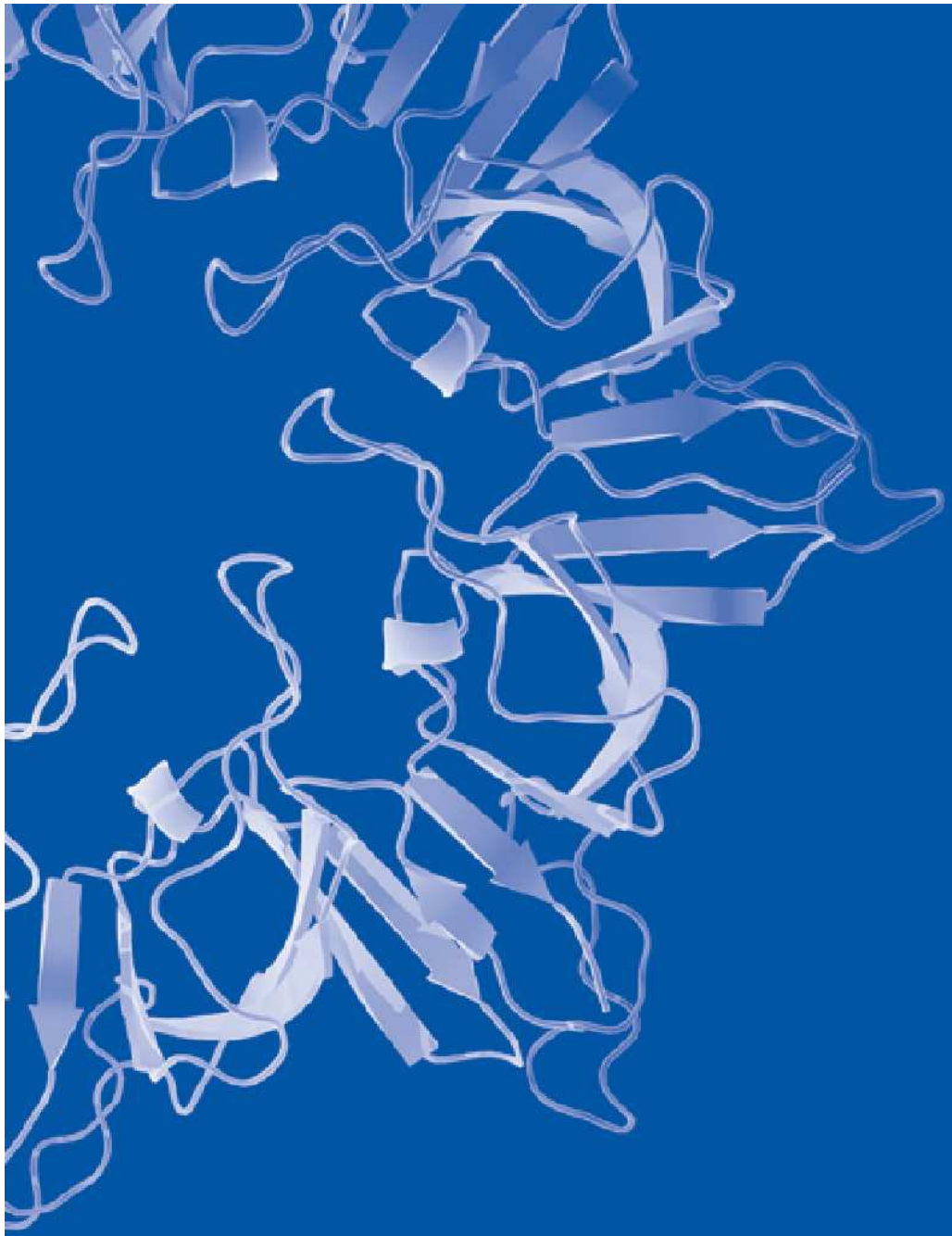

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Investor Presentation
Post-Interim Results Update

September 2011

Disclaimer

This presentation contains general information about the company's activities current as at 2 September 2011. It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate. To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by CBio Limited.

