

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant  [X]  
Filed by a Party other than the Registrant  [ ]  
Check the appropriate box:  
 [ ] Preliminary Proxy Statement  
 [ ] Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 [X] Definitive Proxy Statement  
 [ ] Definitive Additional Materials  
 [ ] Soliciting Material Pursuant to ss. 240.14a - 11(c) or ss. 240.14a - 12

COMMONWEALTH BIOTECHNOLOGIES, INC.  
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.  
 [ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.  
(1) Title of each class of securities to which transaction applies:  
(2) Aggregate number of securities to which transaction applies:  
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):  
(4) Proposed maximum aggregate value of transaction:  
(5) Total fee paid:  
 [ ] Fee paid previously with preliminary materials.  
 [ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.  
(1) Amount Previously Paid:  
(2) Form, Schedule or Registration Statement No.:  
(3) Filing Party:  
(4) Date Filed:

[LOGO]

Commonwealth Biotechnologies, Inc.  
601 Biotech Drive  
Richmond, Virginia 23235

To Our Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders, which is to be held on April 15, 1999, at 11:00 a.m. at 601 Biotech Drive, Richmond, Virginia, 23235. The following pages contain the formal notice of the Annual Meeting and our Proxy Statement, which describe the specific business to be considered and voted upon at the Annual Meeting.

It is important that your shares be represented at the meeting. Whether or not you expect to attend in person, we would greatly appreciate your efforts to return the enclosed Proxy as soon as possible. If you decide to attend the Annual Meeting, you may withdraw your Proxy should you wish to vote

in person.

We look forward to seeing you at the Annual Meeting.

Sincerely yours,

/s/ Richard J. Freer, Ph.D.

RICHARD J. FREER, PH.D.,  
Chairman of the Board of Directors

COMMONWEALTH BIOTECHNOLOGIES, INC.  
601 Biotech Drive  
Richmond, Virginia 23235

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD  
APRIL 15, 1999

Notice is hereby given that the Annual Meeting of Shareholders (the "Annual Meeting") of Commonwealth Biotechnologies, Inc. (the "Company") will be held on April 15, 1999, at 11:00 a.m. at 601 Biotech Drive, Richmond, Virginia, for the following purposes:

- (1) To elect two nominees as Class II Directors of the Company;
- (2) To elect one nominee as a Class III Director of the Company;
- (3) To ratify the appointment of McGladrey & Pullen, LLP as independent public accountants to audit the financial statements of the Company for the year ended December 31, 1999; and
- (4) To transact such other business as may properly come before the meeting or any adjournments thereof.

Only shareholders of record at the close of business on March 1, 1999 will be entitled to vote at the Annual Meeting.

The enclosed Proxy Statement contains more information pertaining to matters to be voted on at the Annual Meeting. Please read the Proxy Statement carefully.

Whether or not you plan to attend the Annual Meeting in person, to assure the presence of a quorum, please complete, date, sign and return the accompanying proxy in the enclosed, postage-paid envelope. If you attend the meeting and wish to vote your shares personally, you may do so at any time before the proxy is exercised.

By Order of the Board of Directors,

/s/ Thomas R. Reynolds

THOMAS R. REYNOLDS,  
Secretary

Richmond, Virginia  
March 15, 1999

COMMONWEALTH BIOTECHNOLOGIES, INC.  
601 Biotech Drive  
Richmond, Virginia 23235

FOR THE  
ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD APRIL 15, 1999

This Proxy Statement is furnished to the holders of common stock, no par value per share ("Common Stock"), of Commonwealth Biotechnologies, Inc. (the "Company") in connection with the solicitation of proxies by the Board of Directors of the Company (the "Board of Directors") to be voted at the annual meeting of shareholders of the Company (the "Annual Meeting") to be held on April 15, 1999, at 11:00 a.m. at 601 Biotech Drive, Richmond, Virginia, and at any adjournments or postponements thereof. This Proxy Statement and the accompanying proxy are first being mailed on or about March 15, 1999.

Only the holders of Common Stock of record at the close of business on March 1, 1999 (the "Record Date") will be entitled to vote at the Annual Meeting. On such date, 1,638,464 shares of Common Stock were outstanding. Each shareholder is entitled to one vote per share held of record on the Record Date. The Common Stock is the Company's only outstanding voting stock.

