UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2010

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 000-53125

iBio, Inc.

(Exact name of small business registrant in its charter)

Delaware	**26-2797813**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
9 Innovation Way, Suite 100, Newark, DE	**19711**
(Address of principal executive offices)	*(Zip Code)*

(302) 355-0650
(Registrant's telephone number, including Area Code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date:

Class	*Outstanding at November 12, 2010*
Common Stock, $0.001 par value	31,805,155 Shares

iBio, Inc.
FORM 10-Q
For the Three Month Period Ended September 30, 2010

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Disclosure Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q may constitute "forward-looking" statements as defined in Section 27A of the Securities Act of 1933 (the "Securities Act"), Section 21E of the Securities Act of 1934 (the "Exchange Act"), the Private Securities Litigation Reform Act of 1995 (the "PSLRA") or in releases made by the Securities and Exchange Commission, all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of iBio, Inc. or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words, "plan", "believe", "expect", "anticipate", "intend", "estimate", "project", "may", "will", "would", "could", "should", "seeks", or "scheduled to", or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the "safe harbor" provisions of such laws.

iBio, Inc. (the "Company") cautions investors that any forward-looking statements made by the Company are not guarantees or indicative of future performance. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to the Company, include, but are not limited to, the risks and uncertainties affecting its business described in Item 1 of the Company's Annual Report filed on Form 10-K for the year ended June 30, 2010 and in registration statements and other securities filings by the Company. Although the Company believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any of its forward-looking statements, which are subject to change and inherent risks and uncertainties.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are made only as of the date hereof and the Company does not have or undertake any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.

PART I FINANCIAL INFORMATION

Item 1 FINANCIAL STATEMENTS

iBio, Inc.
Condensed Balance Sheets

	September 30, 2010 (Unaudited)	June 30, 2010 (Note 2)
Assets		
Current assets:		
Cash	$ 313,826	$ 909,932
Accounts receivable	55,590	47,460
Prepaid expenses and other current assets	352,954	68,150
Total current assets	722,370	1,025,542
Fixed assets, net	10,093	11,050
Intangible assets, net	3,871,617	3,893,653
Total assets	$ 4,604,080	$ 4,930,245
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 2,160,684	$ 2,007,166
Accrued expenses	132,397	132,865
Derivative instrument liability	3,155,476	1,714,084
Total liabilities	5,448,557	3,854,115
Commitments		
Stockholders' equity (deficit):		
Preferred stock, no par value, 5,000,000 shares authorized, no shares outstanding	—	—
Common stock, $0.001 par value, 50,000,000 shares authorized, 28,272,655 issued and outstanding as of September 30, 2010 and June 30, 2010	28,273	28,273
Additional paid-in capital	15,464,673	14,567,349
Accumulated deficit	(16,337,423)	(13,519,492)
Total stockholders' equity (deficit)	(844,477)	1,076,130
Total liabilities and stockholders' equity (deficit)	$ 4,604,080	$ 4,930,245

The accompanying notes are an integral part of these unaudited condensed financial statements.

iBio, Inc.
Condensed Statements of Operations
(Unaudited)

	Three months ended September 30,	
	2010	2009
Sales	$ —	$ —
Cost of goods sold	—	—
Gross profit	—	—
Operating expenses:		
Research and development	157,543	104,212
General and administrative	1,212,664	468,207
Total operating expenses	1,370,207	572,419
Operating loss	(1,370,207)	(572,419)
Other income (expense):		
Interest income	695	2,118
Interest expense	(13,125)	(20)
Royalty income	6,698	9,130
Change in the fair value of derivative instrument liability	(1,441,392)	(982,571)
Other income (expense)	(1,447,124)	(971,343)
Loss before income taxes	(2,817,331)	(1,543,762)
Income tax expense	600	600
Net loss	$ (2,817,931)	$ (1,544,362)
Net loss per common share - Basic and diluted	$ (0.10)	$ (0.06)
Weighted average common shares outstanding - Basic and diluted	28,272,655	24,360,864

The accompanying notes are an integral part of these unaudited condensed financial statements.

iBio, Inc.
Condensed Statement of Stockholders' Equity (Deficit)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Accumulated	
	Shares	Amount	Shares	Amount	Paid-In Capital	Deficit	Total
Balance, June 30, 2010	—	$ —	28,272,655	$28,273	$ 14,567,349	$(13,519,492)	$ 1,076,130
Share-based compensation	—	—	—	—	408,767	—	408,767
Warrants issued for services	—	—	—	—	488,557	—	488,557
Net loss	—	—	—	—	—	(2,817,931)	(2,817,931)
Balance, September 30, 2010	—	$ —	28,272,655	$28,273	$ 15,464,673	$(16,337,423)	$ (844,477)

The accompanying notes are an integral part of these unaudited condensed financial statements.

iBio, Inc.
Condensed Statements of Cash Flows
(Unaudited)

	Three months ended September 30,	
	2010	2009
Cash flows used in operating activities:		
Net loss	$ (2,817,931)	$ (1,544,362)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in the fair value of derivative instrument liability	1,441,392	982,571
Depreciation and amortization	92,870	78,436
Share-based compensation	408,767	14,303
Warrants issued for services	255,907	25,600
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(8,130)	3,927
Increase in prepaid expenses and other current assets	(52,154)	(54,355)
Increase in accounts payable	153,518	571,433
Decrease in accrued expenses	(468)	(336,990)
Net cash used in operating activities	(526,229)	(259,437)
Cash flows used in investing activities - Additions to intangible assets	(69,877)	(209,863)
Cash flows provided by financing activities - Proceeds from sale of common stock and warrants, net of expenses	—	2,807,051
Net increase (decrease) in cash	(596,106)	2,337,751
Cash - Beginning of period	909,932	1,039,244
Cash - End of period	$ 313,826	$ 3,376,995
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	$ —	$ 20
Supplemental disclosures of non-cash operating, investing, and financing activities:		
Cumulative effect of a change in accounting principle - Adoption of ASC 815-40	$ —	$ 199,389

The accompanying notes are an integral part of these unaudited condensed financial statements.

1) Business

iBio, Inc. (the "Company") is a biotechnology company focused on commercializing its proprietary technology, the iBioLaunch™ platform, for the production of biologics including vaccines and therapeutic proteins. The Company's strategy is to utilize its technology for development and manufacture of its own product candidates and to work with both corporate and government clients to reduce their costs during product development and meet their needs for low cost, high quality biologics manufacturing systems. The Company's near-term focus is to establish business arrangements for use of its technology by licensees for the development and production of products for both therapeutic and vaccine uses. Vaccine candidates presently being advanced on the Company's proprietary platform are applicable to newly emerging strains of H1N1 swine-like influenza and H5N1 for avian influenza.

2) Basis of Presentation

The accompanying unaudited condensed financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission. Accordingly, they do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America. However, in the opinion of management, the accompanying unaudited financial statements contain all normal and recurring adjustments necessary to present fairly the financial position of the Company as of September 30, 2010 and the related statements of operations and cash flows for the interim period then ended. The balance sheet amounts as of June 30, 2010 were derived from audited financial statements. The Company's independent registered public accounting firm included an explanatory paragraph in its opinion upon those financial statements relating to the Company's ability to continue as a going concern. For further information, refer to the audited financial statements and related disclosures that were filed by the Company with the Securities and Exchange Commission on Form 10-K for the fiscal year ended June 30, 2010.

These financial statements were prepared under the assumption that the Company will continue as a going concern. The ability to do so is dependent upon our ability to obtain additional equity or debt financing, reduce expenditures, and/or generate revenue. These financial statements do not include any adjustments that might result from the outcome of that uncertainty.

On October 27, 2010 and November 5, 2010, the Company raised a gross amount of $7 million through the issuance of common stock and warrants as more fully described in Note 9. Net proceeds from that offering plus current cash and working capital resources are expected to support the Company's activities through the end of calendar 2011. The Company plans to fund its development and commercialization activities during calendar 2012 and beyond through licensing arrangements and/or the sale of equity securities. The Company cannot be certain that such funding will be available on acceptable terms, or available at all. To the extent that the Company raises additional funds by issuing equity securities, its stockholders may experience significant dilution. If the Company is unable to raise funds when required or on acceptable terms, it may have to: a) Significantly delay, scale back, or discontinue the development and/or

commercialization of one or more product candidates; b) Seek collaborators for product candidates at an earlier stage than would otherwise be desirable and/or on terms that are less favorable than might otherwise be available; or c) Relinquish or otherwise dispose of rights to technologies, product candidates, or products that the Company would otherwise seek to develop or commercialize itself.

3) Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The areas most significantly affected by estimates consist of:

a) Valuation and recovery of intangible assets;
b) Stock-based compensation; and
c) Valuation of derivative instruments.

The Company's accounting policies are described in Note 3 to the audited financial statements contained in our Annual Report on Form 10-K for the year ended June 30, 2010.

Management reviews its estimates on a continual basis utilizing currently available information, changes in facts and circumstances, historical experience, and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

4) Earnings Per Share

Basic and diluted net loss per common share was determined by dividing the net loss by the weighted average common shares outstanding during the three months ended September 30, 2010 and 2009. Basic and diluted weighted average common shares outstanding were the same since the effect of including common shares issuable pursuant to the exercise of the stock options and warrants in diluted weighted average common shares outstanding would have been anti-dilutive.

The following table summarizes the number of common shares excluded from the calculation of weighted average common shares outstanding for the three months ended September 30, 2010 and 2009:

	2010	2009
Stock options	3,030,000	1,460,000
Warrants	3,885,811	3,065,811
Total	6,915,811	4,525,811

5) Derivative Financial Instruments

Introduction:

Effective July 1, 2009, generally accepted accounting principles required that the warrants issued by the Company in connection with an August 2008 financing be considered derivative instruments and that the Company report an estimated fair value of such warrants as a liability as of each balance sheet date and the change in that liability as non-cash income or expense in the statement of operations for the related reporting period.

The Company uses the Black-Scholes option pricing model to estimate its derivative instrument liability which requires several assumptions. This model is particularly sensitive to the assumed volatility in the price of the Company's common stock and the actual price of the Company's common stock as of each balance sheet date. Increases in the assumed volatility or the actual price of the Company's common stock has the effect of estimating a higher value for such warrants, which results in a larger estimated derivative liability on the balance sheet and a larger non-cash expense in the statement of operations.

Thus, for example, the accounting guidance applicable to these warrants requires that the Company (assuming all inputs to the Black-Scholes model, other than the Company's stock price, remain constant) record non-cash expense when the Company's stock price is rising and record non-cash income when the Company's stock price is falling.

Detail Discussion:

Effective July 1, 2009, the Company adopted guidance in ASC 815-40, "Derivatives and Hedging - Contracts in Entity's Own Equity". The applicable provisions of this guidance require that:

a) Warrants issued by the Company in an August 2008 financing transaction (containing downside ratchet provisions and which were previously accounted for as equity instruments in accordance with generally accepted accounting principles in effect through June 30, 2009) must be considered and accounted for as derivative instruments effective July 1, 2009 and the related estimated fair value reported as a liability as of each balance sheet date; and

b) Such derivative instruments must be marked-to-market as of each balance sheet date and the change in the reported estimated fair value of such instruments be recorded as non-cash income or expense in the statement of operations.

In accordance with this guidance, the Company estimated the fair value of these instruments to be $199,389 as of July 1, 2009 and established a derivative instrument liability in that amount by recording reductions of $1,442,785 in additional paid-in capital and $1,243,396 in accumulated deficit. The effect of this adjustment was presented as a cumulative effect of change in an

accounting principle during the period ended September 30, 2009.

The estimated fair value of this derivative liability was $3,155,476 and $1,714,084, as of September 30, 2010 and June 30, 2010, respectively. The related increases of $1,441,392 and $982,571 during the three months ended September 30, 2010 and 2009, respectively, were reported as non-cash expense in our condensed statement of operations as a component of other income (expense).

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of these derivative instruments. The Company considers them to be Level 2 type instruments in accordance with ASC 820-10 "Fair Value Measurements and Disclosures" as the inputs used to estimate their value are observable either directly or indirectly. The risk-free interest rate assumptions were based upon the observed interest rates appropriate for the remaining contractual term of the instruments. The expected volatility assumptions were based upon the historical volatility of the stock of comparable companies. The expected dividend yield was assumed to be zero as the Company has not paid any dividends since its inception and does not anticipate paying dividends in the foreseeable future. The expected term assumptions were based upon the remaining contractual term of these instruments.

The assumptions made in calculating the fair value of these derivative instruments as of September 30, 2010 and 2009 were as follows:

	2010	2009
Risk free interest rate	0.6%	1.9%
Dividend yield	Zero	Zero
Volatility	98%	80%
Expected term (in years)	2.9	3.9

6) Share Based Payments

The Company accounts for options granted to employees by measuring the cost of services received in exchange for the award of equity instruments based upon the fair value of the award on the date of grant. The fair value of that award is then ratably recognized as expense over the period during which the recipient is required to provide services in exchange for that award. Options and warrants granted consultants and other non-employees are adjusted to fair value at the end of each reporting period until they vest.

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of such instruments. The risk-free interest rate assumptions were based upon the observed interest rates appropriate for the expected term of the equity instruments. The expected volatility assumption was based upon the historical volatility of the common stock of comparable companies. The expected dividend yield was assumed to be zero as the Company has not paid any dividends since its inception and does not anticipate paying dividends in the foreseeable future. The

expected term assumption for employee options was determined utilizing the simplified method provided in Staff Accounting Bulletin No. 107, *Share-Based Payment*, which averages an award's vesting period with its contractual term. The expected term assumption for vendors' options and warrants was determined using the contractual term of each award.

Assumptions made in calculating the fair value of options and warrants issued during the three months ended September 30, 2010 and 2009 were as follows:

	2010	2009
Risk free interest rate	1.3% to 1.9%	2.3% to 3.4%
Dividend yield	Zero	Zero
Volatility	98%	80%
Expected term (in years)	1.3 to 6.5	2.5 to 6.0

a) Stock Options

Share based compensation expense for stock options for the three months ended September 30, 2010 and 2009 was recorded in the statement of operations as follows:

	2010	2009
Research and development	$ 88,068	$ —
General and administrative	320,699	14,303
Total	$ 408,767	$ 14,303

On July 14, 2010 and August 16, 2010, the Company issued options to employees to purchase 130,000 shares of common stock for a ten year period. These options vest one-third upon the date of issuance and ratably over the following two anniversary dates and have exercise prices ranging from $1.38 to $1.73 per share. The Company estimated the fair value of these options to be $136,240 as of the grant dates and is recording such expense ratably over the vesting periods.

On August 16, 2010, the Company issued options to officers to purchase 600,000 shares of common stock for a ten year period. These options vest twenty percent upon the date of issuance and ratably over the following four anniversary dates and have an exercise price of $1.73 per share. The Company estimated the fair value of these options to be $766,200 as of the grant date and is recording such expense ratably over the vesting period.

On August 16, 2010, the Company issued options to Directors to purchase 90,000 shares of common stock for a ten year period. These options vest one-third upon the date of issuance and ratably over the following two anniversary dates and have an exercise price of $1.73 per share. The Company estimated the fair value of these options to be $111,420 as of the grant date and is recording such expense ratably over the vesting period.

A summary of the changes in options outstanding during the three month period ended September 30, 2010 is as follows:

	Number of Shares	Exercise Price Per Share	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at June 30, 2010	2,210,000	$0.20-$1.05	$ 0.58		
Granted	820,000	$1.38-$1.73	$ 1.69		
Exercised	—	—	—	—	—
Terminated	—	—	—	—	—
Outstanding and expected to vest at September 30, 2010	3,030,000	$0.20-$1.73	$ 0.88	9.2	$4,063,900
Options exercisable at September 30, 2010	546,666	$0.20-$1.73	$ 0.86	9.1	$ 742,866

The weighted average fair value of options granted during the three months ended September 30, 2010 and 2009 was $1.31 and $0.48, respectively.

The unrecognized share-based compensation cost related to non-vested options as of September 30, 2010 was $1,754,190 as measured utilizing the value as of the date of grant. These costs are expected to be recognized over a weighted-average period of approximately 3.4 years. The total fair value of shares vested during the three months ended September 30, 2010 and 2009 as measured utilizing the value as of the date of grant was $298,573 and zero, respectively.

In accordance with applicable accounting guidance, the Company records the estimated fair value of options issued to consultants and other non-employees as of each balance sheet date until such options are vested. Until that date, the change in that liability is recorded in the statement of operations for the related reporting period.

b) Warrants

Share based compensation expense for warrants for the three months ended September 30, 2010 and 2009 was recorded in the statement of operations as follows:

	2010	2009
Research and development	$ —	$ —
General and administrative	255,907	19,600
Total	$ 255,907	$ 19,600

On July 1, 2010, the Company issued warrants to a professional services firm to purchase 300,000 shares of common stock for a five-year period. This warrant was 100% vested upon issuance and has an exercise price of $1.40 per share. The related service contract is for a two year period. The Company estimated the fair value of these options to be $310,200 as of the grant date and accounted for that issuance with an increase to additional paid-in capital and a corresponding increase to prepaid expense. The Company is amortizing such costs ratably over

the one year period of the service contract and the balance in prepaid expenses as of September 30, 2010 is $232,650.