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Executive Summary

- CBio (ASX: CBZ) developing XToll
  - established immunomodulator with potential broad-ranging application
  - strong safety profile and efficacy signals in autoimmune diseases including rheumatoid arthritis, psoriasis, multiple sclerosis, lupus
- Phase IIa RA trial headline results announced Q3
  - biological and clinically meaningful effect
- Option Agreement in place with Novo Nordisk
  - transaction timelines Q4 2011
- Current capital round $10.8m for value-add development

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Outline

1. XToll phase IIa RA clinical trial
2. Week 12 headline results
3. Week 24 preliminary observations
4. Commercial pathway
5. Value add - other disease indications: lupus study
6. Potential therapeutic markets for XToll: RA & lupus
7. Development Plan
8. Drug Pipeline
9. Finance position
10. Capital structure and valuations
11. Glossary of terms

Phase IIa RA clinical trial in XToll

- 155 patient placebo-controlled study
- Trial design: 3 month primary trial plus 3 month extension trial
- As per FDA guidance all patients on stable dose of gold-standard RA therapy methotrexate (MTX) for trial duration
- Primary trial endpoint 12 weeks
- Total trial duration 24 weeks
- 52 week long-term follow-up study offered to some patients

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Clinical trial results: phase IIa RA

- Efficacy signals shown
- Good safety continues to be demonstrated
- Trial data supports the view that XToll appears to work to restore a balanced immune system
- It is this apparent ability to work with the body's immune system rather than against it that offers the potential for real therapeutic benefit with a good safety profile
- XToll remains novel, unique and scientifically without global pipeline competition

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Feedback on preliminary clinical results

Feedback on data tables and listings by CBio Board & consultants in the fields of RA pharmaceutical development and rheumatology:

- biological and clinical signals are evident
- safety is strong
- CBio should move forward with development plans and focus on securing a commercial partner
- CBio should continue to add value to its asset while carrying out commercialisation activities
- Data received and analysed to date forms solid foundation for future dose-ranging and registration (phase IIb/III) clinical trials

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Results at 12 weeks: clinical and biological effect

- ACR20 (composite score across 5 disease measures)
  - 42% in 75mg XToll (+MTX) group
  - 35% in 25mg XToll (+MTX) group
  - 30% in placebo (+MTX) group
  - Non-statistically significant

- Statistically significant signals of efficacy
  - SJC (swollen joint count) and TJC (tender joint count)
  - ACR-N (sensitive measure of disease activity)
  - SF-36 (patient survey of health and well-being)
  - time to ACR50 (time to at least 50% improvement)

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Results at 12 weeks: clinical and biological effect

- Clinically meaningful signals of efficacy
  - HAQ (Health Assessment Questionnaire focussing on physical function and disability outcomes)
  - ESR (measures changes in inflammation in blood)
- Trend to improvement
  - DAS28 (composite score across a range of disease measures)
- Safe and well tolerated

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Results at 24 weeks: continued improvement

Current observations on week 24 data indicate:

- a statistically significant improvement in ESR and other inflammatory disease markers demonstrated in the 75mg group compared to placebo
- number of ACR50s and ACR70s increased over time, i.e. the longer that patients received drug the greater their improvement

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Results at 24 weeks: continued improvement

Current observations on week 24 data indicate:

- continued improvement in disease measures over time including SJC, TJC, ACR-N, SF-36
- DAS28 continued to decrease over time approaching ‘low disease activity’ score

Note: Current observations only. Clinical trial data continues to be analysed.

Final report due Q4 2011.

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“I believe these results indicate that we are seeing a real clinical effect. The signals at this time continue to point to a good safety profile. It is the view of the Board that these results warrant the continued investigation of XToll.”