A majority of the shares of Common Stock entitled to vote, represented in person or by proxy, is required to constitute a quorum. If a quorum is not present at the time of the Annual Meeting, or if for any reason the Company believes that additional time should be allowed for the solicitation of proxies, the Company may adjourn or postpone the Annual Meeting with or without a vote of the shareholders. If the Company proposes adjournment, the person named on the enclosed proxy card will vote such shares for which they have voting authority in favor of adjournment.

All shares of Common Stock represented at the Annual Meeting by properly executed proxies received prior to or at the Annual Meeting and not properly revoked will be voted at the Annual Meeting in accordance with the instructions indicated thereon. If no specification is made, the proxies will be voted in favor of the matters listed on the proxy card and for the recommendation of the Board of Directors on any other proposal that may properly come before the meeting. Directors must be elected by a plurality of votes cast (in person or by proxy) by the holders of Common Stock entitled to vote at the Annual Meeting if a quorum is present. All other matters shall be determined based upon the vote of the majority of votes cast (in person or by proxy) by the holders of Common Stock entitled to vote at the Annual Meeting if a quorum is present. Abstentions and broker non-votes will be counted for purposes of constituting a quorum, but will not have the effect of voting in opposition to a director or of a vote against the other proposals.

The Company will pay all expenses of the Annual Meeting, including the cost of soliciting proxies. The Company may reimburse persons holding shares in their names for others, or holding shares for others who have the right to give voting instructions, such as brokers, banks, fiduciaries and nominees, for such persons' reasonable expenses in forwarding the proxy materials to their principals. Certain directors, officers and other employees of the Company, not specially employed for this purpose, may solicit proxies, without additional remuneration therefor, by personal interview, mail, telephone, facsimile or other electronic means.

Any shareholder giving a proxy may revoke it by delivering a written notice of such revocation to Thomas R. Reynolds, the Secretary of the Company, at 601 Biotech Drive, Richmond, Virginia 23235 prior to the Annual Meeting, by submitting to the Company a more recently dated proxy or by attending the Annual Meeting and voting at any time before it is exercised.

PROPOSAL 1: ELECTION OF DIRECTORS

The Company's Articles of Incorporation, as amended to date, provide that the Board of Directors shall be divided into three classes of as nearly equal size as possible. The Board of Directors has nominated the two individuals named below under the caption "Class II Nominees" for election as directors to serve until the annual meeting of shareholders in 2002 or until their successors have been elected and qualified. All of the Class II Nominees are currently serving on the Board of Directors of the Company with terms expiring at this Annual Meeting. In September, 1998, the Company's Board of Directors also nominated the individual named below under "Class III Nominee" for election as a director to serve until the annual meeting of shareholders in 2001 or until his successor has been elected and qualified.

The Company's Bylaws, as amended to date, provide that the Board of Directors shall consist of not less than five nor more than nine directors as established by the Board of Directors. The size of the Board of Directors has been established at six directors.

Required Vote

Directors must be elected by a plurality of votes cast (in person or by proxy) by the holders of Common Stock entitled to vote at the Annual Meeting

if a quorum is present.

Class II Nominees:

ROBERT B. HARRIS, PH.D. - President, Director and Founder  
Age -- 46  
Director since 1992

Since founding the Company in 1992, Dr. Harris has served as the President and a Director of the Company. Until 1997, Dr. Harris was employed in the Department of Biochemistry and Molecular Biophysics at Virginia Commonwealth University ("VCU"), first as an Assistant, then Associate and finally a full Professor. Dr. Harris received a joint bachelor's degree in Chemistry and Biology from the University of Rochester, and a master's degree and a doctorate degree in Biochemistry/Biophysical Chemistry from New York University.

PETER C. EINSELEN - Director  
Age -- 59  
Director since 1997

Mr. Einselen became a director of the Company in 1997. Mr. Einselen has served as Senior Vice President of Anderson & Strudwick Incorporated, a brokerage firm ("A&S") since 1990. From 1983 to 1990, Mr. Einselen was employed by Scott & Stringfellow, Incorporated, a brokerage firm in Richmond, Virginia. Mr. Einselen serves on the Board of Directors of Autoinfo, Inc., a consumer finance Company.