On July 13, 2010, the Company issued warrants to a financial advisory firm to purchase 500,000 shares of common stock for a five year period. The related service contract is for a two year period. This warrant vests ratably on a monthly basis over the twenty-four month period beginning with the month of issuance and has an exercise price of $1.10 per share. The Company estimated the fair value of these options to be $512,000 as of the grant date and subsequently adjusts them to fair value at the end of each reporting period until such warrants vest, and the fair value of such instruments, as adjusted, is ratably expensed over the twenty-four month vesting period.

A summary of the changes in warrants outstanding during the three months ended September 30, 2010 is as follows:

	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at June 30, 2010	3,085,311	$ 2.88		
Granted	800,000	$ 1.21		
Exercised	—	—	—	—
Terminated	—	—	—	—
Outstanding and expected to vest at September 30, 2010	3,885,311	$ 2.56	3.4	$ 1,410,822
Warrants exercisable at September 30, 2010	3,435,811	$ 2.72	3.2	$ 905,822

During the three months ended September 30, 2010, additions to additional paid-in capital for warrants issued for services exceeded the expense for warrants issued for services by $232,650. On July 1, 2010 the Company issued warrants to a professional services firm. The warrants were 100% vested upon issuance. The Company is amortizing the value of such warrants over the one year contract period and has recorded a prepaid expense of $232,650 as of September 30, 2010.

7) Related Party Transactions

The Company's Chief Scientific Officer simultaneously serves as Executive Director of the Center for Molecular Biotechnology of Fraunhofer USA, Inc. (FhCMB), which performs research and development activities on behalf of the Company as further described in Note 8.

8) Commitment

The Company and FhCMB have an agreement whereby FhCMB performs research and development activities on behalf of the Company. In that connection, the Company has the commitment to make payments of $1 million each April and November beginning November 2009 through April 2014 for an aggregate of $10 million to FhCMB for services to further develop the Company's proprietary technology and product candidates. Such payments are initially recorded as prepaid expenses and then expensed as agreed-upon services are performed by FhCMB. The second installment due in April 2010 was not paid until October 2010. Consequently, this amount is included in accounts payable at September 30 and June 30, 2010. The agreement also provides for certain annual minimum royalty payments through 2023.

9) Subsequent Event

On October 27, 2010 and November 5, 2010, the Company raised $7,065,000 through the sale of 3,532,500 shares of common stock at $2.00 per share pursuant to a Securities Purchase Agreement with certain investors. Additionally, each investor was issued a five-year warrant to purchase the same number shares of common stock of the Company purchased by such investor at a cash exercise price of $2.20 per share. The Placement Agent was paid a cash fee equal to seven percent of the aggregate gross proceeds from the Offering and was issued five-year warrants to purchase 226,986 shares of the Company's common stock at an average exercise price of $2.18. The Company received $6,570,000 in net proceeds from that transaction.

Item 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANICAL CONDITION AND RESULTS OF OPERATIONS

Forward Looking Statements

Certain statements set forth under this caption constitute "forward-looking statements." See "Disclosure Regarding Forward-Looking Statements" on page 1 of this Report for additional factors relating to such statements. The following discussion should also be read in conjunction with the Condensed Financial Statements of the Company and Notes thereto included elsewhere herein and the Company's Annual Report on Form 10-K for the year ended June 30, 2010.

Overview

iBio, Inc. (the "Company") is a biotechnology company focused on commercializing its proprietary technology, the iBioLaunch™ platform, for the production of biologics including vaccines and therapeutic proteins. Our strategy is to utilize our technology for development and manufacture of our own product candidates and to work with both corporate and government clients to reduce their costs during product development and meet their needs for low cost, high quality biologics manufacturing systems. Our near-term focus is to establish business arrangements for use of our technology by licensees for the development and production of products for both therapeutic and vaccine uses. Vaccine candidates presently being advanced on our proprietary platform are applicable to newly emerging strains of H1N1 swine-like influenza and H5N1 for avian influenza.

In order to attract appropriate licensees and increase the value of our share of such intended contractual arrangements, we engaged the Center for Molecular Biology of Fraunhofer USA, Inc. ("FhCMB") in 2003 to perform research and development activities to apply the platform to create our first product candidate. We selected a plant-based influenza vaccine for human use as the product candidate to exemplify the value of the platform. Based on research conducted by FhCMB, our proprietary technology is applicable to the production of vaccines for any strain of influenza including the newly-emerged strains of H1N1 swine-like influenza.

In connection with its research and development activities, FhCMB agreed to use its best efforts to obtain grants from governmental and non-governmental entities to fund additional development of our proprietary plant-based technology. Consequently, in addition to the funding we have provided, FhCMB has received funding from the Bill & Melinda Gates Foundation for development of various vaccines based upon our proprietary technology including an experimental vaccine for H5N1 avian influenza. One of these vaccine candidates began a Phase 1 clinical trial during September 2010.

These financial statements were prepared under the assumption that we will continue as a going concern. Our ability to do so is dependent upon our ability to obtain additional equity or debt financing, reduce expenditures, and/or generate revenue. These financial statements do not include any adjustments that might result from the outcome of that uncertainty.

Current cash and working capital resources, including funds recently received from the sale of equity securities, are expected to support our activities through the end of calendar 2011. We plan to fund our development and commercialization activities during calendar 2012 and beyond through licensing arrangements and/or the sale of equity securities as more fully described in the *Liquidity and Capital Resources* section in the following paragraphs.

Liquidity and Capital Resources

We had cash of $314,000 at September 30, 2010 compared to $910,000 at June 30, 2010. This decrease of $596,000 was due to the use of $526,000 and $70,000 related to operating activities and investing activities, respectively, during that period. We had negative working capital of $4,726,000 at September 30, 2010. The calculation of this working capital amount is net of the derivative instrument liability of $3,155,000 as of that date.

On October 27, 2010 and November 5, 2010, the Company raised a gross amount of $7 million through the issuance of common stock and warrants as more fully described in Note 9 to the financial statements. Net proceeds from that offering plus current cash and working capital resources are expected to support the Company's activities through the end of calendar 2011.

We plan to fund our development and commercialization activities during the balance of calendar 2012 and beyond through licensing arrangements and/or the sale of equity securities. We cannot be certain that such funding will be available on acceptable terms, or available at all. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. If we are unable to raise funds when required or on acceptable terms, we may have to: a) Significantly delay, scale back, or discontinue the development and/or commercialization of one or more product candidates; b) Seek collaborators for product candidates at an earlier stage than would otherwise be desirable and/or on terms that are less favorable than might otherwise be available; or c) Relinquish or otherwise dispose of rights to technologies, product candidates, or products that we would otherwise seek to develop or commercialize ourselves.

Critical Accounting Policies

The following accounting policies are critical in fully understanding and evaluating our financial statements:

a) Valuation and recovery of intangible assets;
b) Stock-based compensation; and
c) Valuation of derivative instruments.

The Company's accounting policies are described in Note 3 to the audited financial statements contained in our Annual Report on Form 10-K for the year ended June 30, 2010.

Results of Operations

For the three months ended September 30, 2010 versus September 30, 2009

Sales and cost of goods sold for the three months ended September 30, 2010 and 2009 were zero as we have yet to generate revenues from our technology. We are aggressively pursuing our stated business strategy which includes a near-term focus to establish business arrangements for use of our technology by licensees for the development and production of products for both therapeutic and vaccine uses. We believe the infusion of capital in late October/early November of 2010 provides the resources for this endeavor.

Research and development expense for the three months ended September 30, 2010 was $158,000 compared to $104,000 for the comparable period in 2009. This increase of $54,000, or 51%, was due to personnel costs related to the expansion of our research and product development capabilities.

Specifically, we have hired a Chief Scientific Officer and a Senior Vice President of Business Development who are active in the execution of the business strategy described in the preceding paragraph. These individuals have replaced several laboratory employees who are now full time employees of FhCMB. The overall net increase of $54,000 is attributable to an $88,000 increase in stock based compensation expense related to equity incentives for those individuals. Stock based compensation expense does not require the disbursement of cash. Rather, it is an estimate of the value of stock options and other equity incentives provided to employees, directors, and third parties to align their interests with ours. Our actual cash disbursements for all other research and development activities were $35,000 lower compared to the prior period due to reductions in the use of external consultants.

We will be carefully managing our financial resources over the next several quarters and only incur additional research and development expenses when there is a high probability that it will directly benefit of stated business strategy.

General and administrative expense for the three months ended September 30, 2010 was $1,213,000 compared to $468,000 for the comparable period in 2009. This increase of $745,000, or 159%, was primarily due to an increase of $395,000 in stock based compensation expense for management and various vendors providing financial advisory and investor relations services, an increase of $59,000 in invoiced financial advisory and investor relation services, an increase of $26,000 in patent management costs, and $25,000 in public company related costs. All other costs were generally comparable. As previously indicated, stock based compensation expense does not require the disbursement of cash. Rather, it is an estimate of the value of stock options and other equity incentives provided to employees, directors, and third parties to align their interests with ours. Increases in the other areas mentioned above reflect the unavoidable costs of being a publicly-held entity and managing an intellectual property portfolio which is critical to the operations of the Company. However, we expect them to be manageable during the next several quarters and will only selectively increase them to develop necessary infrastructure for the operations of our Company.

Other income (expense) for the three months ended September 30, 2010 was a net expense of $1,447,000 compared to a net expense of $971,000 the comparable period in 2009. This change consisted of the following:

	2010	2009
Interest income	$ 1,000	$ 3,000
Royalty income	6,000	9,000
Interest expense	(13,000)	—
Change in the fair value of derivative instrument liability	(1,441,000)	(983,000)
Total	$ (1,447,000)	$ (971,000)

a) Interest income was lower is due to smaller average cash balances on hand during the three months ended September 30, 2010 compared to the prior period.

b) Royalty income is dependent upon net sales of products employing our licensed technology and will vary from quarter to quarter.

c) Interest expense for 2010 is directly attributable to interest charges accrued on balances due to FhCMB during the three months ended September 30, 2010.

d) The change in the fair value of derivative financial instruments is recorded in accordance with the guidance in ASC 815-40, "Derivatives and Hedging - Contracts in Entity's Own Equity" which became effective for the Company on July 1, 2009.

The accounting guidance applicable to these warrants requires the Company, (assuming all other inputs to the Black-Scholes model remain constant), to record a non-cash expense when the Company's stock price is rising and record non-cash income when the Company's stock price is falling. The estimated fair value of this derivative liability increased from $1,714,000 at June 30, 2010 to $3,155,000 at September 30, 2010 primarily as a result of an increase in our stock price from $1.38 to $2.22 during that same period. The resulting change of $1,441,000 has been reported as non-cash expense in our condensed statement of operations as a component of other income (expense) and has no effect upon our operating cash flow.

Similar circumstances occurred during the three months ended September 30, 2009 which resulted in a non-cash expense of $982,000 relating to that period.

The calculation of this derivative liability is affected by factors which are subject to significant fluctuations and are not under our control. Consequently, this liability and, therefore, the resulting effect upon our net loss is subject to significant fluctuations and will continue to be subject to significant fluctuations until the warrants either expire in August 2013 or are exercised prior to that date.

Income tax expense for the three months ended September 30, 2010 and 2009 reflects estimates for the minimum amounts of state income taxes due in states where we are required to file income tax returns. Our deferred tax assets resulting from our net operating losses are fully reserved in a valuation allowance account since it is more likely than not that such assets will not be realized.

Item 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, the Company may be a party to financial instruments that are subject to market risks arising from changes in interest rates and foreign currency rates. We currently do not use derivative financial instruments to address treasury risk management issues in connection with changes in interest rates and foreign currency rates.

Item 4T CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, or the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing and as described in the following paragraphs, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2010 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1 LEGAL PROCEEDINGS

We are not currently a party to any material legal proceedings.

Item 1A RISK FACTORS

The risks described in Item 1A, Risk Factors, in our Annual Report on Form 10-K for the year ended June 30, 2010, could materially and adversely affect our business, financial condition and results of operations. The risk factors discussed in that Form 10-K do not identify all risks that we face because our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations.

Current economic conditions may cause a decline in business spending which could adversely affect our business and financial performance.

Our operating results are impacted by the health of the international business community. Our business and financial performance, including collection of our accounts receivable and recoverability of assets including investments, may be adversely affected by current and future economic conditions, such as a reduction in the availability of credit, financial market volatility, and recession.

Additionally, we may experience difficulties in scaling our operations to react to economic pressures in the United States.

Item 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On November 5, 2010, iBio, Inc. completed the second closing (the "Second Closing") of the private offering (the "Offering") of our securities pursuant to a Securities Purchase Agreement with certain investors. The first closing of the Offering was reported by us on a Current Report on Form 8-K, filed with the Securities and Exchange Commission (the "Commission") on October 29, 2010. In the Second Closing, the investors purchased an aggregate of 500,000 shares of our common stock at a purchase price of $2.00 per share. Each investor was issued a five-year warrant to purchase the same number shares of our common stock purchased by such investor at a cash exercise price of $2.20 per share (the "Warrants"). We received approximately $930,000 in net proceeds in the Second Closing.

We agreed pursuant to the terms of a Registration Rights Agreement with the investors to (i) file a shelf registration statement with respect to the resale of shares of the common stock sold to the investors and shares of common stock underlying the Warrants with the Commission within 30 days after the final closing date of the Offering; (ii) have the shelf registration statement declared effective by the Commission within 90 days (subject to adjustment) of such final closing date; and (iii) use our reasonable best efforts to keep the shelf registration statement effective until the earlier of the time when all shares registered thereunder have been sold or the

shares covered by the shelf registration statement may be sold without volume restrictions pursuant to Rule 144 of the Securities Act of 1933, as amended (the "Securities Act").

In connection with the Offering, on October 27, 2010, we entered into a Placement Agent Agreement (the "Placement Agent Agreement") with Noble Financial Capital Markets (the "Placement Agent"), pursuant to which the Placement Agent agreed to act as our exclusive placement agent for the Offering and sell a minimum of $6,000,000 and a maximum of $8,000,000 of securities. The Placement Agent agreed to use its best efforts to arrange for the sale of all of the securities being offered in the Offering. The Offering is continuing until November 26, 2010, unless the maximum is sold prior to that date.

The Placement Agent was paid a cash fee equal to seven percent of the aggregate gross proceeds from the Second Closing and was issued a five-year warrant to purchase 30,435 shares of the Company's common stock at an exercise price of $2.30, the closing price of our common stock on the OTC Bulletin Board on November 5, 2010.

Copies of the forms of Warrant, Securities Purchase Agreement, Registration Rights Agreement and Placement Agent Agreement are attached hereto as Exhibits 4.1, 10.1, 10.2 and 10.3, respectively, and are incorporated herein by reference. The foregoing summary descriptions of the definitive agreements are qualified in their entirety by reference to the full texts of each of such exhibits.

The securities sold in the Offering have not been registered under the Securities Act and were issued and sold in reliance upon the exemption from registration contained in Section 4(2) of the Securities Act and Regulation D promulgated thereunder. These securities may not be offered or sold in the United States in the absence of an effective registration statement or exemption from the registration requirements under the Securities Act.

Item 3 DEFAULTS UPON SENIOR SECURITIES

None.

Item 5 OTHER INFORMATION

None.

Item 6 EXHIBITS

Exhibit Number	
4.1	Form of Warrant to Purchase Common Stock of iBio, Inc. for each Investor
10.1	Form of Securities Purchase Agreement of iBio, Inc. for each Investor
10.2	Form of Registration Rights Agreement of iBio, Inc. for each Investor
10.3	Placement Agent Agreement, dated as of October 27, 2010, between iBio, Inc. and Noble Financial Capital Markets

31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer
32.1	Certification of periodic financial report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.
32.2	Certification of periodic financial report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

iBio, Inc.

Date: November 15, 2010 By: /s/ Robert B. Kay

Robert B. Kay,
Chief Executive Officer

Date: November 15, 2010 By: /s/ Frederick Larcombe

Frederick Larcombe,
Chief Financial Officer

EXHIBIT 4.1

FORM OF WARRANT

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR UNDER ANY STATE SECURITIES LAWS, AND MAY NOT BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNTIL (I) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (II) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE COMPANY OR OTHER COUNSEL TO THE COMPANY THAT SUCH SECURITIES MAY BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

Warrant to Purchase
_____ shares[1]

VOID AFTER _____ __, 2015

WARRANT TO PURCHASE
COMMON STOCK
OF
IBIO, INC.
Incorporated Under the Laws of the State of Delaware

THIS IS TO CERTIFY that [HOLDER], or its proper assigns (the "Warrantholder"), is entitled, upon the due exercise hereof and subject to the terms and conditions hereof, until 5:00 p.m. New York time on _____ __, 2015, to purchase from iBio, Inc., a Delaware corporation (the "Company"), from time to time, all or any part of [Amount in Words] (Amount in Numbers) fully paid and nonassessable shares of common stock, par value $.001 per share, of the Company (the "Common Stock"), but not for fractional shares of Common Stock, upon delivery of the Election to Purchase attached hereto as Appendix A, duly completed and delivered, in accordance with Section 11 of this Warrant, and simultaneous payment therefor by wire transfer of immediately available funds, or good bank or certified check drawn to the order of the Company, at an exercise price of $2.20 for one (1) share of Common Stock (the "Warrant Exercise Price").

This Warrant is issued pursuant to a Securities Purchase Agreement, dated _____ __, 2010 (the "Securities Purchase Agreement") between the Company and the original Warrantholder.

