

9 March 2011

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

Dear Sir,

CHANGE IN SUBSTANTIAL HOLDING

On 9 March 2011 there was a change in the substantial holding of Dr Michael Monsour. A Form 604 Notice is attached to this announcement.

The change is in relation to a transaction by the Australian Technology Innovation Fund Limited, as was detailed in an announcement to the market today. The following extract from that announcement sets out the nature of the transaction.

"CBio Limited has been advised that the Australian Technology Innovation Fund Limited ("ATIF"), an unlisted public company and CBio shareholder, has disposed of its remaining holding of 289,118 CBio shares. Mr Stephen Jones, Dr Michael Monsour and Mr Stephen Streeter are Directors of and shareholders in ATIF.

ATIF is no longer an active investor in Australian biotechnology companies and in early 2010 it conducted an in-specie distribution of the majority of its CBio shares to its members. The 289,118 remaining shares were held to cover any outstanding obligations to creditors prior to the planned de-registration of the Company. CBio has been advised that the shares were disposed of on-market.

Mr Stephen Jones, Dr Michael Monsour and Mr Stephen Streeter are still significant shareholders of CBio and have not disposed of any shares personally.."

For and on behalf of the Board of CBio Limited

BEN GRAHAM

Company Secretary

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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 (Copenhagen: NOVO-B.CO; NYSE: NVO), 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 Thomas Lonngren (former Executive Director of the European Medicines Agency), Dr Terje Kalland (retired Vice President Biopharmaceuticals Research Unit- Novo Nordisk), 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).

About Rheumatoid Arthritis

Rheumatoid Arthritis is a chronic autoimmune disease, mainly characterised by inflammation of the lining of the joints. It can lead to long-term joint damage, resulting in chronic pain, loss of function and disability. The effects of RA are systemic, which means it can affect other organs in the body, and cardiovascular dysfunction in addition to RA is common. RA symptoms can make even the simplest activities – such as opening a jar or taking a walk – difficult to manage. RA has a worldwide distribution with a prevalence of 1 to 2% – which currently equates to approximately 100 million people. Prevalence increases with age, approaching 5% in women over age 55. RA is two to three times more common in women than in men and generally occurs between the ages of 40 and 60, but it can also affect young children and older adults. Currently, there is no cure.

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme CBio Limited

ACN/ARSN 094 730 417

1. Details of substantial holder (1)

Name DR MICHAEL MONSOUR

ACN/ARSN (if applicable)

There was a change in the interests of the

substantial holder on

09/03/2011

The previous notice was given to the company on

22/02/2011

The previous notice was dated

22/02/2011

2. Previous and present 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 when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	9,746,407	6.8%	9,457,289	6.6%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
08/03/2011	AUSTRALIAN TECHNOLOGY INNOVATION FUND LTD	On-market disposal	\$40,603	86,050 ORDINARY SHARES	86,050
09/03/2011	AUSTRALIAN TECHNOLOGY INNOVATION FUND LTD	On-market disposal	\$102,887	203,068 ORDINARY SHARES	203,068

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
DR MICHAEL MONSOUR	DR MICHAEL MONSOUR	DR MICHAEL MONSOUR	BENEFICIAL OWNER	65,464 ORDINARY SHARES	65,464
DR MICHAEL MONSOUR	MP MONSOUR MEDICAL PRACTICE PTY LTD	MP MONSOUR MEDICAL PRACTICE PTY LTD	DIRECTOR & SHAREHOLDER	2,138,917 ORDINARY SHARES	2,138,917
DR MICHAEL MONSOUR	MPAMM PTY LTD	MPAMM PTY LTD	DIRECTOR & SHAREHOLDER	7,053,153 ORDINARY SHARES	7,053,153
DR MICHAEL MONSOUR	AUSTRALIAN BIOFUNDS INVESTMENTS LIMITED	AUSTRALIAN BIOFUNDS INVESTMENTS LIMITED	DIRECTOR & SHAREHOLDER	199,755 ORDINARY SHARES	199,755

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

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

6. Addresses

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

Name	Address
DR MICHAEL MONSOUR	297 KENT ST MARYBOROUGH QLD 4065
MPAMM PTY LTD	297 KENT ST MARYBOROUGH QLD 4065
MP MONSOUR MEDICAL PRACTICE PTY LTD	297 KENT ST MARYBOROUGH QLD 4065
AUSTRALIAN TECHNOLOGY INNOVATION FUND LIMITED	85 BRANDL ST EIGHT MILE PLAINS QLD 4113
AUSTRALIAN BIOFUNDS INVESTMENTS LIMITED	PO BOX 3104 SOUTH BRISBANE QLD 4101

Signature

print name DR MICHAEL MONSOUR

capacity

sign here

Michael Monsour

date

09/03//2011

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 6 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 person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. 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.
- (7) Details of the consideration must include any and all benefits, money 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 on 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.
- (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) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

GUIDE

This guide does not form part of the prescribed form and is included by ASIC to assist you in completing and lodging form 604.

Signature

This form must be signed by either a director or a secretary of the substantial holder.

Lodging period

Nil

Lodging Fee

Nil

Other forms to be completed

Nil

Additional information

- (a) If additional space is required to complete a question, the information may be included on a separate piece of paper annexed to the form.
- (b) This notice must be given to a listed company, or the responsible entity for a listed managed investment scheme. A copy of this notice must also be given to each relevant securities exchange.
- (c) The person must give a copy of this notice:
 - (i) within 2 business days after they become aware of the information; or
 - (ii) by 9.30 am on the next trading day of the relevant securities exchange after they become aware of the information if:
 - (A) a takeover bid is made for voting shares in the company or voting interests in the scheme; and
 - (B) the person becomes aware of the information during the bid period.

Annexures

To make any annexure conform to the regulations, you must

- 1 use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides
- 2 show the corporation name and A.C.N or ARBN
- 3 number the pages consecutively
- 4 print or type in BLOCK letters in dark blue or black ink so that the document is clearly legible when photocopied
- 5 identify the annexure with a mark such as A, B, C, etc
- 6 endorse the annexure with the words:
This is annexure (mark) of (number) pages referred to in form (form number and title)
- 7 sign and date the annexure.

The annexure must be signed by the same person(s) who signed the form.