Class III Nominee:

GEORGE F. ALLEN - Director  
Age -- 47  
Director since 1998

The Board of Directors appointed Mr. Allen to the Board of Directors in September 1998. Mr. Allen is a Partner in the law firm of McGuire, Woods, Battle and Booth, L.L.P., in Richmond, Virginia. From 1994 until 1998, Mr. Allen served as the 67th Governor of the Commonwealth of Virginia. He served as a member of the U.S. House of Representatives in 1991, and served as a member of the Virginia House of Delegates from 1983 until 1991. Mr. Allen also serves as a director of Xybernaut Corporation, a firm specializing in the development of mobile computer systems and related software.

Continuing Directors

The persons named below will continue to serve as directors until the annual meeting of stockholders in the year indicated and until their successors are elected and take office. Shareholders are NOT voting on the election of the two Class I directors and the one Class III Director noted below.

Class I Directors Serving Until the 2001 Annual Meeting:

THOMAS R. REYNOLDS - Senior Vice President, Secretary, Director and Founder  
Age -- 36  
Director since 1992

Mr. Reynolds currently serves the Company as a Senior Vice President and a Director. He assumed the role of the Company's Secretary in 1998. From the founding of the Company in 1992 until 1997, Mr. Reynolds served as a Vice President of the Company. From 1987 until 1997, Mr. Reynolds served as the Manager of the Nucleic Acids Core Laboratory at The Massey Cancer Center at VCU. Mr. Reynolds received a bachelor's degree in Biology from the Pennsylvania State University.

CHARLES A. MILLS, III - Director  
Age -- 52  
Director since 1997

Mr. Mills became a director of the Company in June 1997. Mr. Mills has been employed by A&S as a Senior Vice President since 1986. He served as Chairman of the Board of A&S from 1990 to 1992 and from 1994 to the present. He serves as a director of Humphrey Hospitality Trust, Inc., a real estate investment trust and Autoinfo, Inc., a consumer finance company.

Class III Directors Serving Until the 2000 Annual Meeting:

RICHARD J. FREER, PH.D. - Chairman of the Board, Director and Founder

Age -- 56  
Director since 1992

Since founding the Company in 1992, Dr. Freer has served as the Chairman of the Board and a Director of the Company. From 1975 until 1997, Dr. Freer was employed in the Department of Pharmacology and Toxicology at VCU, first as an Associate Professor, and then a full Professor. In addition, from 1988 through 1995, Dr. Freer was first Director and then Chair of the Biomedical Engineering Program. From 1996 through 1997, Dr. Freer served as Professor in VCU's Department of Biochemistry and Molecular Biophysics. Dr. Freer received a bachelor's degree in Biology from Marist College and a doctorate degree in Pharmacology from Columbia University.

#### Information Regarding the Board Of Directors

The Board of Directors held four meetings during 1998, including regular and special meetings. Each director attended at least 75% of the meetings of the Board of Directors and the committees thereof on which the director serves.

The Committees of the Board of Directors consist of an Audit Committee, a Compensation Committee and a Nominating Committee. The Audit Committee and the Compensation Committee are comprised of Mr. Mills and Mr. Einselen. The Nominating Committee is comprised of Dr. Harris and Mr. Mills. During 1998, the Audit Committee met five times, and the Compensation Committee met four times. The Nominating Committee met once in 1998. The Audit Committee recommends the annual appointment of auditors, with whom the Audit Committee reviews the scope of audit and non-audit assignments and related fees, accounting principles used by the Company in financial reporting, internal auditing procedures and the adequacy of the internal control procedures of the Company. The Compensation Committee administers the Company's 1997 Stock Incentive Plan (the "Incentive Plan") and makes recommendations to the Board of Directors regarding compensation and benefits for the executive officers. The Compensation Committee also has oversight responsibilities for all broad-based compensation and benefit programs, including the Incentive Plan. The Nominating Committee recommends to the Board of Directors candidates for election as director of the Company and makes recommendations to the Board of Directors regarding director compensation.