1. Term. This Warrant is exercisable at the option of the Warrantholder, for a five (5) year period, commencing on the date hereof and may not be exercised after 5:00 p.m., New York time, _____ __, 2015 (the "Expiration Date"), at which time this Warrant will become

[1] Same number of shares purchased by each investor (i.e., 100% warrant coverage).

wholly void and all rights evidenced hereby will terminate solely as to the purchase of any shares of Common Stock for which an Election to Purchase has not been delivered to the Company by the Warrantholder or its assigns.

2. Exercise of Warrant.

(a) Manner of Exercise. This Warrant may be exercised into shares of Common Stock by the Warrantholder hereof, in accordance with the terms and conditions hereof, in whole or in part with respect to any portion of this Warrant and in the discretion of the Warrantholder, during the period beginning on the date hereof and ending on the Expiration Date. Any exercise shall be undertaken during normal business hours on any day other than a Saturday or a Sunday or a day on which commercial banking institutions in New York, New York are authorized by law to be closed on or prior to the Expiration Date with respect to such portion of this Warrant, by surrender of this Warrant to the Company at its office maintained pursuant to Section 11 hereof, accompanied by an exercise notice in substantially the form attached to this Warrant as Appendix A duly executed by or on behalf of the Warrantholder together with the payment of the Warrant Exercise Price in cash by bank check or wire transfer of immediately available funds.

(b) Delivery of Stock Certificates. As soon as practicable after each exercise of this Warrant, in whole or in part, the Company will cause to be issued in the name of and delivered to the Warrantholder hereof or, subject to Section 11 hereof, as the Warrantholder (upon payment by the Warrantholder of any applicable transfer taxes) may direct:

(i) a certificate or certificates (with appropriate restrictive legends, as applicable) for the number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock to which the Warrantholder shall be entitled upon exercise plus, in lieu of any fractional share to which the Warrantholder would otherwise be entitled, all issuances of Common Stock shall be rounded up to the nearest whole share.

(ii) in case exercise is in part only, a new Warrant of like tenor, dated the date hereof and stating on the face thereof for the number of shares of Common Stock equal to the number of shares called tier on the face of this Warrant minus the number of shares designated by the Warrantholder upon exercise as provided in Section 2(a) hereof (without giving effect to any adjustment thereof).

3. Adjustment of Warrant Exercise Price and Number of Shares of Common Stock. In case of any dividend in securities of the Company, stock split, spinoff, reclassification, capital reorganization, or other change of outstanding shares of Common Stock, or in case of any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification, capital reorganization, or other change of outstanding shares of Common Stock), or in case of any sale or conveyance to another corporation of all or substantially all of the property of the Company (other than a sale/leaseback, mortgage, or other financing transaction), or the issuance of any rights to purchase or to receive any securities of the Company or its subsidiaries issued to all holders of Common Stock, the Company shall cause effective provision to be made so that the Warrantholder shall have the right thereafter, by exercising such Warrant, to purchase the kind and number of shares of stock or other securities

or property (including cash) receivable upon such reclassification, capital reorganization, or other change, consolidation, merger, sale, or conveyance by a holder of the number of shares of Common Stock that might have been purchased upon exercise of such Warrant immediately prior to such reclassification, capital reorganization, or other change, consolidation, merger, sale, or conveyance. Any such provision shall include provision for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 3. The Company shall not effect any such consolidation, merger or sale, unless prior to or simultaneously with the consummation thereof, the successor (if other than the Company) resulting from such consolidation or merger or the corporation purchasing assets or other appropriate corporation or entity shall assume by written instrument the obligation to deliver to the holder of this Warrant such shares of stock, securities, or assets as, in accordance with the foregoing provisions, such holders may be entitled to purchase and the other obligations under this Agreement. The foregoing provisions shall similarly apply to each successive dividend, rights offering, stock split, spinoff, reclassification, capital reorganizations, and other changes of outstanding shares of Common Stock and to successive consolidations, mergers, sales, or conveyances.

4. No Stockholder Rights. The Warrantholder shall not have the right to vote or to consent or to receive notice as a stockholder in respect of any meetings of stockholders or as having any rights whatsoever as a stockholder of the Company until such time as it has exercised all or any part of this Warrant. The Warrantholder shall not be entitled to any rights of a stockholder of the Company in respect of any shares purchasable upon the exercise hereof until such shares have been paid for in full, whether or not a certificate has been delivered hereunder.

5. Restrictions on Transfer. This Warrant and the shares of Common Stock issuable upon the exercise hereof (collectively, the "Warrant Securities") are not currently registered upon the Act or any state securities laws. The Warrant Securities are subject to restrictions on transferability and resale and may not be transferred or resold, except as set forth below. For so long as the Warrant Securities are not registered under the Act, each certificate representing shares of Common Stock issuable upon the exercise of this Warrant shall bear the following legend (in addition to any legend required under applicable state securities laws and any other applicable agreement): THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), NOR UNDER ANY STATE SECURITIES LAWS, AND MAY NOT BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNTIL (I) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (II) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE COMPANY OR OTHER COUNSEL TO THE COMPANY THAT SUCH SECURITIES MAY BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

6. Reservation of Stock Issuable Upon Exercise. The Company has reserved and shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock and other securities deliverable hereunder, solely for the purpose of effecting the issuance of the shares of Common Stock and other securities upon exercise of the Warrant, such number of its shares of Common Stock and other securities as shall from time to time be sufficient to

provide for the exercise of this Warrant, and if at any time the number of authorized but unissued shares of Common Stock or other securities shall not be sufficient to provide for the exercise of this Warrant, the Company will, subject to the requirements of applicable state law, take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock or other securities to such number of shares of Common Stock and other securities as shall be sufficient for such purposes.

7. Loss or Mutilation. Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Warrant Certificate and (in the case of loss, theft or destruction) of indemnity reasonably satisfactory to the Company, and (in the case of mutilation) upon surrender and cancellation thereof, the Company will execute and deliver in lieu thereof a new Warrant Certificate of like tenor.

8. Representations and Warranties of the Warrantholder. The Warrantholder hereby represents and warrants to the Company that:

(a) The Warrantholder is acquiring this Warrant for its own account, for investment purposes only.

(b) The Warrantholder understands that an investment in the Warrants involves a high degree of risk, and The Warrantholder has the financial ability to bear the economic risk of the investment in this Warrant, including a complete loss of such investment. The Warrantholder has adequate means for providing for its current financial needs and has no need for liquidity with respect to this investment.

(c) The Warrantholder has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in this Warrant and in protecting its own interest in connection with this transaction.

9. Successors. All the covenants and provisions of this Agreement shall be binding upon and inure to the benefit of the Company and the Warrantholder and its respective successors and assigns hereunder.

10. Governing Law; Submission to Jurisdiction. This Warrant issued hereunder shall be deemed to be a contract made under the laws of the State of New York and the Delaware General Corporate Law and for all purposes shall be construed in accordance with the laws of said States, without giving effect to the rules of said State governing the conflicts of laws which might cause the application of any other laws.

11. Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly made when delivered by registered or certified mail, return receipt requested, or by overnight mail (a) If to the registered Warrantholder, to the address of such Warrantholder as shown on the books of the Company; or (b) If to the Company, to its principal offices at 9 Innovation Way, Suite 100, Newark, Delaware 19711, Attn: Robert B. Kay, Chief Executive Officer, with a copy by facsimile to Andrew Abramowitz, PLLC, facsimile (212) 972-8883, Attn: Andrew Abramowitz, Esq., or to such other address as the Company may designate by notice to the Warrantholder.

12. Entire Agreement; Modification. This Agreement, together with the other Transaction Documents (as defined in the Securities Purchase Agreement), contain the entire understanding between the parties hereto with respect to the subject matter hereof and may not be modified or amended, except in accordance with the procedures set forth in Section 5.4 of the Securities Purchase Agreement.

IBIO, INC.

By: _____

Name: Robert B. Kay
Title: Chief Executive Officer

Dated: _____ __, 2010

Appendix A
FORM OF ELECTION TO PURCHASE

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant, to purchase _____ shares of Common Stock at an exercise price of $2.20 per share of Common Stock

In accordance with the terms of the Warrant dated as of _____ issued by iBio, Inc. in favor of _____, the undersigned requests that a certificate for such securities be registered in the name of _____ whose address is _____ and that such Certificate be delivered to _____ whose address is _____.

Dated: _____,

_____

Signature (Signature must conform in all respects to name of holder as specified on the face of the Warrant.)

_____

(Insert Social Security or Other Identifying Number of Warrantholder)

EXHIBIT 10.1

FORM OF SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of _____ ___, 2010 among iBio, Inc., a Delaware corporation (the "Company"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "Purchaser" and collectively the "Purchasers").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, shares of common stock of the Company and an equal number of warrants to purchase common stock of the Company, as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. In addition to the terms defined elsewhere in this Agreement the following terms have the meanings set forth in this Section 1.1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act. With respect to a Purchaser, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as such Purchaser will be deemed to be an Affiliate of such Purchaser.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Closing" or "Closings" means the closing of the purchase and sale of the Securities pursuant to Section 2.2.

"Closing Date" means the Trading Day when all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers' obligations to pay the applicable Purchase Amount and (ii) the Company's obligations to deliver the applicable Securities have been satisfied or waived.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.001 per share.

"Company Counsel" means Andrew Abramowitz, PLLC, with offices located at 565 Fifth Avenue, 9th Floor, New York, New York 10017.

"Disclosure Schedules" shall have the meaning ascribed to such term in Section 3.1.

"Effective Date" means the date that the initial Registration Statement filed by the Company pursuant to the Registration Rights Agreement is first declared effective by the Commission.

"Escrow Agent" shall mean Signature Bank, with offices located at 261 Madison Ave, New York, New York 10016.

"Escrow Agreement" shall mean the escrow agreement entered into prior to or on the date hereof, by and among the Company and the Escrow Agent pursuant to which the Purchasers shall deposit Purchase Amounts with the Escrow Agent to be applied to the transactions contemplated hereunder.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Financial Statements" shall have the meaning assigned to such term in Section 3.1(m).

"June Registration Statement" shall have the meaning assigned to such term in Section 3.2(e).

"Liens" means a lien, charge, security interest, encumbrance, right of first refusal, preemptive right or other similar restriction.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Noble Financial" shall have the meaning assigned to such term in Section 3.1(n).

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Placement Agent" shall have the meaning assigned to such term in Section 3.2(h).

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Purchase Amount" means, as to each Purchaser, the aggregate amount to be paid for Securities purchased hereunder as specified below such Purchaser's name on the signature page

of this Agreement and next to the heading "Purchase Amount," in United States dollars and in immediately available funds.

"Registration Rights Agreement" means the Registration Rights Agreement, dated the date hereof, among the Company and the Purchasers, in the form of Exhibit A attached hereto.

"Registration Statement" means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale of the Shares, and the shares of Common Stock underlying the Warrants, by each Purchaser as provided for in the Registration Rights Agreement.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"SEC Documents" shall have the meaning ascribed to such term in Section 3.1(m).

"Securities" means, collectively, the Shares and the Warrants.

"Shares" means the shares of Common Stock sold to each Purchaser pursuant to this Agreement.

"Subsidiary" means any direct or indirect subsidiary of the Company and shall, where applicable, include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the New York Stock Exchange is open for trading.

"Trading Market" means the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: NYSE Amex Equities, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or the New York Stock Exchange or the OTC Bulletin Board.

"Transaction Documents" means this Agreement, the Registration Rights Agreement, the Warrants, the Escrow Agreement, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means Continental Stock Transfer & Trust Company, the current transfer agent of the Company with a mailing address of 17 Battery Place, New York, New York 10004, and a facsimile number of (212) 509-5150, and any successor transfer agent of the Company.

"Warrants" means the warrants to purchase shares of Common Stock issued to each Purchaser pursuant to this Agreement, in the form of Exhibit B attached hereto.

ARTICLE II
PURCHASE AND SALE

2.1. Signing. On the Closing Date, upon the terms and subject to the conditions set forth herein, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, a minimum of $6,000,000 and a maximum of $8,000,000 of Securities. The Closing Date shall be no later than October 29, 2010, which deadline may be extended by up to thirty (30) days upon the mutual written consent of the Company and the Placement Agent. On or prior to the Closing Date, each Purchaser shall deliver (1) to the Escrow Agent, via wire transfer or a certified check, immediately available funds equal to its Purchase Amount and (2) to the Company, this Agreement duly executed by such Purchaser. On or prior to the Closing Date, the Company shall deliver to each Purchaser, this Agreement duly executed by the Company.

2.2. Closing. On the Closing Date, upon the terms and subject to the conditions set forth herein, the Company shall deliver to each Purchaser its respective Securities, as determined pursuant to Section 2.3(a), and the Company and each Purchaser shall deliver the other items set forth in Section 2.3 deliverable at the Closing. Upon satisfaction of the conditions set forth in Sections 2.3 and 2.4, the Closing shall occur at the offices of Company Counsel or such other location as the parties shall mutually agree. The parties hereto acknowledge that there may be more than one Closing in connection with transactions contemplated by this Agreement in the event that the conditions to Closing set forth in Section 2.4(a) are not met as to any Purchaser as of the time of the first Closing, in order to allow for the sale of Securities to such Purchaser on a date subsequent to the first Closing; provided, that any subsequent Closings shall occur within ten (10) days of the first Closing.

2.3. Closing Deliveries.

(a) On the Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) irrevocable instructions to the Transfer Agent instructing the Transfer Agent to deliver a certificate evidencing a number of Shares equal to such Purchaser's Purchase Amount divided by the per share purchase price of $2.00 (the "Purchase Price"), registered in the name of such Purchaser;

(ii) the Registration Rights Agreement in the form attached hereto as Exhibit A duly executed by the Company;

(iii) a Warrant in the form attached hereto as Exhibit B duly executed by the Company, exercisable for the number of shares of Common Stock equal to such Purchaser's Purchase Amount divided by the Purchase Price, with an exercise price equal to $2.20 per share, registered in the name of such Purchaser; and

(iv) an opinion of Company Counsel, in form and substance satisfactory to the Company and the Placement Agent.

(b) On or before the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company and the Placement Agent (or, in case of the Purchase Amount, to the Escrow Agent) the following:

(i) the Registration Rights Agreement duly executed by such Purchaser;

(ii) the Accredited Investor Questionnaire; and

(ii) the Purchase Amount.

2.4. Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing as to any Purchaser are subject to the following conditions being met:

(i) the accuracy in all material respects on the Closing Date of the representations and warranties of such Purchaser contained herein;

(ii) all obligations, covenants and agreements of such Purchaser required to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by such Purchaser of the items set forth in Section 2.3(b) of this Agreement.

(b) The respective obligations of the Purchasers hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Company contained herein;

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.3(a) of this Agreement;

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(v) from the date hereof to the Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market (except for any suspension of trading of limited duration agreed to by the Company, which suspension shall be terminated prior to the Closing), and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the

United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of each Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1. Representations and Warranties of the Company. Except as set forth under the corresponding section of the disclosure schedules delivered to the Purchasers concurrently herewith (the "Disclosure Schedules"), attached hereto as Exhibit C, which Disclosure Schedules shall be deemed a part hereof, the Company hereby makes the representations and warranties set forth below to each Purchaser:

(a) Subsidiaries. The Company has no Subsidiaries. Any references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded, unless such references are to Subsidiaries formed after the date hereof.

(b) Organization and Qualification. The Company is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Company is not in violation or default of any of the provisions of its certificate of incorporation, bylaws or other organizational or charter documents. The Company is duly qualified to conduct business and is in good standing as a foreign corporation in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, properties or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents, to issue the Securities in accordance with the terms hereof and thereof and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby, including the issuance of the Securities, have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection therewith other than in connection with the Required Approvals. Each Transaction Document has been (or upon delivery will have been) duly executed by the Company and, when delivered

in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the other transactions contemplated hereby and thereby (including, without limitation, the issuance of the Securities) do not and will not: (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations and the rules and regulations of any Trading Market on which the Common Stock is traded or quoted), or by which any property or asset of the Company or a Subsidiary is bound or affected, except in the cases of conflicts described in clauses (ii) or (iii) that would not have a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, including but not limited to the issuance and sale of securities, other than (i) filings required pursuant to the Exchange Act, (ii) the filing with the Commission of the Registration Statement, and (iii) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws (collectively, the "Required Approvals") and filings which if not made would not result in a Material Adverse Effect.

(f) Issuance of the Securities. The Shares, and the shares of Common Stock underlying the Warrants, are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all taxes and charges with respect thereof and free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Securities would not have been issued or sold in violation of any preemptive or similar rights of the holders of any securities of the Company.

(g) Conduct of Business. The conduct of business by the Company as presently conducted is not subject to continuing oversight, supervision, regulation or examination by any governmental official or body of the United States or any other jurisdiction wherein the

Company conducts or proposes to conduct such business, except (i) as such regulation as is applicable to commercial enterprises generally, and (ii) by the U.S. Food and Drug Administration. The Company has obtained all requisite licenses, permits and other governmental authorization necessary to conduct its business as presently, and as proposed to be, conducted, except where the failure to obtain such license, permit or other governmental authorization would not result in a Material Adverse Effect, and the Company has not received any notice of proceedings relating to the revocation or modification of any such license, permit or other governmental authorization.

