed and delivered  
by  
CBio Limited ACN 094 730 417 by:

^ \_\_\_\_\_  
Director

^ \_\_\_\_\_  
Director/Secretary

^ \_\_\_\_\_  
Full name of Director

^ \_\_\_\_\_  
Full name of Director/Secretary

Signed sealed and delivered  
by [insert] in the presence of:

^ \_\_\_\_\_  
Signature of [insert]

^ \_\_\_\_\_  
Signature of witness

^ \_\_\_\_\_  
Name of witness (print)

***[Note: To be used where the security holder is an individual]***

Signed sealed and delivered  
by  
[insert] ACN [insert] by:

^ \_\_\_\_\_  
Director

^ \_\_\_\_\_  
Director/Secretary

^ \_\_\_\_\_  
Full name of Director

^ \_\_\_\_\_  
Full name of Director/Secretary

***[Note: To be used where the security holder is a company]***

**Annexure B – Details of registered holders (voluntary escrow)  
Invion Limited ACN 094 730 417**

This is Annexure B of 2 pages referred to in Form 603 (Notice of initial substantial holder).




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Melanie Farris  
Company Secretary  
Invion Limited

Date: 4 September 2012

Registered holders (and those entitled to be registered holders)	Number of ordinary shares to be held in escrow	Length of time shares to be held in escrow
Dr William J Garner	62,930,193	18 months from the commencement date
Dr Mitchell Glass	13,677,032	18 months from the commencement date
Barwon Biotech Pty Ltd	14,166,353	6 months from the commencement date
Dr Richard Bond	7,964,744	6 months from the commencement date
Dr Amie Franklin	6,943,623	6 months from the commencement date
KTEC Holdings	6,627,348	6 months from the commencement date
Martin Shmagin	6,530,817	6 months from the commencement date
David Wurtman	4,590,348	6 months from the commencement date
Dr Michael Flashner	4,524,656	6 months from the commencement date
Sutherland Paige & Associates, Inc	3,233,550	6 months from the commencement date
Thomas Jurgensen	2,961,251	6 months from the commencement date
Heather Giles	1,378,037	6 months from the commencement date
David L Tousley	1,361,495	6 months from the commencement date
Herman Chor	1,042,156	6 months from the commencement date
University of Houston	884,972	6 months from the commencement date
Shane Johnson	523,699	6 months from the commencement date
James Chambers	413,758	6 months from the commencement date
Kevin Tubbesing	330,979	6 months from the commencement date
Stephen Ruoss	272,299	6 months from the commencement date
C. Lowell Parsons	192,720	6 months from the commencement date
James and Carol Garner	165,490	6 months from the commencement date
Baruch Ruttner	165,490	6 months from the commencement date
Roy Sargent	136,149	6 months from the commencement date

Registered holders (and those entitled to be registered holders)	Number of ordinary shares to be held in escrow	Length of time shares to be held in escrow
Brian Kobilka	136,149	6 months from the commencement date
Brian O'Connor	136,149	6 months from the commencement date
Rob LaEace	136,149	6 months from the commencement date
Scott Beall	136,149	6 months from the commencement date
James Gardner	82,779	6 months from the commencement date
Thomas Dooley	68,075	6 months from the commencement date
Zachary Allera	68,075	6 months from the commencement date
Craig Albright	27,230	6 months from the commencement date
Daniel Green	13,615	6 months from the commencement date
Martin Cleary	13,615	6 months from the commencement date
Dennis Penn	13,615	6 months from the commencement date
<b>Total</b>	<b>141,848,759</b>	