#### Compensation of Directors

All directors receive a fee of \$2,500 for each regularly scheduled quarterly Board meeting attended (the "Director's Fee"). The Director's Fee is adjusted upwards or downwards on an annual basis in an amount equal to the percentage change in the market price of the Company's Common Stock as compared to the market price of the Common Stock for the previous fiscal year. In addition to the Director's Fee, all directors receive reimbursement for travel and other related expenses incurred in attending Board meetings and committee meetings.

In voting by proxy for the election of the two nominees as Class II Directors and the one nominee to a Class III Director to serve until the annual meeting of shareholders at which such directors' class will stand for reelection, shareholders may vote in favor of all nominees, withhold their votes as to all nominees, or withhold their votes as to a specific nominee. If no instructions are indicated, such proxies will be voted FOR the election of all nominees as directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS  
VOTE FOR THE ELECTION OF ALL OF THE PROPOSED CLASS II AND CLASS  
III NOMINEES TO THE BOARD OF DIRECTORS.

#### PROPOSAL 2: SELECTION OF AUDITORS

Upon the recommendation of the Audit Committee, the Board of Directors of the Company has appointed, subject to the approval of the shareholders, the firm McGladrey & Pullen, LLP as independent public accountants to audit the Company's financial statements for the fiscal year ended December 31, 1999. If the appointment of McGladrey & Pullen, LLP is not approved by the shareholders, the matter will be referred to the Audit Committee for further review.

Goodman & Company, L.L.P. ("Goodman") served as the Company's independent public accountants for the fiscal years ended December 31, 1995, December 31, 1996 and December 31, 1997. For various business reasons, the Audit Committee recommended the dismissal of Goodman to the Company's Board of Directors, and on February 23, 1998, the Board officially terminated its business relationship with Goodman. Goodman's reports on the Company's financial statements for each of the last two fiscal years did not contain an adverse opinion or disclaimer of opinion. Similarly, Goodman did not modify either such report as to uncertainty, audit scope or accounting principles. There were no disagreements between the Company and Goodman regarding any matter of accounting

principles or practices, financial statement disclosure, or auditing scope or procedure.

The Company appointed McGladrey & Pullen, LLP to serve as the Company's independent public accountants on February 23, 1998.

It is anticipated that representatives of McGladrey & Pullen, LLP will attend the Annual Meeting and will have an opportunity to make a statement, if they determine to do so, and will be available to respond to appropriate questions at that time.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE SELECTION OF MCGLADREY & PULLEN, LLP AS THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTANTS TO AUDIT THE COMPANY'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The following table sets forth certain information regarding beneficial ownership as of the Record Date (unless otherwise indicated) by (i) each director and nominee for director, (ii) each person known by the Company to be the beneficial owner of more than 5% of the Common Stock of the Company, (iii) the executive officers of the Company named in the Summary Compensation Table herein, and (iv) all directors and officers as a group. Except as otherwise indicated, the beneficial owners listed below have sole voting and investment power with respect to all shares owned by them, except to the extent such power is shared by a spouse under applicable law.

<TABLE>  
<CAPTION>

Name and Address of Beneficial Owner of Class (%)	Shares Beneficially Owned (1)	Percent
<S>	<C>	<C>
Richard J. Freer, Ph.D. (2) 5.1	87,411	
Robert B. Harris, Ph.D. (3) 4.9	83,910	
Thomas R. Reynolds (5) 3.4	56,759	
Charles A. Mills (6) 27.7	467,492	
Peter C. Einselen (7) 1.5	25,000	
George F. Allen (8) *	--	
James T. Martin (9) 15.7	257,465	
Gregory A. Buck Ph.D. (10) 3.3	56,642	
All directors and executive officers as a group (seven persons) (11)	720,572	
39.8		

</TABLE>

- \* Less than 1%
- (1) Includes shares of Common Stock subject to options and warrants that may be exercised within 60 days of March 1, 1999. Such shares are deemed to be outstanding for the purposes of computing the percentage ownership of the individual holding such shares, but are not deemed outstanding for purposes of computing the percentage of any other person shown in the table.
- (2) Dr. Freer's address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Dr. Freer includes currently exercisable options to purchase an aggregate of 33,332 shares of Common Stock and warrants to purchase an aggregate of 28,947 shares of Common Stock.
- (3) Dr. Harris' address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Dr. Harris includes currently exercisable options to purchase an aggregate of 33,332 shares of Common Stock and warrants to purchase an aggregate of 28,947 shares of Common Stock.
- (5) Mr. Reynolds' address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Mr. Reynolds