Stephen Jones, Executive Chairman, CBio Limited

Clinical trial results: implications

- Board of Directors agree that clinical trial data is strong enough to warrant the onward investigation of XToll
- There is no regulatory impediment at this time to planning for and undertaking a phase IIb RA study
- To that end planning is underway for later development stages to be carried out with any future partner
- Further research is simultaneously being carried out to provide a potential partner with a deeper understanding of the drug

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XToll: commercial pathway

- Clinical trial data is under review by a number of pharmaceutical companies
- Interactions regarding licensing XToll have intensified
- CBio has a commercial agreement with Novo Nordisk that grants Novo Nordisk the first option to negotiate a licence for the XToll technology
    - Decision timeframes for NN: final report will be provided to NN in October after which time NN have up to 60 days to exercise its Option

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Novo Nordisk Option Agreement

- Pre-agreed terms ($USD):
  - $3M option fee to CBio (received)
  - $3M - $16M in upfront fees to be paid to CBio if option exercised
  - $111 million in milestones payments for up to four clinical indications
  - up to double-digit royalties on commercial sales in multi-billion dollar markets

Potential markets for XToll: RA

Rheumatoid Arthritis market summary:

- Existing RA drugs generate significant income for global pharmaceutical companies - the top 3 drugs generated a combined income of approximately US$17 billion in 2008
- 30-40% of patients do not respond satisfactorily to these leading treatments - a large unmet patient need
- Safety issues and patent expiries present commercial concern over future income streams for global pharma

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Potential markets for XToll: RA

Rheumatoid Arthritis market summary (cont):

- Biological DMARDs have revolutionised the treatment of RA. Since their emergence in the market, the leading therapies have been anti-TNF therapies
- Rheumatologists predict that TNF use is set to change and will fall in the face of higher usage of drugs that work by other mechanisms of action
- Future market direction: physicians will introduce drug therapies that act via other mechanisms of action at an earlier stage of the disease
  - XToll works with a novel mechanism of action

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Adding value - other indications: lupus

- To date XToll has been developed to address the large and growing RA market. Onward development stages (phase IIb/III trials) will need to be carried out with a commercial partner
- CBio continues to explore opportunities for the development of XToll in other indications in order to add value to the asset
- To this end CBio is preparing to conduct a phase Ib safety study in lupus

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Adding value - lupus study

- Phase Ib safety study in lupus currently in planning
- Will utilise the positive data from lupus animal study presented to the 2010 American College of Rheumatology conference and accepted for publication in *Nephrology Dialysis Transplantation* journal
- Lupus trial design: low patient numbers, short-term study
- Anticipated trial sites in Australia, Taiwan, Hong Kong
- Study will provide data to inform phase II lupus studies and complement existing XToll data package

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Potential markets for XToll: lupus

Lupus market summary:

- Lupus is a disease where the body's immune system attacks all organs and may result in death
- Approximately 5 million people worldwide including 1.5 million people in the US suffer from Lupus
- Market size est. $2.5B by 2017

Potential markets for XToll: lupus

Lupus market summary (cont'd):

- In March 2011 the FDA approved the first new drug for lupus in more than 50 years
- Reflects the complexity of the disease and also gives a clear indication of a major unmet clinical need
- Analysts expect the new drug to reach blockbuster status with sales eventually topping $1 billion a year

Development Plan

	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Clinical Development					
Complete RA clinical trial					
Receive final trial report					
Lupus study (phase Ib safety)					
Intellectual Property Development					
Prosecutions and new filings					
Research & development around XToll variants					
MoA studies					
MoA research and other studies					
Chemistry Manufacturing and Controls (CMC)					
Drug manufacturing, fill and finish					
Formulation studies					
Commercial					
Pharma interactions					
Timing relevant to commerical discussions with NN					

