

Notice of general meeting

CBio Limited ACN 094 730 417

Notice is given that the general meeting of CBio Limited (**Company**) will be held at:

Location	Central Auditorium, BTP Technology Conference Centre, 1 Clunies Ross Court, Eight Mile Plains, QLD, 4113
Date	Tuesday 22 June 2010
Time	11:00am (AEST)

The Explanatory Memorandum and Proxy Form accompanying this Notice of General Meeting are hereby incorporated in and comprise part of this Notice of General Meeting.

ORDINARY BUSINESS

Resolution 1: Approval of prior share and share option issue

To consider, and if thought fit, to pass the following **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue of 500,000 fully paid ordinary shares in the capital of the Company and 5,000,000 quoted options to acquire fully paid ordinary shares in the capital of the Company on the terms described in the Explanatory Memorandum accompanying this Notice".

Resolution 2: Approval of prior share issue

To consider, and if thought fit, to pass the following **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue of 100,000 fully paid ordinary shares in the capital of the Company on the terms described in the Explanatory Memorandum accompanying this Notice".

Resolution 3: Approval of prior share issue

To consider, and if thought fit, to pass the following **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue of 100,000 fully paid ordinary shares in the capital of the Company on the terms described in the Explanatory Memorandum accompanying this Notice".

NOTES

A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.

The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.

A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001* (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.

The Company has determined in accordance with regulation 7.11.37 of the Corporations Regulations that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Company's register of members as at 7:00pm (AEST) on 20 June 2010.

If you have any queries on how to cast your votes then call Company Secretary Ben Graham on +617 3841 4844 during business hours.

Shareholders with queries regarding their shareholding or voting entitlements should contact the Share Registry, Link Market Services Ltd, on (02) 8280 7454

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by PT Equities Pty Ltd and any of its associates.

The Company will disregard any votes cast on Resolution 2 by PT & FA Nash (Medical) Pty Ltd and any of its associates.

The Company will disregard any votes cast on Resolution 3 by Professor Peter Brooks and any of his associates.

However, the Company need not disregard a vote cast on Resolutions 1, 2 or 3 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Important Dates

Date	Event
Tuesday, 18 May 2010	Dispatch of Notice of Meeting, Proxy Form and Explanatory Memorandum to shareholders
11:00am (AEST) Sunday, 20 June 2010	Latest time for receipt of proxies
7:00pm (AEST) Sunday, 20 June 2010	Closing date for determining eligibility to vote at the General Meeting
11:00am (AEST) Tuesday, 22 June 2010	General Meeting

Explanatory memorandum

CBio Limited ACN 094 730 417

This Explanatory Memorandum accompanies and forms part of the CBio Limited Notice of General Meeting to be held at the Central Auditorium, BTP Technology & Conference Centre, 1 Clunies Ross Court, Eight Mile Plains, QLD, 4113 on Tuesday, 22 June 2010 at 11:00am (AEST). The Notice of General Meeting should be read together with this Explanatory Memorandum, together forming the Notice of Meeting.

ORDINARY BUSINESS

Resolution 1: Approval of prior share and share option issues.

General

In April 2010, the Company appointed PT Equities Pty Ltd as financial and corporate advisor to provide capital raising, advisory and investor relation services. Pursuant to the engagement, and in part consideration for services rendered to CBio, 500,000 ordinary shares and 5,000,000 share options, with a combined deemed consideration of \$250,000 were issued to PT Equities Pty Ltd. The share options have an exercise price of \$1.00 each and an expiry date of 31 December 2012.

The purpose of Resolution 1 is to seek shareholder approval pursuant to ASX Listing Rule 7.4 for the prior issue of 500,000 shares and 5,000,000 unquoted share options to PT Equities Pty Ltd. The issue of shares and options in lieu of cash consideration has enabled the Company to conserve cash resources which can be applied to the Company's clinical development program. Further, the issue of share options provides the Company with a potential further \$5 million if all of the options are exercised.