- includes currently exercisable options to purchase an aggregate of 33,332 shares of Common Stock and warrants to purchase an aggregate of 13,158 shares of Common Stock.
- (6) Mr. Mills' address is 707 East Main Street, 20th Floor, Richmond, Virginia 23219. The number of shares deemed to be beneficially held by Mr. Mills includes (i) warrants exercisable to purchase 50,750 shares of Common Stock and (ii) 274,277 shares of Common Stock held by investment advisory clients of Mills Value Adviser, Inc., a registered investment adviser ("MAI"). Mr. Mills serves as Chairman of MAI. MAI possesses shared dispositive power over, and can vote, such shares. Mr. Mills disclaims beneficial ownership of such shares. MAI further holds and has shared dispositive power over 142,465 of the 257,465 shares owned by James T. Martin, but cannot vote such shares.
- (7) Mr. Einselen's address is 707 East Main Street, 20th Floor, Richmond, Virginia 23219.
- (8) Mr. Allen's address is c/o McGuire, Woods, Battle & Boothe, L.L.P., One James Center, 901 East Cary Street, Richmond, Virginia 23219.
- (9) Mr. Martin's address is Tupenny House, Tuckerstown, Bermuda.
- (10) Dr. Buck's address is PO Box 980678, Richmond, Virginia 23298-0678. Dr. Buck resigned as the Company's Senior Vice President, Chief Scientific Officer, Secretary and director as of August 24, 1998. The number of shares deemed to be beneficially owned by Dr. Buck includes currently exercisable options to purchase an aggregate of 23,632 shares of Common Stock and Warrants to purchase an aggregate of 28,948 shares of Common Stock.
- (11) Includes currently exercisable options and warrants to purchase an aggregate of 171,048 shares of Common Stock within 60 days of March 1, 1999.

#### SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers, directors and persons who own more than 10% of a registered class of the Company's securities to file reports of ownership and changes in ownership with the SEC.

Based solely on a review of copies of reports filed with the SEC and written representations from certain of the Company's directors and executive officers that no other reports were required, the Company notes that (i) Mr. Einselen failed to timely report two acquisitions of the Company's common stock on two reports and (ii) Gov. Allen failed to timely file one report reflecting his initial statement of beneficial ownership and a single acquisition. These acquisitions were subsequently reported.

#### EXECUTIVE COMPENSATION

Executive Officers of the Company

The executive officers of the Company are as follows:

<TABLE>  
<CAPTION>

	Name	Age	Position
	----	---	-----
<S>		<C>	<C>
Director	Richard J. Freer, Ph.D.	56	Chairman of the Board and
Director	Robert B. Harris, Ph.D.	46	President and
and Director	Thomas R. Reynolds	36	Senior Vice President, Secretary
	James H. Brennan	46	Controller

</TABLE>

Set forth below is the biographical information for Mr. Brennan. See "Proposal 1: Election of Directors" for information regarding the backgrounds of Dr. Freer and Dr. Harris and Mr. Reynolds.

JAMES H. BRENNAN - Controller  
Age -- 46

Mr. Brennan became the Company's Controller in December 1997. From 1996 to 1997, Mr. Brennan served as the Controller of Star Tobacco, a cigarette manufacturer. From 1995 to 1996, he served as Controller of Delta Airport Consultants, an engineering firm. From 1994 to 1995, Mr. Brennan was the

Controller for Herald Pharmacal, a manufacturer of skin care products. Mr. Brennan received a bachelor's degree in Political Science from Mount St. Mary's College and a master's degree in Business Administration from Averett College.

The following table sets forth summary information concerning compensation paid or accrued by the Company in 1998 on behalf of (i) the Company's Chairman of the Board and (ii) the two other executive officers of the Company whose total annual salary and bonus exceeded \$100,000 in 1998 (collectively, the "Named Executive Officers").