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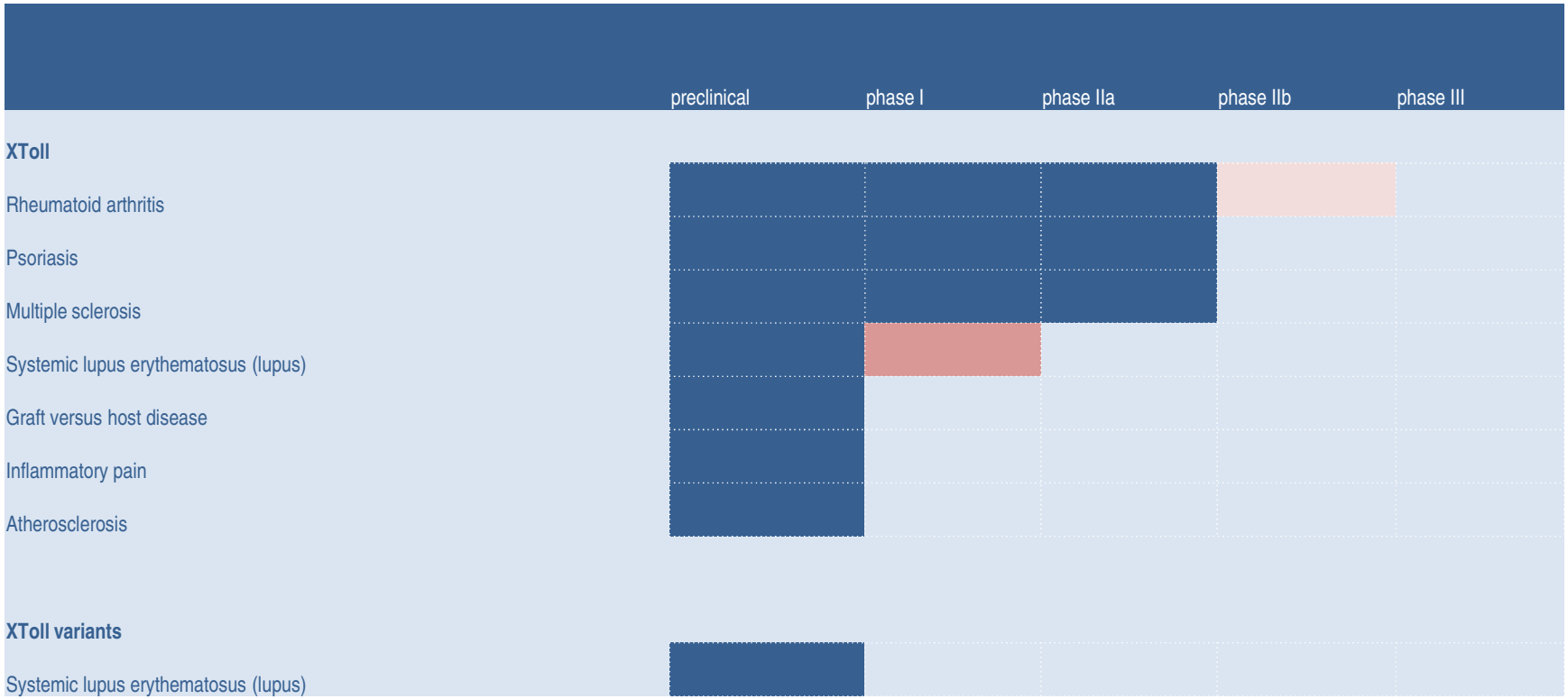
CBio current drug pipeline



complete

in planning. Any phase IIb trial would be carried out with a commerical partner

in planning to be carried out by CBio in Q2 2012

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Finance Position

CBio is pursuing prioritised development activities directed to strengthening its position in discussions regarding the commercialisation of XToll. These activities are aimed at:

- adding to the current data set and knowledge of XToll (MoA studies, patent development)
- increasing knowledge about potential disease indications for XToll (e.g. lupus, atherosclerosis)
- minimising eventual time to market, pending positive registration clinical trials, by preparing for onward stages of development (phase IIb/III trial preparations and drug formulation studies)

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Use of funds

	Use of Funds ($m)
Phase 1 clinical trial in lupus at clinical trial sites in Australia, Taiwan and Hong Kong	2.7
Drug manufacturing and production costs	1.4
Intellectual property patent costs, mechanism of action research studies and other research	2.5
Overhead costs including personnel, office, administrative, compliance and other corporate costs including commercialisation engagement with pharma companies	2.9
Interest on convertible notes	0.1
Costs associated with this offer	1.2
	$10.8m

Capital Structure

Number of existing Shares	160,154,762
Number of New Shares offered under this Offer	60,058,036
Number of Shares on issue after this capital raising	220,212,798
Issue Price per New Share	$0.18
Market capitalisation at the Issue Price after this capital raising (undiluted)	$39.6 million

Recent commercial deals in RA

Partner/Developer	Stage	Upfront (USD)	Milestones (USD)
BMS/Alder	IIa	$85m	$964m
Eli Lilly/Incyte	IIa	$90m	$665m
AstraZeneca/Rigel	IIb	$100m	$1,145m

Up to double-digit royalties are also payable under terms of these agreements

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Market caps of RA drug companies

Developer	Stage	Market Cap	RA Collaborator	Other drugs in pipeline/ in market
Protalex	Ib	$22m[(i)]	n/a	no
Mycenax (Taiwan)	II	$33m[(i)]	n/a	yes
Xoma	II	$55m[(ii)]	UCB	yes
Ablynx	II	$261m[(i)]	Pfizer	yes
Rigel	III	$520m[(ii)]	Astra Zeneca	yes
Incyte	III	$1.85b[(ii)]	Eli Lilly	yes

(i) Bloomberg 29/8/2011

(ii) NASDAQ 29/8/2011

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Broker valuation of CBio stock

- Lodge Partners Independent Research Report, 19 January 2011
  - Market Cap at 19/1/11 = $31m
  - 12 month valuation target = $117m

- Wise Owl Independent Research Report, 20 February 2011
  - Market Cap at 20/2/11 = $57m
  - 12 month valuation target = $211m

Glossary

ACR20: Defined by the American College of Rheumatology it is a standard accepted measure of improvement in RA signs and symptoms, and requires at least a 20% improvement in TJC and SJC, and 3 of the 5 other core measures of RA disease activity. This include ESR or CRP, physician's global assessment of disease activity, patient assessment of pain, patient assessment of fatigue, HAQ.

ACR-N: is a continuous outcome score defined by the minimum percentage change in either TJC, SJC, or the median of 5 other core measures of disease activity. It is regarded as a more sensitive measure of change in disease activity.

CRP: C-Reactive Protein is a protein made in the liver and found in the blood. Levels of CRP rise in response to inflammation.

DAS28: Disease Activity Score is a standard accepted composite measure of improvement in RA defined by the European League against Rheumatism and is calculated by an algorithm of improvements in SJC, TJC, ESR or CRP and patients assessment of disease activity. A score greater than 5.1 implies active disease, less than 3.2 implies low disease activity.

ESR: Erythrocyte Sedimentation Rate is the rate at which red blood cells sediment (or settle) in a one-hour period. ESR is increased by any cause of inflammation.

HAQ: Health Assessment Questionnaire was developed as a comprehensive measure of outcome in patients with a wide variety of rheumatic diseases. Its focus is on self-reported, patient-oriented outcomes in relation to physical function and disability.

SF-36: The short-form 36 survey is another survey of patient health that focuses on how a person's health is affecting their emotions, and physical and social functioning. Unlike HAQ, SF36 is used across all disease states.

SJC (swollen joint count) and TJC (tender joint count): are stand alone indicators of disease (rather than a composite measure of multiple factors).

