

14 May 2010

The Manager
Company Announcements Office
ASX Limited
20 Bridge St
SYDNEY, NSW, 2000

Dear Sir,

CLINICAL TRIAL UPDATE

CBio Limited (ASX: **CBZ**) is pleased to announce the dosing of the first European patient to be recruited into the Company's phase IIa clinical trial in Rheumatoid Arthritis (RA).

The 150-patient trial, utilising CBio's lead drug candidate XToll®, is being conducted in clinical trial sites throughout Australia, New Zealand and Europe.

Our European sites currently have more than 25 patients for the trial in pre-screening or screening stages. The trial has generated significant interest and we remain well placed to complete the recruitment of all 150 patients into the trial, as planned, by the end of September 2010.

BEN GRAHAM

Company Secretary
CBio Limited

For further information:

Ian Pemberton
P&L Corporate Communications
T: +61 2 9231 5411
M: +61 402 256 576
ian.pemberton@plcorporate.com.au

Ben Graham
Company Secretary
CBio Limited
T: +61 7 3841 4844
ben.graham@cbio.com.au

About CBio:

CBio is an Australian ASX listed company established in 2000. CBio's lead product XToll is a potential new-generation drug therapy which could provide safer and more effective treatment of autoimmune diseases such as rheumatoid arthritis. It is currently being trialled in phase II clinical trials in patients with rheumatoid arthritis (RA). Global sales of RA therapies exceeded US\$17 billion in 2008.

Novo Nordisk A/S, a top 20 global pharmaceutical company and world-leader in diabetes care, has an exclusive option to enter into a licence agreement for the intellectual property rights relating to XToll.

CBio's Board includes internationally experienced drug developers including Dr Goran Ando, Vice-Chairman Novo Nordisk A/S (formerly president of R&D at Pharmacia/Pfizer and R&D director of Glaxo Group, UK); Dr Peter Corr, Founder and co-General Partner of Celtic Therapeutics (formerly Senior Vice-President for Science and Technology at Pfizer and Chairman of the Board of Governors, New York Academy of Sciences); and Professor John Funder, AO, Professor of Medicine at Monash University, Senior Fellow at Prince Henry's Institute of Medical Research (formerly Director of the Baker Institute, 1990-2001)