(h) Compliance. No default or violation by the Company or, to the best knowledge of the Company, any other party exists in the due performance under any agreement to which the Company is a party or to which any of its assets is subject (collectively, the "Company Agreements"), except for such defaults or violations that would not result in a Material Adverse Effect, and the Company has not received notice of any claim that it is in default or violation of any Company Agreement. The Company is not in violation of any order of any court, arbitrator or governmental body, and is not, and has not been, in violation of any statute, rule or regulation of any governmental authority, except in each case as would not result in a Material Adverse Effect.

(i) Intellectual Property. The Company owns all right, title and interest in, or possesses adequate and enforceable rights to use, all patents, patent applications, trademarks, trade names, service marks, copyrights, rights, licenses, franchises, trade secrets, confidential information, processes, formulations, software and source and object codes necessary for the conduct of its business (collectively, the "Intangibles"), except for such defects in ownership rights that would not result in a Material Adverse Effect. To the knowledge of the Company, it has not infringed upon the rights of others with respect to the Intangibles and the Company has not received notice that it has or may have infringed or is infringing upon the rights of others with respect to the Intangibles, or any notice of conflict with the asserted rights of others with respect to the Intangibles that could, individually or in the aggregate, have a Material Adverse Effect.

(j) Anti-Terrorism. Neither the sale of the Securities by the Company nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. Without limiting the foregoing, the Company is not (a) a person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (b) a person who engages in any dealings or transactions, or be otherwise associated, with any such person. The Company and its subsidiaries are in compliance, in all material respects, with the USA Patriot Act of 2001 (signed into law October 26, 2001).

(k) Capitalization; Additional Issuances. The issued and outstanding securities of the Company as of October 6, 2010 are as set forth in Schedule 3.1(k) hereto. Except as set forth in Schedule 3.1(k), as of October 6 2010 there are no outstanding agreements or preemptive or similar rights affecting the Company's Common Stock and no outstanding rights, warrants or

options to acquire, or instruments convertible into or exchangeable for, or agreements or understandings with respect to the sale or issuance of any Common Stock of the Company. Except as set forth in the SEC Reports, the Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans. No Person has any right of first refusal, preemptive right, right of participation or any similar right to participate in the transactions contemplated by this Agreement. Except as set forth in Schedule 3.1(k), the issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchasers and other than the Placement Agent as set forth in Section 4.4) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. All of the outstanding shares of capital stock of the Company are validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities.

(l) Litigation. Except as disclosed in Schedule 3.1(l), there are no legal proceedings, other than routine litigation incidental to the business, pending or, to the knowledge of the Company, threatened against or involving the Company or any of its respective property or assets, except for proceedings that if determined adversely to the Company would not result in a Material Adverse Effect. There are no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental or regulatory body or arbitration tribunal against or involving the Company, except for orders, judgments, injunctions, awards or decrees that would not have a Material Adverse Effect. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any inquiry, investigation or similar proceeding by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the Exchange Act or the Securities Act.

(m) SEC Reports. The Company has filed all reports required to be filed by it under the Exchange Act, for the two years preceding the date hereof (or such shorter period as the Company was required by law to file such material)(all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein, being hereinafter referred to as the "SEC Documents"). As of their respective dates, the SEC Documents complied in all material respects as to form with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the Commission promulgated hereunder, and none of the SEC Documents, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company has advised the Purchasers that a correct and complete copy of each of the SEC Documents (together with all exhibits and schedules thereto and as amended to date) is available at http://www.sec.gov, a website maintained by the Commission where the Purchasers may view the SEC Documents. The financial statements of the Company included in the SEC Documents (the "Financial Statements") comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in all material respects in accordance with

generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended.

(n) Brokers. Except for Noble International Investments, Inc. d/b/a Noble Financial Capital Markets, Inc. ("Noble Financial"), the Company has not employed any unaffiliated broker or finder, or incurred any liability for any brokerage or finders fees or any similar fees or commissions in connection with the transactions contemplated by this Agreement.

(o) Related Party Transactions. Except as disclosed in the SEC Documents, there are no oral or written agreements, understandings or proposed transactions between the Company, on the one hand, and any of the Company's officers, directors, stockholders, or Employees (as defined below), on the other hand, other than (a) for payment for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Company; and (c) for other standard employee benefits made generally available to all Employees (including stock option agreements outstanding under any stock option plan approved by the Board of Directors of the Company). None of the officers, directors or stockholders of the Company or any members of their immediate families are indebted to the Company or, to the Company's knowledge, have any direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation which competes with the Company, except that officers, directors and/or stockholders of the Company may own stock in publicly traded companies which may compete with the Company. To the Company's knowledge, no officer or director or any stockholder of the Company or any member of their respective immediate families, has, directly or indirectly, an interest in any contract with the Company (other than such contracts as relate to any such person's ownership of capital stock or other securities of the Company). To the Company's knowledge, there is no familial or other significant business relationship that exists between or among any Employee of the Company and any customer, supplier, vendor or contractor of the Company. For purposes of this Agreement, "Employee" shall mean any person employed by the Company, whether directly or indirectly, by lease or co-employment arrangement with a third-party or otherwise.

(p) Title. The Company has good and marketable title to its properties and assets, including the properties and assets reflected in the most recent balance sheet included in the Financial Statements, and good title to its leasehold estates, in each case subject to no mortgage, pledge, lien, lease, encumbrance or charge, other than (i) those resulting from taxes which have not yet become delinquent, (ii) minor liens and encumbrances that do not detract from the value of the property subject thereto or impair the operations of the Company, and (iii) those that have otherwise arisen in the ordinary course of business. All facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by the Company are in good operating condition and repair and are fit and usable for the purposes for which they are being used. The Company is in material compliance with all terms of each lease to which it is a party or is otherwise bound.

(q) Registration Rights. Except as provided for in the Registration Rights Agreement, and except as disclosed in Schedule 3.1(q), no Person has any right to cause the

Company to effect the registration under the Securities Act of any securities of the Company, which rights are currently not satisfied.

(r) Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

(s) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in the SEC Reports or the draft Annual Report on Form 10-K for the year ended June 30, 2010, attached hereto as Exhibit H, (i) there has been no event, occurrence of development that has had or could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or required to be disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement, no event, liability or development has occurred or exists with respect to the Company or its business, properties, operations or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made that has not been publicly disclosed at least one Business Day prior to the date that this representation is made.

(t) Disclosure. The representations, warranties and other statements contained in this Agreement, the Disclosure Schedules and any other documents provided to the Purchasers do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not misleading.

3.2. Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby, represents and warrants as of the date hereof and as of the Closing Date to the Company as follows:

(a) Organization; Authority. Such Purchaser is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with full right, corporate or partnership power and authority to enter into and to consummate the transactions

contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate or similar action on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws) in violation of the Securities Act or any applicable state securities law. Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and at the date hereof it is either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act. Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act. Such Purchaser will complete execute an Accredited Investor Questionnaire in the form attached hereto as Exhibit D and deliver the same to the Placement Agent simultaneously with the execution of this Agreement.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment. Such Purchaser (i) has adequate means of providing for its current needs in the same manner as it would have been able to provide prior to making the investment in the Securities, (ii) has no need for liquidity in this investment, (iii) is aware of and able to bear the risks of this investment for an indefinite period of time and (iv) is presently able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in

any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement including the Form S-1 Registration Statement filed with the Commission on June 7, 2010 (the "June Registration Statement").

(f) Information. Such Purchaser represents that it has access to and has reviewed copies of the Company's SEC Documents, the June Registration Statement and each of the exhibits attached hereto. Such Purchaser and its attorneys, investment advisors, business advisors, tax advisors and accountants have had sufficient access to all documents and records pertaining to the Company and this proposed investment, including but not limited to the SEC Documents and the exhibits attached hereto. Additionally, such Purchaser and all of its advisors have had the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and other matters pertaining to this investment, and all such questions have been answered to the satisfaction of such Purchaser. Such Purchaser and all of its advisors have had an opportunity to obtain any additional information which the Company possesses, or can acquire without unreasonable effort or expense, necessary to verify the accuracy of the information furnished in the SEC Documents, the June Registration Statement and any exhibits attached hereto.

(g) Risk/Lack of Market. Such Purchaser recognizes that an investment in the Securities involves significant risks, including, without limitation, those set forth in the SEC Documents, the June Registration Statement and any of the exhibits attached hereto. Such Purchaser has reviewed the Risk Factors attached hereto and made a part hereof as Exhibit E. Such Purchaser acknowledges that the Company's continued operation is highly dependent upon its ability to raise substantial additional capital and/or increase revenues. No assurance can be given that the Company will be successful in raising any such capital and/or increasing revenues. The failure to raise such capital and/or increase revenues will have a material adverse effect on the Company's operations and financial condition and on its ability to continue as a going concern. Such Purchaser realizes that it may not be able to sell or dispose of any of the Securities and that no market of any kind (public or private) may be available for any of the Securities at the time such Purchaser elects to sell its Securities. In addition, such Purchaser understands that its right to transfer the Securities will be subject to restrictions contained in applicable federal and state securities laws.

(h) Indemnification Representations of Purchaser. The representations, warranties and agreements made by such Purchaser herein have been made with the intent that they be relied upon by the Company and Noble Financial, and any of its affiliates, officers, directors, shareholders, managers, employees or agents (the "Placement Agent") for purposes of this offering. Such Purchaser represents and warrants that none of the representations or warranties made by such Purchaser herein or any Accredited Investor Questionnaire submitted by such Purchaser to the Company ("Purchaser Statements") contain any false or misleading statement or omit to state a material fact. Such Purchaser shall indemnify the Company and the Placement Agent to the extent the Company or the Placement Agent incurs or suffers any damage, expenses, loss, claim, judgment or liability resulting from the Company's reliance upon any Purchaser Statements made by such Purchaser.

ARTICLE IV
OTHER AGREEMENTS OF THE PARTIES

4.1. Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of a Purchaser under this Agreement and the Registration Rights Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Shares, and shares of Common Stock underlying the Warrants, in the following form:

THESE SHARES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

4.2. Use of Proceeds. The Company shall use the net proceeds from the sale of the Securities hereunder for general corporate purposes.

4.3. Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D, with the assistance of the Placement Agent and its counsel, and to provide a copy thereof, promptly upon request of any Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchasers at the Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Purchaser.

4.4 Acknowledgement of Placement Agent Fees. Each Purchaser acknowledges that the Company has engaged the Placement Agent. The Company expects to pay commissions to the Placement Agent, a registered broker/dealer firm, as follows:

(a) At each closing ("Closing") of any sale of the Securities to purchasers introduced by the Placement Agent, a cash fee equal to (i) 7% for equity or equity-linked securities, (ii) 5% for subordinated debt (including mezzanine debt) securities, and (iii) 3% for senior secured debt securities, of the aggregate gross proceeds received from a sale of the Securities. Additionally, at each Closing of any sale of the Securities, the Placement Agent shall have the right to purchase, for $.0001 each, cashless exercise warrants to purchase common stock equal to the aggregate gross proceeds received from a sale of Securities divided by the Company's closing stock price at each Closing multiplied by (i) 7% for equity or equity-linked, (ii) 5% for subordinated debt, and (iii) 3% for senior secured debt. Such warrants will have a term of five years and have an exercise price equal to 100% of the Company's closing stock price at each Closing. Such warrants will be transferable to the Placement Agent's employees and affiliates. The Placement Agent shall also be granted one time piggyback registration rights with respect to the Securities underlying such warrants. In addition to compensation payable at any Closing, the Placement Agent will be entitled to a warrant exercise fee equal to (i) a cash fee of 4% for the gross proceeds received by the Company for the exercise of any warrants issued to investors in transactions for which the Placement Agent acted as placement agent including the Warrants issued to the Purchasers and (ii) cashless exercise warrants to purchase common stock for $.0001 each, equal to the aggregate gross proceeds received from the exercise of such warrants divided by the Company's then-current stock price at each exercise multiplied by 4%. Such warrants will have a term of five years and have an exercise price equal to 100% of the Company's closing stock price at the applicable investor warrant exercise date.

(b) In accordance with an Advisory Agreement dated June 16, 2010, the Company is paying the Placement Agent a financial advisory fee ("Advisory Fee") of (i) $15,000 cash for each month for a two-year term, plus (ii) five year cash warrants to purchase 500,000 shares of the Company's (or its successor's) common stock exercisable at $1.10 per share (vesting at the rate of 20,000 shares per month, with 20,000 shares previously vested), which, in accordance with that agreement, is transferable to the Placement Agent's employees and affiliates for which the Placement Agent and its transferees will have one-time piggyback registration rights with respect to the common stock underlying such warrants.

(c) Whether or not a sale of the Securities occurs, the Company will reimburse the Placement Agent upon demand (accompanied by reasonable supporting documentation), up to a maximum of $10,000 for the reasonable expenses of the Placement Agent incurred in connection with its acting as placement agent in this offering, plus up to a maximum of $1,500 for counsel to the Placement Agent in connection with the "Blue Sky" obligations described in Section 4.3.

(d) The Placement Agent will have a right of first refusal to act as the exclusive placement agent or underwriter for all offerings involving the sale of the Company's securities by the Company or any affiliate for a period of 12 months after the final Closing Date, in the event of any sale of Securities pursuant to this Agreement.

4.5 Acknowledgement of Placement Agent Participation in this Offering. Each Purchaser acknowledges and accepts that the Placement Agent, its partners, managers, members, shareholders, directors, officers, affiliates, employees and agents may participate in making an investment in this offering, and accordingly that such role as a Placement Agent and investor

may be an inherent conflict of interest with such Purchaser. The Placement Agent and/or its affiliates are the beneficial owners of more than 1% of the Company's outstanding shares of Common Stock, as previously disclosed in the June Registration Statement. By execution of this Agreement, each Purchaser hereby waives any potential conflict of interest that may exist as a result of the foregoing.

4.6 Indemnification by Purchasers. Each Purchaser shall indemnify upon demand the Company and the Placement Agent, and its partners, managers, members, shareholders, directors, officers, employees, agents and any of the affiliates of the foregoing (the "Indemnified Persons") and hold harmless the Indemnified Persons from and against any and all loss, cost, liability, damages, penalties, actions, suits, and expenses (including reasonable attorneys' fees and other legal expenses) which may be imposed upon, asserted against, paid or incurred by the Indemnified Persons (except and only to the extent that the same arises solely from gross negligence or willful misconduct on the part of an Indemnified Person) at any time or from time to time in connection with the enforcement of the terms hereof against such Purchaser, or related to the consummation of the transaction contemplated hereby with respect to such Purchaser, including the prosecution or defense of any suit against such Purchaser relating to or arising out of this Agreement, or any default by such Purchaser under this Agreement, including those caused by an Indemnified Person's negligence (collectively the "Indemnified Liability"); provided, however, that no Purchaser shall be liable for the payment to any Indemnified Person of any portion of such Indemnified Liability resulting from the gross negligence or willful misconduct on the part of an Indemnified Person.

4.7 Indemnification by Company. The Company shall indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling Persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against a Purchaser, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser may have with any such stockholder or any violations by the Purchaser of state or federal securities laws or any conduct by such Purchaser which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the

right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (i) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed or (ii) to the extent, but only to the extent, that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents.

ARTICLE V

MISCELLANEOUS

5.1. Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if the Closing has not been consummated with such Purchaser on or before five (5) days from the date hereof; provided, however, that such termination will not affect the right of any party to sue for any breach by the other party (or parties). In the event of any such termination, the Company shall promptly return (or cause the Escrow Agent to return) the Purchase Amount to such Purchaser in immediately available funds, without any offset or deduction of any sort.

5.2. Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.3. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2^{nd}) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.4. Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchasers of at least a majority in interest of the Securities still held by Purchasers or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.5. Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities for a period of twelve months.

5.6. Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect the interpretation of any of the provisions hereof.

5.7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchasers."

5.8. No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

5.9. Governing Law; Jurisdiction; No Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in The City of West Palm Beach, Florida. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of West Palm Beach, Florida for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for

notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an action or proceeding to enforce any provisions of the Transaction Documents, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. **Each party hereby irrevocably waives any right it may have, and agrees not to request, a jury trial for the adjudication of any dispute hereunder or in connection with or arising out of the Transaction Documents.**

5.10. Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.11. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.12. Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agrees to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.13. Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to

independently protect and enforce its rights, including without limitation the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in their review and negotiation of the Transaction Documents. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by the Purchasers.

5.14. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.15. Construction. The parties agree that each of them and/or their respective counsel has reviewed and had an opportunity to revise the Transaction Documents, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments hereto.

5.16. Expenses. The Company shall bear its own expenses and legal fees incurred on its behalf with respect to the negotiation, execution and consummation of the transaction contemplated by this Agreement and the Transaction Documents, and the Company will pay all of the legal fees and disbursements of a single counsel for all of the Purchasers for work relating to the review and negotiation of the Transaction Documents, upon receipt of itemized statements therefor, up to a maximum payment of $25,000.

5.17 Exhibits. The parties acknowledge that the following exhibits are attached hereto and made a part hereof:

Exhibit A: Form of Registration Rights Agreement

Exhibit B: Form of Warrant

Exhibit C: Disclosure Schedules

Exhibit D: Accredited Investor Questionnaire

Exhibit E: Risk Factors

Exhibit F: Form 10-K for period ending June 30, 2009

Exhibit G: Form 10-Q for period ending March 31, 2010

Exhibit H: Draft Form 10-K for period ending June 30, 2010

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

IBIO, INC.

By: _____

Name: Robert B. Kay
Title: Chief Executive Officer

Address for Notice:

iBio, Inc.