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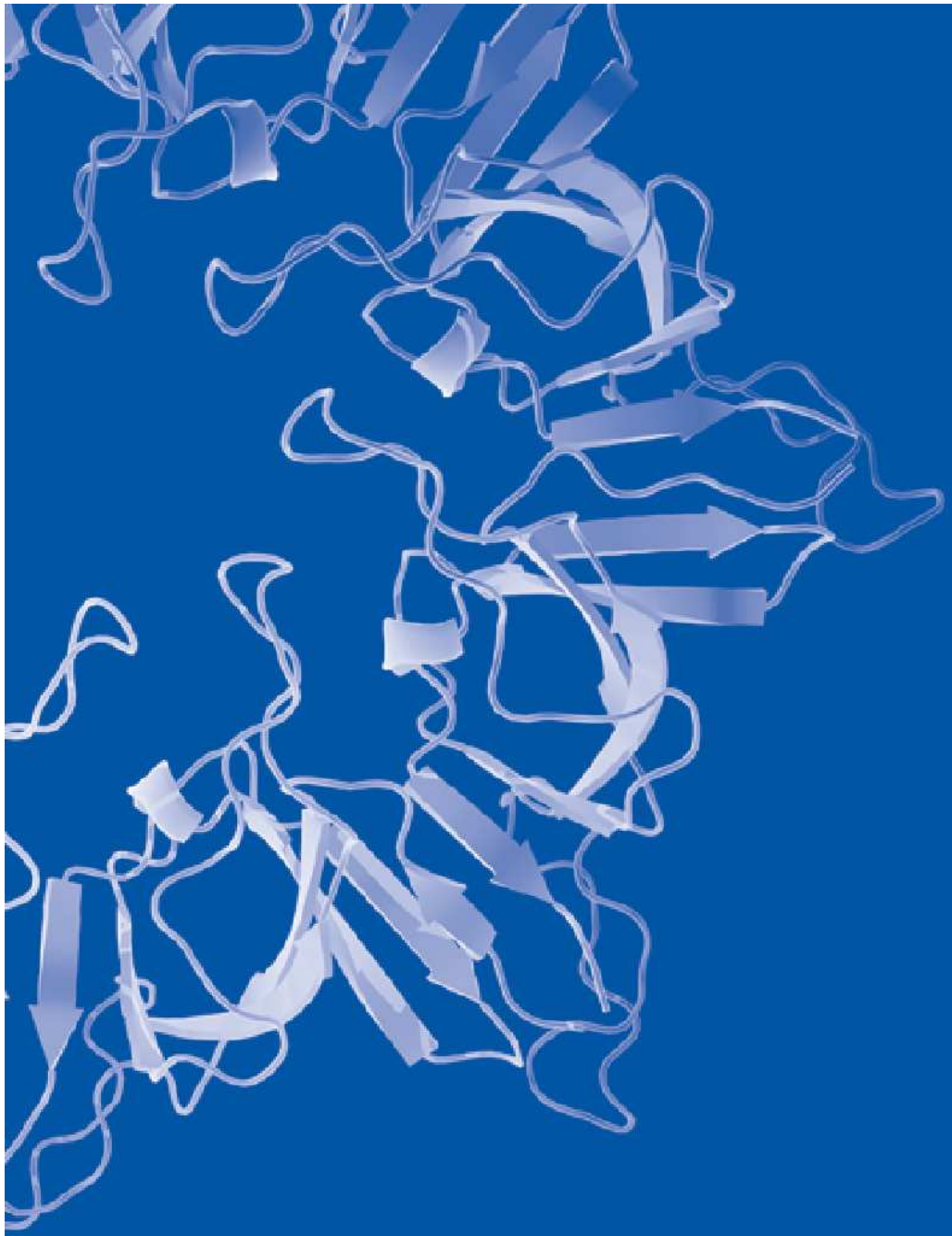

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