ASX / MEDIA ANNOUNCEMENT

16 October 2012

US INLAND REVENUE SERVICE FORM 8937

Section 6045B of the US Internal Revenue Code (IRC) provides that an issuer of a specified security must report certain information to the Internal Revenue Service (IRS) following an organizational action that affects the basis of the specified security.

Further to the merger with Inverseon, Inc. on 31 August 2012, and in accordance with Section 6045B of the US IRC, Invion Limited (ASX:IVX) has placed the accompanying IRS Form 8937 on its website at www.invion.com.au.

About Invion Limited

Invion Limited is a clinical-stage drug development company that targets chronic inflammation. Focussed on the development of treatments for major market opportunities in inflammatory diseases including asthma, chronic bronchitis and lupus, Invion has two phase II proprietary therapeutic candidates: INV102 – a repurposed beta adrenergic inverse agonist; and Cpn10 – a modified natural immunomodulator. INV102, also known as nadolol, has been used in more than 8 million people for the treatment of high blood pressure, migraine and chest pain. Invion is now targeting INV102 for new indications. To date, two phase II clinical trials of INV102 have been completed which have demonstrated acceptable safety as well as dose-related activity showing a reduction of airway hyper-responsiveness. Two further phase II trials are due to commence in 2H 2012. The larger of these trials, a phase II $4.4 million study in asthma patients, is being funded by the US National Institutes of Health (NIH). Cpn10 is a potential new anti-inflammatory biologic therapeutic. In clinical trials carried out to date, Cpn10 has demonstrated signs of biological activity, including a reduction in disease-relevant pro-inflammatory cytokines. Invion is progressing regulatory preparations to investigate Cpn10 as a treatment for systemic lupus erythematosus (SLE or lupus). Invion's pre-Investigational New Drug (pre-IND) meeting with the US Food and Drug Administration (FDA) is scheduled for 14 December 2012.

FOR MORE INFORMATION CONTACT:

Corporate	Investor Relations	Media
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Form **8937** (December 2011) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name Invion Limited			2 Issuer's employer identification number (EIN) None
3 Name of contact for additional information Melanie Farris	4 Telephone No. of contact +61 7 3295 0506		5 Email address of contact melanie.farris@invion.com.au
6 Number and street (or P.O. box if mail is not delivered to street address) of contact C/O Invion, Inc. 567 Sutter Street, 3rd Floor			7 City, town, or post office, state, and Zip code of contact San Francsico, CA 94102
8 Date of action August 31, 2012	9 Classification and description Stock		
10 CUSIP number None	11 Serial number(s)	12 Ticker symbol ASX:IVX	13 Account number(s)

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On 2 July 2012, Australian drug development company CBio Limited (ASX:CBZ) (CBio) announced that it had entered into a Merger Agreement with Inverseon Inc. to acquire 100% of the issued capital of Inverseon. As consideration for the acquisition, CBio would issue and allot to the security holders of Inverseon 143,486,978 ordinary CBio shares, which in aggregate would represent 37.5% total outstanding share capital of Merged Entity. The shares issued by CBio to Inverseon security holders under the transaction would rank equal in all respects to the current outstanding share capital of CBio and be quoted on the Australian Securities Exchange ('ASX'). The transaction was undertaken as a reverse triangular merger under Delaware law in the US. CBio's general meeting of shareholders was held on 30 August 2012 at which shareholders voted in favor of resolutions to merge with Inverseon. On 30 August 2012, 143,486,978 new shares were issued to be allotted to former Inverseon security holders. On 31 August 2012, CBio Limited changed its name to Invion Limited. On 5 September 2012, the company's ASX issuer code changed to IVX (ASX:IVX).

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The tax basis of the IVX shares received in the exchange by the owners of the Inverseon shares should have a basis in the IVX shares equal to their basis in the Inverseon shares.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ As stated above, there should be no change in the basis. The basis of the Inverseon shares becomes the basis of the IVX shares.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Code Sections 368(a)(1)(A) and 368(a)(2)(E).

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

The exchanges occurred during the 2012 calendar year.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ [signature] Date ▶ 11 OCTOBER 2012

Print your name ▶ Melanie Farris Title ▶ Company Secretary

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054