9 Innovation Way, Suite 100
Newark, DE 19711

Attention: Chief Executive Officer
Telephone: (302) 355-0650
Facsimile: (302) 356-1173

With a copy to (which shall not constitute notice):

Andrew Abramowitz, PLLC
565 Fifth Avenue, 9th Floor
New York, NY 10017
Attention: Andrew Abramowitz, Esq.
Telephone: (212) 972-8882
Facsimile: (212) 972-8883

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SIGNATURE PAGE FOR PURCHASERS FOLLOWS]

[PURCHASER SIGNATURE PAGES TO IBIO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____

Signature of Purchaser or Authorized Signatory: _____

Name of Authorized Signatory (if applicable): _____

Title of Authorized Signatory: _____

E-mail Address of Purchaser: _____

Facsimile Number of Purchaser: _____

Address for Notice to Purchaser: _____

Address for Delivery of Securities for Purchaser (if not same as address for notice):

Purchase Amount: $ _____

Shares of Common Stock: _____ (purchase price of $2.00 per share) (Warrant coverage 100% of such amount)

EIN or Social Security Number: [**PROVIDE THIS UNDER SEPARATE COVER**]

EXHIBIT 10.2

FORM OF REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of _____ ___, 2010, among iBio, Inc., a Delaware corporation (the "Company") and each of the several purchasers signatory hereto (each such purchaser, a "Purchaser" and, collectively, the "Purchasers").

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of the date hereof, between the Company and each Purchaser (the "Securities Purchase Agreement").

The Company and each Purchaser hereby agrees as follows:

1. Definitions

Capitalized terms used and not otherwise defined herein that are defined in the Securities Purchase Agreement shall have the meanings given such terms in the Securities Purchase Agreement.

As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 6(c).

"Commission" means the Securities and Exchange Commission.

"Effective Date" means, as to a Registration Statement, the date on which such Registration Statement is first declared effective by the Commission.

"Effectiveness Date" means:

(a) with respect to the initial Registration Statement required to be filed under Section 2(a), the earlier of (i) the 90th day following the final closing date of the Equity Financing (the 120th day if the Commission reviews and has written comments to the initial Registration Statement that would require the filing of a pre-effective amendment thereto with the Commission) and (ii) the fifth Trading Day following the date on which the Company is notified by the Commission that such initial Registration Statement will not be reviewed or is no longer subject to further review and comments;

(b) with respect to any additional Registration Statements that may be required pursuant to Section 2(b), the earlier of (i) the 90th day following (x) if such Registration Statement is required because the Commission shall have notified the Company in writing that certain Registrable Securities were not eligible for inclusion on a previously filed Registration Statement, the date or time on which the Commission shall indicate as being the first date or time that such Registrable Securities may then be included in a Registration Statement, or (y) if such Registration Statement is required for a reason other than as described in (x) above,

the date on which the Company first knows, or reasonably should have known, that such additional Registration Statement(s) is required; provided, that, if the Commission reviews and has written comments to a Registration Statement filed under Section 2(b) that would require the filing of a pre-effective amendment thereto with the Commission, then the Effectiveness Date under this clause (b)(i) for such Registration Statement shall be the earlier of the 120th day following the date that the Company first knows, or reasonably should have known, that such additional Registration Statement is required under such Section, and (ii) the fifth Trading Day following the date on which the Company is notified by the Commission that such additional Registration Statement will not be reviewed or is no longer subject to further review and comments; and

(c) with respect to a Registration Statement required to be filed under Section 2(c), the earlier of: (c)(i) the 90th day following the date on which the Company becomes eligible to utilize Form S-3 to register the resale of Common Stock; provided, that, if the Commission reviews and has written comments to such filed Registration Statement that would require the filing of a pre-effective amendment thereto with the Commission, then the Effectiveness Date under this clause (c)(i) shall be the earlier of the 120th day following the date on which the Company becomes eligible to utilize Form S-3 to register the resale of Common Stock, and (ii) the fifth Trading Day following the date on which the Company is notified by the Commission that the initial Registration Statement will not be reviewed or is no longer subject to further review and comments.

"Effectiveness Period" shall have the meaning set forth in Section 2(a).

"Filing Date" means (a) with respect to the initial Registration Statement required to be filed under Section 2(a), the 30th day following the final closing of the up-to-$10,000,000 equity financing being offered pursuant to a Securities Purchase Agreement of even date herewith (the "**Equity Financing**"); (b) with respect to any additional Registration Statements that may be required pursuant to Section 2(b), the 30th day following (x) if such Registration Statement is required because the Commission shall have notified the Company in writing that certain Registrable Securities were not eligible for inclusion on a previously filed Registration Statement, the date or time on which the Commission shall indicate as being the first date or time that such Registrable Securities may then be included in a Registration Statement, or (y) if such Registration Statement is required for a reason other than as described in (x) above, the date on which the Company first knows, or reasonably should have known, that such additional Registration Statement(s) is required, but in any event no earlier than the initial Filing Date; and (c) with respect to a Registration Statement required to be filed under Section 2(c), the 30th day following the date on which the Company becomes eligible to utilize Form S-3 to register the resale of Common Stock, but in any event no earlier than the initial Filing Date.

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Indemnified Party" shall have the meaning set forth in Section 5(c).

"Indemnifying Party" shall have the meaning set forth in Section 5(c).

"Losses" shall have the meaning set forth in Section 5(a).

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registrable Securities" means, as of the date in question, (i) all of the Shares, (ii) all shares of Common Stock issuable upon exercise of the Warrants, and (iii) any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"Registration Statement" means the registration statement required to be filed upon demand hereunder and any additional registration statements contemplated by Section 3(c), including (in each case) the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended.

"Selling Shareholder Questionnaire" shall have the meaning set forth in Section 3(a).

2. Registration.

(a) On or prior to each Filing Date, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415, on Form S-1 or if eligible, Form S-3 (or on such other form appropriate for such purpose). Such Registration Statement shall contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such Registration Statement) the "Plan of Distribution" attached hereto as Annex A. The Company shall use its reasonable best efforts to cause such Registration Statement to be declared effective under the Securities Act as soon as possible but, in any event, no later than its Effectiveness Date, and shall use its reasonable best efforts to keep the Registration Statement continuously effective under the Securities Act until the date which is the earlier of (i) 120 days after no Holder is an affiliate of the Company or (ii) such time as all of the Registrable Securities covered by such Registration Statement may be sold by the Holders pursuant to Rule 144 without any volume limitations as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent and the affected Holders or (iii) such time as all of the Registrable Securities covered by such Registration Statement have been publicly sold by the Holders (the "**Effectiveness Period**"). The Company shall notify the Holders via facsimile or by e-mail of the effectiveness of a Registration Statement on the same Trading Day that the Company telephonically confirms effectiveness with the Commission, which shall be the date requested for effectiveness of such Registration Statement. By 9:30 a.m. (Eastern Time) on the Business Day immediately following the Effective Date of each Registration Statement, the Company shall file with the Commission in accordance with Rule 424 under the Securities Act the final prospectus to be used in connection with sales pursuant to such Registration Statement (whether or not such filing is technically required under such Rule). If for any reason other than due solely to Commission restrictions, a Registration Statement is effective but not all outstanding Registrable Securities are registered for resale pursuant thereto, then the Company shall prepare and file by the applicable Filing Date an additional Registration Statement to register the resale of all such unregistered Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415.

(b) If for any reason the Commission does not permit all of the Registrable Securities to be included in the Registration Statement filed pursuant to Section 2(a), or for any other reason any outstanding Registrable Securities are not then covered by an effective Registration Statement, then the Company shall prepare and file by the Filing Date for such Registration Statement, an additional Registration Statement covering the resale of all Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415, on Form S-1 or if eligible, Form S-3 (or on such other form appropriate for such purpose); provided, however, that the Company shall not be required to file such additional Registration Statement, or may exclude shares from such additional Registration Statement, if it believes in good faith, based upon advice from the Commission's Staff, that application of Rule 415 would not permit registration

of all or the excluded portion of such Registrable Securities; provided further that the Company shall be obligated to use reasonable best efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with Commission guidance. If the Commission does require a reduction in the number of Registrable Securities or other shares of Common Stock that may be included in a Registration Statement, the number of Registrable Securities or other shares of Common Stock to be registered on such Registration Statement will be reduced on a pro rata basis based on the total number of unregistered shares held by the holders thereof, subject to a determination by the Commission that certain holders must be reduced before other holders based on the number of shares held by such holders. Each such additional Registration Statement shall contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such additional Registration Statement) the "Plan of Distribution" attached hereto as Annex A. The Company shall use its reasonable best efforts to cause each such additional Registration Statement to be declared effective under the Securities Act as soon as possible but, in any event, by its Effectiveness Date, and shall use its reasonable best efforts to keep such additional Registration Statement continuously effective under the Securities Act during the entire Effectiveness Period.

(c) Promptly following any date on which the Company becomes eligible to use a registration statement on Form S-3 to register the Registrable Securities for resale, the Company shall file a registration statement on Form S-3 covering the Registrable Securities (or a post-effective amendment on Form S-3 to the then effective Registration Statement) and shall use its reasonable best efforts to cause such Registration Statement to be declared effective as soon as possible thereafter, but in any event prior to the Effectiveness Date therefor. Such Registration Statement shall contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such Registration Statement) the "Plan of Distribution" attached hereto as Annex A. The Company shall use its reasonable best efforts to cause such Registration Statement to be declared effective under the Securities Act as soon as possible but, in any event, by its Effectiveness Date, and shall use its reasonable best efforts to keep such additional Registration Statement continuously effective under the Securities Act during the entire Effectiveness Period.

(d) If: (i) a Registration Statement is not filed on or prior to its Filing Date (if the Company files a Registration Statement, except in the case of an amendment that does not concern a Holder, without affording the Holders the opportunity to review and comment on the same as required by Section 3(a) hereof, the Company shall not be deemed to have satisfied this clause (i)), or (ii) a Registration Statement is not declared effective by the Commission on or prior to its required Effectiveness Date excluding by reason of the Commission's refusal to accept the Plan of Distribution set forth in Annex A of this Agreement with respect to the ability to sell at prevailing market prices, or (iii) after its Effective Date such Registration Statement ceases for any reason to be effective and available to the Holders as to all Registrable Securities to which it is required to cover at any time prior to the expiration of its Effectiveness Period for more than 60 consecutive trading days or more than an aggregate of 90 trading days (which need not be consecutive) in any 12-month period including by reason of the Company's delaying or suspending such Registration Statement by reason of the Board of Directors concluding in good faith that such suspension or delay is necessary to comply with applicable law or otherwise necessary to avoid harm to the Company (any such failure or breach

being referred to as an "**Event**," and for purposes of clauses (i) or (ii) the date on which such Event occurs, or for purposes of clause (iii) the date which such trading day-period is exceeded, being referred to as "**Event Date**"), then in addition to any other rights the Holders may have hereunder or under applicable law, on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty, equal to 1.0% of the purchase price paid by the Purchaser, up to a maximum aggregate payment of 6.0% of the purchase price paid by the Purchaser. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven days after the date payable, the Company will pay interest thereon at a rate of 5.0% per annum to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date.

(e) Each Holder agrees to furnish to the Company a completed Questionnaire in the form attached to this Agreement as Annex B (a "Selling Stockholder Questionnaire"). The Company shall not be required to include the Registrable Securities of a Holder in a Registration Statement and shall not be required to pay any liquidated or other damages under Section 2(d) to any Holder who fails to furnish to the Company a fully completed Selling Stockholder Questionnaire at least two Trading Days prior to the Filing Date (subject to the requirements set forth in Section 3(a)).

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Cause its officers and directors, counsel and independent certified public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of respective counsel to each Holder, to conduct a reasonable investigation within the meaning of the Securities Act. Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as Annex B prior to the filing of the Registration Statement.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424; (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to a Registration Statement or any amendment thereto; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by

the Holders thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented.

(c) If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 100% of the number of shares of Common Stock then registered in a Registration Statement, then the Company shall file as soon as reasonably practicable, an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities.

(d) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (i) through (iv) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible and (if requested by any such Person) confirm such notice in writing no later than one Trading Day following the day (i) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (ii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; (iii) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (iv) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus, provided that any and all of such information shall remain confidential to each Holder until such information otherwise becomes public, unless disclosure by a Holder is required by law; provided, further, that notwithstanding each Holder's agreement to keep such information confidential, each such Holder makes no acknowledgement that any such information is material, non-public information.

(e) Use its reasonable efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(f) Furnish to each Holder, without charge, at least one conformed copy of each such Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person

(including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that any such item which is available on the EDGAR system need not be furnished in physical form.

(g) Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(d).

(h) Prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the Registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(i) If requested by a Holder, cooperate with such Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which certificates shall be free, to the extent permitted by the Securities Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(j) Upon the occurrence of any event contemplated by Section 3(d), as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (i) through (iv) of Section 3(d) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its reasonable efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section 3(j) to suspend the availability of a Registration Statement and Prospectus.

(k) Comply with all applicable rules and regulations of the Commission.

(l) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the Commission, the natural persons thereof that have voting and dispositive control over the shares.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, and (B) in compliance with applicable state securities or Blue Sky laws), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the holders of a majority of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company and up to one counsel for the Holders, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors, employees, the Placement Agent and any of its affiliates, officers, directors, shareholders, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, shareholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a

Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto or (ii) in the case of an occurrence of an event of the type specified in Section 3(d) (i)-(iv), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 6(c). The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), the Placement Agent, and its affiliates, and the directors, officers, agents or employees of such controlling Persons and the Placement Agent, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: (x) such Holder's failure to comply with the prospectus delivery requirements of the Securities Act or (y) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company specifically for inclusion in such Registration Statement or such Prospectus or such form of prospectus, (ii) to the extent that such information relates to such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto or (iii) in the case of an occurrence of an event of the type specified in Section 3(d) (i)-(iv), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 6(c). In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party; provided, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is judicially determined to be not entitled to indemnification hereunder.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this

Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement.

(c) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(d) (i) through (iv), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company will use its reasonable efforts to ensure that the use of the Prospectus may be resumed as promptly as it practicable.

(d) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of a majority of the then outstanding Registrable Securities (including, for this purpose any Registrable Securities issuable upon exercise or conversion of any Security). If a Registration Statement does not register all of the Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section 6(d).

(e) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Securities Purchase Agreement.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under the Securities Purchase Agreement.

(g) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

(h) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Securities Purchase Agreement.

(i) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(j) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(k) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(l) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

IBIO, INC.

By: _____

Name: Robert B. Kay
Title: Chief Executive Officer

Facsimile Number for Notices: 302/356-1173

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

EXHIBIT 10.3

PLACEMENT AGENT AGREEMENT

October 27, 2010

Noble Financial Capital Markets
6501 Congress Avenue, Suite 100
Boca Raton, FL 33487

Ladies and Gentlemen:

1. **Agreement to Act as Placement Agent; Placement of Securities**: On the basis of the representations, warranties and agreements of iBio, Inc. (the "Company") herein contained, and subject to all the terms and conditions of this Agreement:

1.1 The Company has authorized Noble International Investments, Inc. d/b/a Noble Financial Capital Markets ("Noble Financial"), (the "Placement Agent") to act as its exclusive agent to solicit offers for the purchase of all or part of the Common Stock and Warrants (the "Units") from the Company in connection with the proposed offering of the Units (the "Offering"). The Offering is on a "best efforts" $6,000,000 minimum and $8,000,000 maximum basis through October 29, 2010, subject to a 30-day extension if mutually agreed upon by the Company and the Placement Agent.

1.2 The Placement Agent shall use its commercially reasonable efforts to assist the Company in obtaining performance by each Purchaser, as defined in the Securities Purchase Agreements ("SPAs"), whose offer to purchase the Units was solicited by the Placement Agent and accepted by the Company, but the Placement Agent shall not, except as otherwise provided in this Agreement, be obligated to disclose the identity of any potential Purchaser or have any liability to the Company in the event any such purchase is not consummated for any reason. Under no circumstances will the Placement Agent be obligated to purchase any Units for its own account and, in soliciting purchases of the Units, the Placement Agent acted solely as the Company's agent and not as a principal.

1.3 Offers for the purchase of the Units were solicited by the Placement Agent as agent for the Company at such times and in such amounts as the Placement Agent deemed advisable. The Placement Agent communicated to the Company, orally or in writing, each reasonable offer to purchase the Units received by the Placement Agent as agent of the Company. The Company shall have the sole right to accept offers to purchase the Units and may reject any such offer, in whole or in part. The Placement Agent has the right, in its discretion reasonably exercised, without notice to the Company, to reject any offer to purchase the Units received by the Placement Agent, in whole or in part, and any such rejection shall not be deemed a breach of this Agreement.

1.4 (a) The Units are being sold to the Purchasers at a price of $2.00 per share. Each Unit consists of one share of common stock ("Common Stock") and one warrant exercisable at $2.20 per share ("Warrants"). The purchases of the Units by the Purchasers shall be evidenced by the execution of the SPAs by each of the Purchasers and the Company.

(b) As compensation for services rendered to the Company, on each Closing Date (as defined in this Agreement):

(i) the Company shall cause the Escrow Agent to pay to the Placement Agent by wire transfer of immediately available funds to an account or accounts designated by the Placement Agent, an amount (the "Placement Fee") equal to 7.0% of the gross proceeds received by the Company from the sale of the Units on such Closing Date.