Technical information required by ASX Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the following information is provided:

Number of securities issued	500,000 shares 5,000,000 options
Issue price of securities	Shares - Deemed value \$0.40 each Options - Deemed value \$0.01 each
Terms of securities	Shares rank equally in all respects with all other shares on issue in the company Options will be exercisable at \$1.00 per Option on or before 31 December 2012.
Names of allottees	PT Equities Pty Ltd
Use of funds raised	Shares and options were issued in lieu of cash consideration for services provided to the Company and therefore no funds were raised from their issue. Should all share options be converted to shares, \$5 million will be raised by the Company to be used in its ongoing clinical development program.

Director's Recommendation

The majority of directors of the Company recommend that shareholders approve Resolution 1.

A Voting exclusion statement is included in the Notice accompanying this Explanatory Memorandum

Resolution 2: Approval of prior share issue.

General

In March 2010, the Company issued 100,000 fully paid ordinary shares a consultant to the Company, PT & FA Nash (Medical) Pty Ltd as consideration for expert services rendered in the development of CBio's clinical development program.

The purpose of Resolution 2 is to seek shareholder approval pursuant to ASX Listing Rule 7.4 for the prior issue of 100,000 shares to PT & FA Nash (Medical) Pty Ltd. The issue of shares in lieu of cash consideration has enabled the Company to conserve cash resources which can be applied to the Company's clinical development program.

Technical information required by ASX Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the following information is provided:

Number of securities issued	100,000 shares
Issue price of securities	Shares were issued for nil consideration
Terms of securities	Shares rank equally in all respects with all other shares on issue in the company
Names of allottees	PT & FA Nash (Medical) Pty Ltd
Use of funds raised	Shares were issued in lieu of cash consideration for services provided to the Company and therefore no funds were raised from their issue.

Director's Recommendation

The majority of directors of the Company recommend that shareholders approve Resolution 2.

A Voting exclusion statement is included in the Notice accompanying this Explanatory Memorandum

Resolution 3: Approval of prior share issue.

General

In March 2010, the Company issued 100,000 fully paid ordinary shares a consultant to the Company, Professor Peter Brooks, as consideration for expert services rendered in the development of CBio's clinical development program.

The purpose of Resolution 3 is to seek shareholder approval pursuant to ASX Listing Rule 7.4 for the prior issue of 100,000 shares to Professor Peter Brooks. The issue of shares in lieu of cash consideration has enabled the Company to conserve cash resources which can be applied to the Company's clinical development program.

Technical information required by ASX Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the following information is provided:

Number of securities issued	100,000 shares
Issue price of securities	Shares were issued for nil consideration
Terms of securities	Shares rank equally in all respects with all other shares on issue in the company
Names of allottees	Professor Peter Brooks
Use of funds raised	Shares were issued in lieu of cash consideration for services provided to the Company and therefore no funds were raised from their issue.

Director's Recommendation

The majority of directors of the Company recommend that shareholders approve Resolution 3.

A Voting exclusion statement is included in the Notice accompanying this Explanatory Memorandum



By mail:
CBio Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: (02) 9287 0309



All enquiries to: Telephone: (02) 8280 7454



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SHAREHOLDER VOTING FORM

I/We being a member(s) of CBio Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 11:00am on Tuesday, 22 June 2010, at Central Auditorium, BTP Technology Conference Centre, 1 Clunies Ross Court, Eight Mile Plains, QLD, 4113 and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an **X**

STEP 2

VOTING DIRECTIONS

Resolution 1

Approval of prior share and share option issue

For	Against	Abstain*
☐	☐	☐

Resolution 2

Approval of prior share issue

☐	☐	☐
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Resolution 3

Approval of prior share issue

☐	☐	☐
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

CBZ PRX001



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 11:00am on Sunday, 20 June 2010, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE  www.linkmarketservices.com.au

Select the 'Proxy Voting' option on the top right of the home page. Choose the company you wish to lodge your vote for from the drop down menu, enter your holding details as shown on this form, and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

CBio Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

(02) 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the General Meeting, please bring this form with you.
This will assist in registering your attendance.**