(ii) the Placement Agent shall have the right to purchase, for $.0001 each, cashless exercise warrants to purchase Common Stock equal to the aggregate gross proceeds received from a sale of Securities (as defined in the SPAs) divided by the Company's closing Common Stock price on each applicable Closing Date multiplied by 7%. Such warrants will have a term of five years and have an exercise price equal to 100% of the closing price of the Company's Common Stock on each applicable Closing Date. Such warrants will be transferable to the Placement Agent's employees and affiliates. The Placement Agent and its transferees shall also be granted one time piggyback registration rights with respect to the Securities underlying such warrants.

(iii) the Placement Agent will be entitled to a warrant exercise fee equal to (i) a cash fee of 4% for the gross proceeds received by the Company for the exercise of any warrants issued to Purchasers in transactions for which the Placement Agent acted as placement agent including the Warrants issued to the Purchasers and (ii) cashless exercise warrants to purchase Common Stock for $.0001 each, equal to the aggregate gross proceeds received from the exercise of such warrants divided by the Company's closing Common Stock price on the date of each exercise multiplied by 4%. Such warrants will have a term of five years and have an exercise price equal to 100% of the Company's closing Common Stock price on the applicable warrant exercise date.

1.5 No Units which the Company has agreed to sell pursuant to this Agreement and SPAs shall be deemed to have been purchased and paid for, or sold by the Company, until the Units shall have been released by the Escrow Agent and delivered to the Purchaser thereof against payment by such Purchaser. If the Company shall default in its obligations to deliver the Units to a Purchaser whose offer it has accepted, the Company shall indemnify and hold the Placement Agent harmless against any loss, claim, obligation, contingency, damage, cost, liability or expense (including reasonable attorney's fees and expenses), including all judgments, amounts paid in settlements, court costs and costs of preparation and investigation ("Losses") arising from or as a result of such default by the Company in accordance with the procedures set forth in this Agreement.

1.6 The Placement Agent will prepare a Form D and such other filings as may be required under applicable Blue Sky Laws and deliver them to the Company for execution. Upon

receipt of the executed documents and funds for any required filing fees, the Placement Agent will make the necessary filings.

2. **Representations and Warranties of the Company**: The Company represents and warrants to, and agrees with, the Placement Agent and the Purchasers that:

(a) At the date of this Agreement and at each Closing Date, the SEC Documents (as defined in the SPAs) the June Registration Statement (as defined in the SPAs) and the SPAs (collectively, the "Offering Documents") conformed and will conform in all material respects to the requirements of the Securities Act of 1933 (the "Securities Act") and the Rules and Regulations (to the extent applicable) and the Securities Exchange Act of 1934 (the "Exchange Act") (to the extent applicable) and did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; at the time the Offering Documents were issued and at each Closing Date, the Offering Documents conformed and will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations (to the extent applicable) and did not and will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The Company and each of its Subsidiaries (as defined in this Agreement) have been duly organized and are validly existing as corporations in good standing (or the foreign equivalent thereof) under the laws of their respective jurisdictions of organization. The Company and each of its Subsidiaries are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification and have all power and authority (corporate or other) necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to so qualify or have such power or authority (i) would not have, singularly or in the aggregate, a material adverse effect on the condition (financial or otherwise), results of operations, assets, business or prospects of the Company and its Subsidiaries taken as a whole, or (ii) impair in any material respect the ability of the Company to perform its obligations under this Agreement or to consummate any transactions contemplated by the Agreement or the Offering Documents (any such effect as described in clauses (i) or (ii), a "Material Adverse Effect").

(c) The Company has the full right, power and authority to enter into this Agreement, each of the SPAs dated as of the date hereof by and among the Company and the Placement Agent and that certain Escrow Agreement (the "Escrow Agreement") among the Company and the escrow agent named therein and to perform and to discharge its obligations hereunder and thereunder; and each of this Agreement, the SPAs and the Escrow Agreement has been duly authorized, executed and delivered by the Company, and constitutes a valid and binding obligation of the Company enforceable in accordance with its terms.

(d) The Units to be issued and sold by the Company to the Purchasers hereunder and under the SPAs have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein and the SPAs, will be duly and validly issued, fully paid and nonassessable free and clear of all lien, charge, claim, encumbrance,

security interest, right of first refusal, preemptive right or other restrictions of any kind, other than restrictions on transfer of securities arising under federal or state securities laws and regulations (collectively, "Liens") and free of any preemptive or similar rights.

(e) The Company has an authorized capitalization as set forth in the SPAs, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, have been issued in compliance with federal and state securities laws, Section 3.1(k) of the SPAs is incorporated by reference herein and made a part of this Agreement. Except as set forth in Section 3.1(k) of the Disclosure Schedules (as defined in the SPAs), the issue and sale of the Units will not, immediately or with the passage of time, obligate the Company to issue shares of Common Stock or other securities to any person (other than the Purchasers) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under such securities.

(f) All the outstanding shares of capital stock of each Subsidiary of the Company have been duly authorized and validly issued, are fully paid and nonassessable and are owned by the Company directly or indirectly through one or more wholly-owned Subsidiaries, free and clear of any Lien.

(g) The execution, delivery and performance of this Agreement, the SPAs and the Escrow Agreement by the Company, the issue and sale of the Units by the Company and the consummation of the transactions contemplated hereby and thereby will not (with or without notice or lapse of time or both) conflict with or result in a breach or violation of any of the terms or provisions of, constitute a default or Debt Repayment Triggering Event (as defined below) under, give rise to any right of termination or other right or the cancellation or acceleration of any right or obligation or loss of a benefit under, or give rise to the creation or imposition of any Lien upon any property or assets of the Company or any Subsidiary pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of the property or assets of the Company or any of its Subsidiaries is subject, nor will such actions result in any violation of the provisions of the charter or by-laws (or analogous governing instruments, as applicable) of the Company or any of its Subsidiaries or any law, statute, rule, regulation, judgment, order or decree of any court or governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their properties or assets. A "Debt Repayment Triggering Event" means any event or condition that gives, or with the giving of notice or lapse of time, would give the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its Subsidiaries.

(h) Except for such consents, approvals, authorizations, registrations or qualifications as may be required under the applicable state or foreign securities laws, no consent, approval, authorization or order of, or filing, qualification or registration with, any court or governmental agency or body, foreign or domestic, which has not been made, obtained or taken and is not in full force and effect, is required for the execution, delivery and performance of this Agreement, the SPAs and the Escrow Agreement by the Company, the offer or sale of the Units or the consummation of the transactions contemplated hereby or thereby.

(i) The Company has filed all SEC Reports (as defined in the SPAs) on a timely basis or has timely filed a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of Securities Act and the Rules and Regulations of the Securities and Exchange Commission (the "Commission") promulgated thereunder and the Exchange Act and the Rules and Regulations of the Commission promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements, together with the related notes and schedules, included or incorporated by reference in the SEC Reports fairly present the financial position and the results of operations and changes in financial position of the Company and its consolidated Subsidiaries at the respective dates or for the respective periods therein specified. Such statements and related notes and schedules have been prepared in accordance with the generally accepted accounting principles in the United States ("GAAP") applied on a consistent basis throughout the periods involved the financial statements, together with the related notes and schedules, included in the SEC Reports comply in all material respects with the Securities Act, the Exchange Act, and the Rules and Regulations thereunder. No other financial statements or supporting schedules or exhibits are required by the Securities Act or the Rules and Regulations to be described, or included Offering Documents. There is no pro forma or as adjusted financial information which is required to be included in the Offering Documents in accordance with the Securities Act and the Rules and Regulations which has not been included or incorporated as so required. The pro forma and pro forma as adjusted financial information and the related notes included in the Offering Documents have been properly compiled and prepared in accordance with the applicable requirements of the Securities Act and the Rules and Regulations and present fairly the information shown therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(j) Neither the Company nor any of its Subsidiaries has sustained, since the date of the latest audited financial statements included or incorporated by reference in the Offering Documents, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Offering Documents; and, since such date, (i) neither the Company nor any of its Subsidiaries has incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions other than in the ordinary course of business and required to be reflected in the Company's consolidated financial statements pursuant to GAAP or required to be disclosed in filings made by the Company with the Commission, (ii) the Company has not declared or paid any dividends or made any distribution of any kind with respect to its capital stock; (iii) there has not been any change in the capital stock of the Company or any of its Subsidiaries (other than a change in the number of outstanding shares of Common Stock due to the issuance of shares upon the exercise of outstanding options or warrants or the issuance of restricted stock awards or restricted stock units under the Company's existing stock awards plan, or any new grants thereof in the ordinary course of business, and issuances in exchange for extensions of indebtedness and interest thereon and waivers thereto and which have been publicly disclosed in the Company's SEC Reports), (iv) there has not been any material change in the Company's long-term or short-

term debt required to be reflected in the Company's consolidated financial statements pursuant to GAAP or required to be disclosed in filings made by the Company with the Commission, and (v) there has not been an occurrence that has had or could, individually or in the aggregate, have a Material Adverse Effect.

(k) Except as set forth in the Offering Documents, there is no Action (as defined below) pending to which the Company or any of its Subsidiaries is a party or of which any property or assets of the Company or any of its Subsidiaries is the subject which is required to be described in the Offering Documents and is not described therein, or which, singularly or in the aggregate, if determined adversely to the Company or any of its Subsidiaries, could have a Material Adverse Effect or prevent the consummation of the transactions contemplated hereby; and to the best of the Company's knowledge, no such Action is threatened or contemplated by governmental authorities or threatened by others. "Action" means any action, claim, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition) or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign).

(l) Neither the Company nor any of its Subsidiaries is in (i) violation of its charter or by-laws (or analogous governing instrument, as applicable), (ii) default in any respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject or (iii) violation in any respect of any law, ordinance, governmental rule, regulation or court order, decree or judgment to which it or its property or assets may be subject except, in the case of clauses (ii) and (iii) of this Section 2(l), for any violations or defaults which, singularly or in the aggregate, would not have a Material Adverse Effect.

(m) The Company and each of its Subsidiaries possess all licenses, certificates, authorizations and permits issued by, and have made all declarations and filings with, the appropriate local, state, federal or foreign regulatory agencies or bodies which are necessary or desirable for the ownership of their respective properties or the conduct of their respective businesses as described in the Offering Documents (collectively, the "Governmental Permits") except where any failures to possess or make the same, singularly or in the aggregate, would not have a Material Adverse Effect. The Company and its Subsidiaries are in compliance with all such Governmental Permits; all such Governmental Permits are valid and in full force and effect, except where the validity or failure to be in full force and effect would not, singularly or in the aggregate, have a Material Adverse Effect. All such Governmental Permits are free and clear of any restriction or condition that are in addition to, or materially different from those normally applicable to similar licenses, certificates, authorizations and permits. Neither the Company nor any of its Subsidiaries has received notification of any revocation or modification (or proceedings related thereto) of any such Governmental Permit and the Company has no reason to believe that any such Governmental Permit will not be renewed.

(n) Neither the Company nor any of its Subsidiaries is or, after giving effect to the offering of the Units and the application of the proceeds thereof will become an "investment company" within the meaning of the Investment Company Act of 1940 and the Rules and Regulations of the Commission thereunder.

(o) Neither the Company, its Subsidiaries nor, to the Company's knowledge, any of the Company's or its Subsidiaries' officers, directors or affiliates has taken or will take, directly or indirectly, any action designed or intended to stabilize or manipulate the price of any security of the Company, or which caused or resulted in, or which might in the future reasonably be expected to cause or result in, stabilization or manipulation of the price of any security of the Company.

(p) The Company and its Subsidiaries own or possess the right to use all patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, software, databases, know-how, Internet domain names, trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures, and other intellectual property (collectively, "Intellectual Property") necessary to carry on their respective businesses as currently conducted, and as proposed to be conducted and described in the Offering Documents, and the Company is not aware of any claim to the contrary or any challenge by any other person to the rights of the Company and its Subsidiaries with respect to the foregoing except for those that could not have a Material Adverse Effect. The Intellectual Property licenses described in the Offering Documents are valid, binding upon, and enforceable by or against the parties thereto in accordance to its terms. The Company and each of its Subsidiaries has complied in all material respects with, and is not in breach nor has received any asserted or threatened claim of breach of, any Intellectual Property license, and the Company has no knowledge of any breach or anticipated breach by any other person to any Intellectual Property license. The Company's and each of its Subsidiaries' businesses as now conducted and as proposed to be conducted do not and will not infringe or conflict with any patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other Intellectual Property or franchise right of any person. No claim has been made against the Company or any of its Subsidiaries alleging the infringement by the Company or any of its Subsidiaries of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person. The Company and each of its Subsidiaries has taken all reasonable steps to protect, maintain and safeguard its rights in all Intellectual Property, including the execution of appropriate nondisclosure and confidentiality agreements. The consummation of the transactions contemplated by this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Company's or any of its Subsidiaries' right to own, use, or hold for use any of the Intellectual Property as owned, used or held for use in the conduct of the businesses as currently conducted. With respect to the use of the software in the Company's or any of its Subsidiaries' businesses as they are currently conducted, the Company nor any of its Subsidiaries has experienced any material defects in such software including any material error or omission in the processing of any transactions other than defects which have been corrected, and to the knowledge of the Company, no such software contains any device or feature designed to disrupt, disable, or otherwise impair the functioning of any software or is subject to the terms of any "open source" or other similar license that provides for the source code of the software to be publicly distributed or dedicated to the public. The

Company and each of its Subsidiaries has at all times complied with all applicable laws relating to privacy, data protection, and the collection and use of personal information collected, used, or held for use by the Company and any of its Subsidiaries in the conduct of the Company's and its Subsidiaries businesses. No claims have been asserted or threatened against the Company or any of its Subsidiaries alleging a violation of any person's privacy or personal information or data rights and the consummation of the transactions contemplated hereby will not breach or otherwise cause any violation of any law related to privacy, data protection, or the collection and use of personal information collected, used, or held for use by the Company or any of its Subsidiaries in the conduct of the Company's or any of its Subsidiaries' businesses. The Company and each of its Subsidiaries takes reasonable measures to ensure that such information is protected against unauthorized access, use, modification, or other misuse.

(q) The Company and each of its Subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real or personal property which are material to the business of the Company and its Subsidiaries taken as a whole, in each case free and clear of all Liens that do not, singularly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of its Subsidiaries; and all of the leases and subleases material to the business of the Company and its Subsidiaries, considered as one enterprise, and under which the Company or any of its Subsidiaries holds properties described in the Offering Documents, are in full force and effect, and neither the Company nor any Subsidiary has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any Subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such Subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(r) No labor disturbance by the employees of the Company or any of its Subsidiaries exists or, to the best of the Company's knowledge, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or its Subsidiaries' principal suppliers, manufacturers, customers or contractors, that could reasonably be expected, singularly or in the aggregate, to have a Material Adverse Effect. The Company is not aware that any key employee or significant group of employees of the Company or any Subsidiary plans to terminate employment with the Company or any such Subsidiary. No executive officer, to the knowledge of the Company, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance has not had and could not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

(s) No "prohibited transaction" (as defined in Section 406 of the Employee Retirement Income Security Act of 1974, including the regulations and published interpretations

thereunder ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986 (the "Code")) or "accumulated funding deficiency" (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(b) of ERISA (other than events with respect to which the 30 day notice requirement under Section 4043 of ERISA has been waived) has occurred or could reasonably be expected to occur with respect to any employee benefit plan of the Company or any of its Subsidiaries which could, singularly or in the aggregate, have a Material Adverse Effect. Each employee benefit plan of the Company or any of its Subsidiaries is in compliance in all material respects with applicable law, including ERISA and the Code. The Company and its Subsidiaries have not incurred and could not reasonably be expected to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from, any pension plan (as defined in ERISA). Each pension plan for which the Company or any of its Subsidiaries would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified, and nothing has occurred, whether by action or by failure to act, which could, singularly or in the aggregate, cause the loss of such qualification.

(t) The Company and its Subsidiaries are in compliance with all foreign, federal, state and local rules, laws and regulations relating to the use, treatment, storage and disposal of hazardous or toxic substances or waste and protection of health and safety or the environment which are applicable to their businesses ("Environmental Laws"), except where the failure to comply would not, singularly or in the aggregate, have a Material Adverse Effect. There has been no storage, generation, transportation, handling, treatment, disposal, discharge, emission, or other release of any kind of toxic or other wastes or other hazardous substances by, due to, or caused by the Company or any of its Subsidiaries (or, to the Company's knowledge, any other entity for whose acts or omissions the Company or any of its Subsidiaries is or may otherwise be liable) upon any of the property now or previously owned or leased by the Company or any of its Subsidiaries, or upon any other property, in violation of any law, statute, ordinance, rule, regulation, order, judgment, decree or permit or which would, under any law, statute, ordinance, rule (including rule of common law), regulation, order, judgment, decree or permit, give rise to any liability, except for any violation or liability which would not have, singularly or in the aggregate with all such violations and liabilities, a Material Adverse Effect; and there has been no disposal, discharge, emission or other release of any kind onto such property or into the environment surrounding such property of any toxic or other wastes or other hazardous substances with respect to which the Company has knowledge, except for any such disposal, discharge, emission, or other release of any kind which would not have, singularly or in the aggregate with all such discharges and other releases, a Material Adverse Effect. In the ordinary course of business, the Company and its Subsidiaries conduct periodic reviews of the effect of Environmental Laws on their business and assets, in the course of which they identify and evaluate associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or Governmental Permits issued thereunder, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such reviews, the Company and its Subsidiaries have reasonably concluded that such associated costs and liabilities would not have, singularly or in the aggregate, a Material Adverse Effect.

(u) The Company and its Subsidiaries, each (i) has timely filed all necessary federal, state, local and foreign tax returns, and all such returns were true, complete and correct, (ii) has paid all federal, state, local and foreign taxes, assessments, governmental or other charges

due and payable for which it is liable, including, without limitation, all sales and use taxes and all taxes which the Company or any of its Subsidiaries is obligated to withhold from amounts owing to employees, creditors and third parties, and (iii) does not have any tax deficiency or claims outstanding or assessed or, to the best of its knowledge, proposed against any of them, except those, in each of the cases described in clauses (i), (ii) and (iii) of this Section 2(u), that would not, singularly or in the aggregate, have a Material Adverse Effect or are in good faith disputed with such taxing authority and for which adequate reserves have been established in accordance with GAAP. The Company and its Subsidiaries each has not engaged in any transaction which is a corporate tax shelter or which could be characterized as such by the Internal Revenue Service or any other taxing authority. The accruals and reserves on the books and records of the Company and its Subsidiaries in respect of tax liabilities for any taxable period not yet finally determined are adequate to meet any assessments and related liabilities for any such period, and since June 30, 2009,the Company and its Subsidiaries each has not incurred any liability for taxes other than in the ordinary course. The term "taxes" mean all federal, state, local, foreign, and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments, or charges of any kind whatever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto. The term "returns" means all returns, declarations, reports, statements, and other documents required to be filed in respect to taxes.

(v) The Company and each of its Subsidiaries carries, or is covered by, insurance provided by recognized, financially sound and reputable institutions with policies in such amounts and covering such risks as is adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies engaged in similar businesses in similar industries. The Company has no reason to believe that it or any Subsidiary will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries have been denied any insurance coverage that they have sought or for which they have applied.

(w) The Company and its Subsidiaries each maintains a system of internal accounting and other controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Offering Documents, since the end of the Company's most recent audited fiscal year, there has been (A) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (B) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company has established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and designed such disclosure controls and

procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms.

(x) The minute books of the Company and each of its Subsidiaries have been made available to the Placement Agent and counsel for the Placement Agent, and such books (i) contain a complete summary of all meetings and actions of the board of directors (including each board committee) and stockholders of the Company (or analogous governing bodies and interest holders, as applicable), and each of its Subsidiaries since the time of its respective incorporation or organization through the date of the latest meeting and action, and (ii) accurately in all material respects reflect all transactions referred to in such minutes.

(y) All agreements and other documents that were required to be filed as exhibits to all SEC Reports since January 1, 2007 under Item 601 of Regulation S-K to which the Company or any Subsidiary is a party, have been filed by the Company as exhibits to the SEC Reports ("Material Agreements"). All Material Agreements are valid and enforceable against the Company, and to the Company's knowledge, against the other parties thereto, in accordance with their respective terms, except (i) as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or moratorium or similar laws affecting creditors' and contracting parties' rights generally, and (ii) as enforceability may be subject to general principles of equity and except as rights to indemnity and contribution may be limited by state or federal securities laws or public policy underlying such laws. The Company is not in breach of or default under any of the Material Agreements, and to the Company's knowledge, no other party to a Material Agreement is in breach of or default under such Material Agreement. The Company has not received a notice of termination nor is the Company otherwise aware of any threats to terminate any of the Material Agreements. Neither the Company, its Subsidiaries nor, to its knowledge, any other party is in violation, breach or default of any Material Agreement that is reasonably likely to result in a Material Adverse Effect.

(z) No relationship, direct or indirect, exists between or among the Company and any of its Subsidiaries on the one hand, and the directors, officers, stockholders (or analogous interest holders), customers or suppliers of the Company or any of its Subsidiaries or any of their affiliates on the other hand, which is required to be described in the Offering Documents which is not so described.

(aa) Except for any obligation described in the Offering Documents and in Section 3.1(q) of the Disclosure Schedules (as defined in the SPAs), no person or entity has the right to require registration of shares of Common Stock or other securities of the Company or any of its Subsidiaries except for persons and entities who have expressly waived such right in writing or who have been given timely and proper written notice and have failed to exercise such right within the time or times required under the terms and conditions of such right. Except as described in the Offering Documents and in Section 3.1(q) of the Disclosure Schedules (as defined in the SPAs), there are no persons with registration rights or similar rights to have any securities registered by the Company or any of its Subsidiaries under the Securities Act.

(bb) Neither the Company nor any of its Subsidiaries own any "margin securities" as that term is defined in Regulation U of the Board of Governors of the Federal

Reserve System (the "Federal Reserve Board"), and none of the proceeds of the sale of the Units will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Units to be considered a "purpose credit" within the meanings of Regulation T, U or X of the Federal Reserve Board.

(cc) Neither the Company nor any of its Subsidiaries is a party to any contract, agreement or understanding with any person that would give rise to a valid claim against the Company or the Placement Agent for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Units or any transaction contemplated by this Agreement and the Offering Documents.

(dd) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Offering Documents has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ee) The Company is subject to and in compliance in all material respects with the reporting requirements of Section 13 or Section 15(d) of the Exchange Act. The Common Stock is registered pursuant to Section 12(g) of the Exchange Act and the Company has taken no action designed to, or reasonably likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission or Financial Industry Regulatory Authority ("FINRA") is contemplating terminating such registration or listing. No consent, approval, authorization or order of, or filing, notification or registration with the OTC Bulletin Board is required for quotation and trading of the Stock on the OTC Bulletin Board.

(ff) The Company is in compliance with all applicable provisions of the Sarbanes-Oxley Act of 2002 and all Rules and Regulations promulgated thereunder or implementing the provisions thereof (the "Sarbanes-Oxley Act") that are then in effect and is actively taking steps to ensure that it will be in compliance with other applicable provisions of the Sarbanes-Oxley Act not currently in effect upon and at all times after the effectiveness of such provisions.

(gg) Neither the Company nor any of its Subsidiaries nor, to the best of the Company's knowledge, any employee or agent of the Company or any Subsidiary, has made any contribution or other payment to any official of, or candidate for, any federal, state, local or foreign office in violation of any law (including the Foreign Corrupt Practices Act of 1977) or of the character required to be disclosed in the Registration Statement, the Offering Documents.

(hh) There are no transactions, arrangements or other relationships between and/or among the Company, any of its affiliates (as such term is defined in Rule 405 of the Securities Act) and any unconsolidated entity, including, but not limited to, any structured finance, special purpose or limited purpose entity that could reasonably be expected to materially affect the Company's or any of its Subsidiaries' liquidity or the availability of or requirements for their capital resources required to be described in the Offering Documents.

(ii) There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees or indebtedness by the Company or any of its Subsidiaries to or for the benefit of any of the officers or directors of the Company, any of its Subsidiaries or any of their respective family members, except as disclosed in the Registration Statement, the Offering Documents.

(jj) The statistical and market related data included in the Offering Documents are based on or derived from sources that the Company believes to be reliable and accurate, and such data agree with the sources from which they are derived.

(kk) The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, applicable money laundering statutes and applicable Rules and Regulations thereunder (collectively, the "Money Laundering Laws"), and no Action by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending, or to the best knowledge of the Company, threatened.

(ll) Neither the Company nor any of its Subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(mm) Neither the Company nor any Subsidiary nor any of their affiliates (within the meaning of FINRA's Conduct Rule 2720(f)(1)) directly or indirectly controls, are controlled by, or is under common control with, or is an associated person (within the meaning of Article I, Section 1(ee) of the By-laws of FINRA) of, any member firm of FINRA. To the Company's knowledge and except as disclosed to the Placement Agent in writing, no (i) officer or director of the Company or its Subsidiaries, (ii) owner of 5% or more of the Company's unregistered securities or that of its Subsidiaries or (iii) owner of any amount of the Company's unregistered securities acquired within the 180-day period prior to the date of this Agreement, has any direct or indirect affiliation or association with any FINRA member. The Company will advise the Placement Agent and its counsel if it becomes aware that any officer, director or stockholder of the Company or its Subsidiaries is or becomes an affiliate or associated Person of a FINRA member participating in the Offering.

(nn) Any certificate signed by or on behalf of the Company and delivered to the Placement Agent or to counsel for the Placement Agent shall be deemed to be a representation and warranty by the Company to the Placement Agent and the Purchasers as to the matters covered thereby.

(oo) The Company and its Board of Directors have taken all necessary action, if any, to render inapplicable any control share acquisition, business combination, poison pill

(including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation or the laws of the State of Delaware that is or could become applicable to any of the Purchasers as of result of the Purchasers and the Company fulfilling their obligations or exercising their rights under this Agreement, including without limitation, as a result of the Company's issuance of the Units and the Purchasers' ownership of the Units.

(pp) Assuming (i) the accuracy of the information provided by the Purchasers in the SPAs and (ii) that the Placement Agent will comply in all respects with the provisions of Regulation D under the Securities Act, the offer and sale of the Units will be exempt from the registration requirements of the Securities Act.

(qq) Based on the financial condition of the Company as of the Closing Date (and assuming the Closing shall have occurred), (i) the Company's fair saleable value of its assets exceeds the amount that will be required to be paid or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature; (ii) the Company's assets do not constitute unreasonably small capital to carry on its business for the current fiscal year as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, and projected capital requirements and capital availability thereof; and (iii) the current cash flow of the Company, together with the proceeds the Company would receive at the Closing, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its debt when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt.

3. **The Closing**: The time and date of each closing and delivery of the documents required to be delivered to the Placement Agent pursuant to this Agreement shall be at the offices of Harris Cramer, LLP, 1555 Palm Beach Lakes Boulevard, Suite 310, West Palm Beach, FL 33401 on such dates that the Company and the Placement Agent and the Escrow Agent agrees to release funds and deliver Units to the Purchasers.

4. **Further Agreements of the Company**: The Company agrees with the Placement Agent and the Purchasers:

(a) To file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the Closing Date(s) for as long as (i) any Purchaser holds the shares of Common Stock contained in the Units or issuable upon exercise of the Warrants, or (ii) the Placement Agent or its officers, directors or employees holds any shares of Common Stock issuable upon exercise of any warrants issued to the Placement Agent as compensation under this Agreement. Provided, however, the requirements of this Section 4(a) shall terminate upon the earlier of (x) six years after the last Closing Date or (y) the sale of all or substantially all of the assets of the Company or merger of the Company into another entity (where the purpose is not primarily to change the Company's domicile) or similar transaction.

(b) To take promptly from time to time such actions as the Placement Agent or its counsel may reasonably request to exempt the Units for offering and sale under the securities or Blue Sky laws of such jurisdictions (domestic or foreign) as the Placement Agent may designate.

(c) Upon request, during the period of one (1) year from the date hereof, to the extent not available on the Commission's EDGAR system, to deliver to the Placement Agent, as soon as they are available, copies of all reports or other communications furnished to stockholders.

(d) The Company will cause each executive officer, director, stockholder, optionholder and warrantholder listed in Schedule 4 (d) to furnish to the Placement Agent, prior to the first Closing Date, a letter, substantially in the form of Exhibit A hereto, pursuant to which each such person shall agree, among other things, not to directly or indirectly offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, not to engage in any swap or other agreement or arrangement that transfers, in whole or in part, directly or indirectly, the economic risk of ownership of Common Stock or any such securities and not to engage in any short selling of any Common Stock or any such securities, during the 90 days from the last Closing Date (the "Lock-Up Period"), without the prior written consent of the Placement Agent. The Company also agrees that during such period, the Company will not file any registration statement, preliminary prospectus or prospectus, or any amendment or supplement thereto, under the Securities Act for any such transaction or which registers, or offers for sale, Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, except for a registration statement on Form S-8 relating to employee benefit plans. The Company hereby agrees that (i) if it issues an earnings release or material news, or if a material event relating to the Company occurs, during the last 17 days of the Lock-Up Period, or (ii) if prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16 day period beginning on the last day of the Lock-Up Period, the restrictions imposed by this Section 4 (d) or the letter shall continue to apply until the expiration of the 18 day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

(e) Prior to last Closing Date, to furnish to the Placement Agent, as soon as they have been prepared, copies of any unaudited interim consolidated financial statements of the Company for any periods subsequent to the periods covered by the financial statements appearing in the Offering Documents.

(f) Prior to last Closing Date, not to issue any press release or other communication directly or indirectly or hold any press conference with respect to the Company, its condition, financial or otherwise, or earnings, business affairs or business prospects (except for routine oral marketing communications in the ordinary course of business and consistent with the past practices of the Company and of which the Placement Agent is notified), without the prior written consent of the Placement Agent, unless in the judgment of the Company and its counsel, and after notification to the Placement Agent, such press release or communication is required by law.

(g) If during a period of 12 months following the term of this Agreement or the final Closing Date, the Company sells any securities to any person or entity which was identified or contacted by the Placement Agent in connection with the offer or sale of the Units and the name of such person or entity was provided to the Company in writing during the term of this Agreement or the prior to the final Closing Date, then the Company shall pay the Placement Agent upon the closing of such sale the compensation which would have been payable to the Placement Agent under this Agreement if the closing of such sale had occurred during the term of this Agreement or prior to the final Closing Date.

(h) If during the term of this Agreement, the Company sells any Units to a Purchaser, the Placement Agent shall have a right of first refusal to act as the exclusive placement agent or underwriter for all offerings involving the sale of the Company's securities by the Company or any affiliate for a period of 12 months after the final Closing Date ("Right of First Refusal"). The Company shall provide the Placement Agent with written notice of any such Right of First Refusal prior to offer any securities. If the Placement Agent fails to provide written notice to the Company of its intent to exercise its Right of First Refusal within 10 days of its receipt of the Company's notice pursuant to the preceding sentence, the Placement Agent shall lose its Right of First Refusal with respect to such offering, but shall not affect its rights with respect to any subsequent offerings.

(i) To at all times comply with all applicable provisions of the Sarbanes-Oxley Act in effect from time to time.

(j) To use its reasonable best efforts to do and perform all things required to be done or performed under this Agreement by the Company prior to the Closing Date and to satisfy all conditions precedent to the delivery of the Units.

5. **Payment of Expenses**: The Company agrees to pay, or reimburse if paid by the Placement Agent, whether or not the transactions contemplated hereby are consummated or this Agreement is terminated: (a) the costs incident to the authorization, issuance, sale, preparation and delivery of the Units to the Purchasers and any taxes payable in that connection; (b) the cost of preparing and printing stock certificates; (c) all fees and expenses of the registrar and transfer agent of the Common Stock; (d) the reasonable fees, disbursements and expenses of counsel to the Placement Agent up to a maximum of $10,000 and (e) all other costs and expenses incident to the offering of the Units or the performance of the obligations of the Company under this Agreement, the SPAs and the Escrow Agreement (including, without limitation, the fees and expenses of the Company's counsel, the Escrow Agent and the Company's independent accountants and the travel and other expenses incurred by Company personnel in connection with any "road show" including, without limitation, any expenses advanced by the Placement Agent on the Company's behalf (which will be promptly reimbursed)).

6. **Conditions to the Obligations of the Placement Agent and the Purchaser, and the Sale of the Units**: The respective obligations of the Placement Agent hereunder and the Purchasers under the SPAs, and the Closing of the sale of the Units, are subject to the accuracy, when made and as of the Applicable Time and on the Closing Date, of the representations and warranties of the Company contained herein, to the accuracy of the statements of the Company

made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

(a) No stop order suspending the effectiveness of the June Registration Statement or any part thereof, shall have been issued and no proceedings for that purpose or pursuant to Section 8A under the Securities Act shall have been initiated or threatened by the Commission.

(b) The Placement Agent shall not have discovered and disclosed to the Company on or prior to any Closing Date that the Offering Documents contain an untrue statement of a fact which, in the opinion of counsel for the Placement Agent, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading, or that the Offering Documents contain an untrue statement of fact which, in the opinion of such counsel, is material or omits to state any fact which, in the opinion of such counsel, is material and is necessary in order to make the statements, in the light of the circumstances in which they were made, not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of each of this Agreement, the SPAs, the Escrow Agreement, the Units, the Offering Documents and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Placement Agent and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Andrew Abramowitz, PLLC shall have furnished to the Placement Agent such counsel's written opinion, as counsel to the Company, addressed to the Placement Agent and the Purchasers and dated each Closing Date, in the form of Exhibit B attached hereto. Such counsel shall also have furnished to the Placement Agent a written statement, addressed to the Placement Agent and dated each Closing Date, in form and substance satisfactory to the Placement Agent and the Purchasers, to the effect that (x) such counsel has acted as counsel to the Company in connection with the sale of the Units, (y) based on such counsel's examination of the Offering Documents, and each amendment or supplement thereto made by the Company prior to each Closing Date and such counsel's investigations made in connection with the preparation of the Offering Documents, and each amendment or supplement thereto made by the Company prior to the Closing Date, and conferences with certain officers and employees of and with auditors for and counsel to the Company, such counsel has no reason to believe that the Offering Documents, at the Applicable Time or as of the date of this Agreement, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading, or that any Offering Documents or any amendment or supplement thereto, at the respective date thereof or at each Closing Date, contained or contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the documents included in the Offering Documents, all considered together, as of the Applicable Time, contained or contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the

statements therein, in the light of the circumstances under which they were made, not misleading; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in any Offering Documents. The foregoing statement may be qualified by a statement to the effect that such counsel has not independently verified the accuracy, completeness or fairness of the statements contained in the Offering Documents and takes no responsibility therefor except to the extent set forth in the opinion described above.

(e) The Company shall have furnished to the Placement Agent and the Purchasers a certificate, dated each Closing Date, of its President and Chief Financial Officer stating that (i) such officers have carefully examined the Offering Documents and, in their opinion, the Offering Documents as of each Closing Date did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Offering Documents, and (ii) to the best of their knowledge after reasonable investigation, as of each Closing Date, the representations and warranties of the Company in this Agreement are true and correct and the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date.

(f) There has been no event or occurrence which, in the Placement Agent's determination, has had, or could reasonably be expected to have, Material Adverse Effect during the period from and after the date of this Agreement and prior to the applicable Closing Date.

(g) Since the date of the latest audited financial statements included in the Offering Documents, (i) neither the Company nor any of its Subsidiaries shall have sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth in the Offering Documents, and (ii) there shall not have been any change in the capital stock or long-term debt of the Company nor any of its Subsidiaries, or any change, or any development involving a prospective change, in or affecting the business, general affairs, management, financial position, stockholders' equity or results of operations of the Company and its Subsidiaries, otherwise than as set forth in the Offering Documents, the effect of which, in any such case described in clauses (i) or (ii) of Section 6(g), is, in the judgment of the Placement Agent, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or delivery of the Units on the terms and in the manner contemplated in the this Agreement.

(h) No action shall have been taken and no law, statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would prevent the issuance or sale of the Units or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company or its Subsidiaries; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued which would prevent the issuance or sale of the Units or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company or its Subsidiaries.

(i) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, Nasdaq Global Market, Nasdaq Capital Market or the American Stock Exchange or in the over-the-counter market, or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited, or minimum or maximum prices or maximum range for prices shall have been established on any such exchange or such market by the Commission, by such exchange or market or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by federal or state authorities or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States, (iii) the United States shall have become engaged in hostilities, or the subject of an act of terrorism, or there shall have been an outbreak of or escalation in hostilities involving the United States, or there shall have been a declaration of a national emergency or war by the United States or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) as to make it, in the judgment of the Placement Agent, impracticable or inadvisable to proceed with the sale or delivery of the Units on the terms and in the manner contemplated in the Offering Documents.

(j) The Placement Agent shall have received the written agreements, substantially in the form of Exhibit A hereto, of the executive officers, directors, stockholders, optionholders and warrantholders of the Company listed in Schedule 4(d) to this Agreement.

(k) The Company shall have entered into SPAs with each of the Purchasers and such Agreements shall be in full force and effect.

(l) The Company shall have entered into the Escrow Agreement and such Agreement shall be in full force and effect.

(m) Prior to the Closing Date, the Company shall have furnished to the Placement Agent such further information, opinions, certificates, letters or documents as the Placement Agent shall have reasonably requested.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Placement Agent.

7. **Indemnification and Contribution**:

(a) The Company. The Company shall indemnify and hold harmless the Placement Agent, its affiliates and each of its and their respective directors, officers, members, employees, representatives and agents and their respective affiliates, and each of their respective directors, officers, members, employees, representatives and agents and each person, if any, who controls the Placement Agent within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) (collectively, the "Placement Agent Indemnified Parties," and each a "Placement Agent Indemnified Party") against any Loss, joint or several, to which such Placement Agent Indemnified Party may become subject, under the Exchange Act or otherwise,

insofar as such Loss arises out of or is based upon (A) any untrue statement or alleged untrue statement of a material fact contained in any Offering Documents (B) any breach of the representations and warranties of the Company contained herein, failure of the Company to perform its obligations hereunder or pursuant to any law, any act or failure to act, or any alleged act or failure to act, by the Placement Agent in connection with, or relating in any manner to, the Units, or the Offering, and which is included as part of or referred to in any Loss arising out of or based upon matters covered by clauses (A) or (B) above of this Section 7(a) (provided that the Company shall not be liable in the case of any matter covered by this clause (B) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such Loss resulted directly from any such act or failure to act undertaken or omitted to be taken by the Placement Agent through its gross negligence or willful misconduct), and shall reimburse the Placement Agent Indemnified Party promptly upon demand for any legal fees or other expenses reasonably incurred by that Placement Agent Indemnified Party in connection with investigating, or preparing to defend, or defending against, or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such Loss, as such Loss is incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement in, or omission or alleged omission from the Offering Documents, made in reliance upon and in conformity with written information furnished to the Company by the Placement Agent specifically for use therein, which information the parties hereto agree is limited to the Placement Agent's Information, as defined in this Agreement. This indemnity agreement is not exclusive and will be in addition to any liability, which the Company might otherwise have and shall not limit any rights or remedies which may otherwise be available at law or in equity to each Placement Agent Indemnified Party.

(b) The Placement Agent shall indemnify and hold harmless the Company and its directors, its executive officers and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "Company Indemnified Parties," and each a "Company Indemnified Party") against any Loss whatsoever (or any action, investigation or proceeding in respect thereof), joint or several, to which such Company Indemnified Party may become subject, under the Securities Act or otherwise, as such Loss arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Offering Documents, or (ii) the omission or alleged omission to state in the Offering Documents, of a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by the Placement Agent specifically for use therein, which information the parties hereto agree is limited to the Placement Agent's Information, and shall reimburse the Company for any legal or other expenses reasonably incurred by such party in connection with investigating or preparing to defend or defending against or appearing as third party witness in connection with any such Loss, as such Loss is incurred. Notwithstanding the provisions of this Section 7(b), in no event shall any indemnity by the Placement Agent under this Section 7(b) exceed the total compensation received by such Placement Agent in accordance with Section 1.4(b).

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, the indemnified party shall, if a claim in respect

thereof is to be made against an indemnifying party under this Section 7, notify such indemnifying party in writing of the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 7 except to the extent it has been materially prejudiced by such failure; and, provided, further, that the failure to notify an indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 7. If any such action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense of such action with counsel reasonably satisfactory to the indemnified party (which counsel shall not, except with the written consent of the indemnified party, be counsel to the indemnifying party). After notice from the indemnifying party to the indemnified party of its election to assume the defense of such action, except as provided herein, the indemnifying party shall not be liable to the indemnified party under Section 7 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense of such action other than reasonable costs of investigation; provided, however, that any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense of such action but the fees and expenses of such counsel (other than reasonable costs of investigation) shall be at the expense of such indemnified party unless (i) the employment thereof has been specifically authorized in writing by the Company in the case of a claim for indemnification under Section 7(a)(A), or the Placement Agent in the case of a claim for indemnification under Section 7(b), (ii) such indemnified party shall have been advised by its counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party, or (iii) the indemnifying party has failed to assume the defense of such action and employ counsel reasonably satisfactory to the indemnified party within a reasonable period of time after notice of the commencement of the action or the indemnifying party does not diligently defend the action after assumption of the defense, in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of (or, in the case of a failure to diligently defend the action after assumption of the defense, to continue to defend) such action on behalf of such indemnified party and the indemnifying party shall be responsible for legal or other expenses subsequently incurred by such indemnified party in connection with the defense of such action; provided, however, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for all such indemnified parties (in addition to any local counsel), which firm shall be designated in writing by the Placement Agent if the indemnified parties under this Section 7 consist of any Placement Agent Indemnified Party or by the Company if the indemnified parties under this Section 7 consist of any Company Indemnified Parties. Subject to this Section 7(c), the amount payable by an indemnifying party under Section 7 shall include, but not be limited to, (x) reasonable legal fees and expenses of counsel to the indemnified party and any other expenses in investigating, or preparing to defend or defending against, or appearing as a third party witness in respect of, or otherwise incurred in connection with, any action, investigation, proceeding or claim, and (y) all amounts paid in settlement of any of the foregoing. No indemnifying party shall, without the prior written consent of the

indemnified parties, settle or compromise or consent to the entry of judgment with respect to any pending or threatened action or any claim whatsoever, in respect of which indemnification or contribution could be sought under this Section 7 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party in form and substance reasonably satisfactory to such indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party. Subject to the provisions of the following sentence, no indemnifying party shall be liable for settlement of any pending or threatened action or any claim whatsoever that is effected without its written consent (which consent shall not be unreasonably withheld or delayed), but if settled with its written consent, if its consent has been unreasonably withheld or delayed or if there be a judgment for the plaintiff in any such matter, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any Loss by reason of such settlement or judgment. In addition, if at any time an indemnified party shall have requested that an indemnifying party reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated herein effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the request for reimbursement, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(d) If the indemnification provided for in this Section 7 is unavailable or insufficient to hold harmless an indemnified party under Section 7(a) or Section 7(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid, payable or otherwise incurred by such indemnified party as a result of such Loss, as incurred, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and the Placement Agent on the other hand from the offering of the Units, or (ii) if the allocation provided by clause (i) of this Section 7(d) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) of this Section 7(d) but also the relative fault of the Company on the one hand and the Placement Agent on the other with respect to the statements, omissions, acts or failures to act which resulted in such Loss as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Placement Agent on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Units purchased under this Agreement (before deducting expenses) received by the Company bear to the total cash fee received by the Placement Agent on each Closing Date. The relative fault of the Company on the one hand and the Placement Agent on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Placement Agent on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement, omission, act or failure to act; provided that the parties hereto agree that the written information furnished to the Company by the Placement Agent for use in the Offering Documents, or in any amendment or supplement thereto, consists solely of the Placement Agent's Information. The Company and the Placement

Agent agree that it would not be just and equitable if contributions pursuant to this Section 7(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the Loss referred to above in this Section 7(d) shall be deemed to include, for purposes of this Section 7(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend or defending against or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such Loss. Notwithstanding the provisions of this Section 7(d), the Placement Agent shall not be required to contribute any amount in excess of the total compensation received by the Placement Agent in accordance with Section 1.4(b) less the amount of any damages which the Placement Agent have otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement, omission or alleged omission, act or alleged act or failure to act or alleged failure to act. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. **Termination**: The obligations of the Placement Agent and the Purchasers hereunder and under the SPAs may be terminated by the Placement Agent, in its absolute discretion by notice given to the Company prior to delivery of and payment for the Units if, prior to that time, any of the conditions in Section 6 have not been met or if the Purchasers shall decline to purchase the Units for any reason permitted under this Agreement or the SPAs.

9 **Absence of Fiduciary Relationship**: The Company acknowledges and agrees that:

i. the Placement Agent's responsibility to the Company is solely contractual in nature, the Placement Agent have been retained solely to act as Placement Agent in connection with the Offering and no fiduciary, advisory or agency relationship between the Company and the Placement Agent has been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether the Placement Agent has advised or are advising the Company on other matters;

ii. the price of the Units set forth in this Agreement was established by the Company following discussions and arms-length negotiations with the Placement Agent, and the Company is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement;

iii. it has been advised that the Placement Agent and their respective affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Placement Agent has no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

iv. they waive, to the fullest extent permitted by law, any claims it may have against the Placement Agent for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Placement Agent shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty

claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company.

10. **Successors; Persons Entitled to Benefit of Agreement**: This Agreement shall inure to the benefit of and be binding upon the Placement Agent, the Company and their respective successors and assigns. This Agreement shall also inure to the benefit of the Placement Agent, the Purchasers, and each of their respective successors and assigns, which shall be third party beneficiaries hereof. Notwithstanding the foregoing, as provided in the SPAs, the determination as to whether any condition in this Agreement hereof shall have been satisfied, and the waiver of any condition in this Agreement hereof, may be made by the Placement Agent in its sole discretion, and any such determination or waiver shall be binding on each of the Purchasers and shall not require the consent of any Purchaser. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, other than the persons mentioned in the preceding sentences, any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person; except that the representations, warranties, covenants, agreements and indemnities of the Company contained in this Agreement shall also be for the benefit of the Placement Agent Indemnified Parties and the indemnities of the Placement Agent shall be for the benefit of the Company Indemnified Parties. It is understood that the Placement Agent's responsibility to the Company is solely contractual in nature and the Placement Agent do not owe the Company, or any other party, any fiduciary duty as a result of this Agreement.

11. **Survival of Indemnities, Representations, Warranties, etc.**: The respective indemnities, covenants, agreements, representations, warranties and other statements of the Company, and the Placement Agent, as set forth in this Agreement or made by them respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation made by or on behalf of the Placement Agent, the Company, the Purchasers or any person controlling any of them and shall survive for a period of 12 months following delivery of and payment for the Units. Notwithstanding any termination of this Agreement, the indemnity and contribution agreements contained in Section 7 and the covenants, representations, warranties set forth in this Agreement shall not terminate and shall remain in full force and effect at all times.

12. **Notices**: All statements, requests, notices and agreements hereunder shall be in writing, and shall be sufficiently given if delivered to the addressees in person, by FedEx or similar receipted next business day delivery, or by facsimile delivery followed by overnight next business day delivery as follows:

the Company:	iBio, Inc. 9 Innovation Way, Suite 100 Newark, DE 19711 Facsimile: 302-356-1173 With a copy via email to: robertbkay@gmail.com
the Placement Agent:	Noble International Investments, Inc. 6501 Congress Avenue Suite 100 Boca Raton, FL 33487 Facsimile: 561-994-9775

or to such other address as any of them, by notice to the other may designate from time to time. The transmission confirmation receipt from the sender's facsimile machine shall be evidence of successful facsimile delivery. Time shall be counted to, or from, as the case may be, the date of delivery.

13. **Definition of Certain Terms**: For purposes of this Agreement, (a) "business day" means any day on which the New York Stock Exchange is open for trading and (b) "Subsidiary" has the meaning set forth in Rule 405 of the Rules and Regulations.

14. **Governing Law, Agent for Service and Jurisdiction**: **This Agreement shall be governed by and construed in accordance with the laws of the State of New York, including without limitation Section 5-1401 of the New York General Obligations Law.** No legal proceeding may be commenced, prosecuted or continued in any court other than the courts of the State of Florida located in the City of West Palm Beach or in the United States District Court for the Southern District of Florida, which courts shall have jurisdiction over the adjudication of such matters, and the Company and the Placement Agent each hereby consent to the jurisdiction of such courts and personal service with respect thereto. The Company and the Placement Agent each hereby consent to personal jurisdiction, service and venue in any court in which any legal proceeding arising out of or in any way relating to this Agreement is brought by any third party against the Company or the Placement Agent. The Company and the Placement Agent each hereby waive all right to trial by jury in any legal proceeding (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. The Company agrees that a final judgment in any such legal proceeding brought in any such court shall be conclusive and binding upon the Company and the Placement Agent and may be enforced in any other courts in the jurisdiction of which the Company is or may be subject, by suit upon such judgment.

15. **Placement Agent Information**: The parties hereto acknowledge and agree that, for all purposes of this Agreement, the Placement Agent's Information consists solely of the following information in the SPAs as to Placement Agent's compensation and its status as a broker-dealer registered with the Commission and FINRA.

16. **Partial Unenforceability**: The invalidity or unenforceability of any section, paragraph, clause or provision of this Agreement shall not affect the validity or enforceability of

any other section, paragraph, clause or provision hereof. If any section, paragraph, clause or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

17. **General**: This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. In this Agreement, the masculine, feminine and neuter genders and the singular and the plural include one another. The section headings in this Agreement are for the convenience of the parties only and will not affect the construction or interpretation of this Agreement. This Agreement may be amended or modified, and the observance of any term of this Agreement may be waived, only by a writing signed by the Company and the Placement Agent.

18. **Counterparts**: This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument and such signatures may be delivered by facsimile.

(Remainder of this page intentionally left blank; signatures begin on the next page.)

If the foregoing is in accordance with your understanding of the agreement between the Company and the Placement Agent, kindly indicate your acceptance in the space provided for that purpose below.

Very truly yours,

iBio, Inc.

By: /s/ Robert B. Kay

Robert B. Kay
Chief Executive Officer

Accepted as of the date
first above written:

NOBLE FINANCIAL CAPITAL MARKETS

By: /s/ Nico Pronk

Nico Pronk
President and Chief Executive Officer

Exhibit 31.1

Certification of Chief Executive Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert B. Kay certify that:

1. I have reviewed this quarterly report on Form 10-Q of iBio, Inc. for the three months ended September 30, 2010;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reports (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2010

By: /s/ Robert B. Kay
Name: Robert B. Kay
Title: Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Frederick Larcombe certify that:

1. I have reviewed this quarterly report on Form 10-Q of iBio, Inc. for the three months ended September 30, 2010;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reports (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter

that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2010

By: /s/ Frederick Larcombe
Name: Frederick Larcombe
Title: Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PERIODIC REPORT

As adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the three months ended September 30, 2010 of iBio, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert B. Kay, the Chief Executive Officer of iBio, Inc. certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to his knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification accompanies the Report pursuant to Section 906 of Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 15, 2010

By: /s/ Robert B. Kay
Name: Robert B. Kay
Title: Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF PERIODIC REPORT

As adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the three months ended September 30, 2010 of iBio, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Frederick Larcombe, the Chief Financial Officer of iBio, Inc. certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to his knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification accompanies the Report pursuant to Section 906 of Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 15, 2010

By: /s/ Frederick Larcombe
Name: Frederick Larcombe
Title: Chief Financial Officer