<TABLE>  
<CAPTION>

Summary Compensation Table

Name and Principal Position All Other	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Underlying Options (#)
Compensation (\$)	----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
16,000 (1) Richard J. Freer, Ph.D., 28,073 (2) Chairman of the Board 23,024 (3)	1998 1997 1996	162,600 97,411 8,729	-- 43,421 --	-- -- --	-- 78,157 --
16,000 (1) Robert B. Harris, Ph.D., 28,073 (2) President 23,024 (3)	1998 1997 1996	164,866 91,908 --	-- 43,421 --	-- -- --	-- 78,157 --
10,000 (1) Thomas R. Reynolds, 12,632 (2) Senior Vice President and 10,963 (3) Secretary	1998 1997 1996	118,352 70,154 --	-- 19,737 --	-- -- --	-- 35,529 --
Gregory A. Buck, Ph.D. (4) 9,000(1) 33,073(2) 23,024(3)	1998 1997 1996	118,009 83,237 --	-- 43,421 --	-- -- --	-- 78,157 --

- 
- (1) Represents Director's Fees and reimbursements for automobile expenses paid by the Company.
  - (2) Represents the sum of Director's Fees paid by the Company and distributions to pay income taxes incurred by the recipient as a result of the Company's status, prior to June 1997, as a corporation taxed in accordance with Subchapter S of the Internal Revenue Code of 1986, as amended.
  - (3) Represents distributions to pay income taxes incurred by the recipient as a result of the Company's status, for the fiscal year ended December 31, 1996, as a corporation taxed in accordance with Subchapter S of the Internal Revenue Code of 1986, as amended.
  - (4) Dr. Buck resigned as the Company's Senior Vice President, Chief Scientific Officer, Secretary and director as of August 24, 1998.

The following table sets forth certain information, with respect to the Named Executive Officers, concerning the exercise of options in 1998 and with respect to unexercised options at December 31, 1998.

<TABLE>  
<CAPTION>

Unexercised Money Fiscal Year (\$)(1)	Name	Shares Acquired on Exercise (#)	Value Realized (\$)(2)	Number of Unexercised Option at Fiscal Year-End (#)		Value of In-the- Options at End
				Exercisable	Unexercisable	Exercisable
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
	Richard J. Freer, Ph.D.	--	--	33,332	44,825	87,497
	Robert B. Harris, Ph.D.	--	--	33,332	44,825	87,497
	Thomas R. Reynolds	--	--	33,332	2,197	87,497
	Gregory A. Buck, Ph.D.(3)	10,000	39,670	23,632	44,825	27,728

</TABLE>

- (1) Based upon the closing sale price of the Company's Common Stock of \$8.625 per share, as reported on the Nasdaq SmallCap Market on December 31, 1998, less the exercise price for the options.
- (2) Calculated using the difference between (a) the actual sales price of the underlying shares and (b) the exercise price.
- (3) Dr. Buck resigned as the Company's Senior Vice President, Chief Scientific Officer, Secretary and director as of August 24, 1998.

The Company has not awarded stock appreciation rights to any of its executive officers, directors or employees. The Company has no long-term incentive, defined benefit or actuarial plans, as those terms are defined in Securities and Exchange Commission regulations, covering employees of the Company.

#### Employment Contracts and Termination and Change-In-Control Arrangements

On June 24, 1997, the Company entered into employment agreements with each of Dr. Freer, Dr. Harris and Mr. Reynolds. Each of these agreements has a term of five years and will be extended for successive one-year terms beginning on the first anniversary of its commencement, unless either the executive officer or the Company shall have given notice to the other of an election not to extend the term of the employment agreement. The employment agreements provide for base salaries of \$165,000 for Dr. Freer and Dr. Harris and \$120,000 for Mr. Reynolds, which are adjustable annually at the discretion of the Compensation Committee. In addition, the employment agreements provide the Company's executive officers with annual bonuses equal to, in the aggregate, 15% of the Company's pre-tax net income for the preceding fiscal year. Such bonuses will be paid within 30 days following the release of the Company's annual audited financial statements. Under each of the employment agreements, the Company may terminate the executive officers employment at any time for "Cause" as such term is defined in the employment agreement, without incurring any continuing obligations to the executive officer. If the Company terminates an executive officer's employment for any reason other than for "Cause" or if an executive officer terminates his or her employment for "Good Reason," as such term is defined in the employment agreement, the Company will remain obligated to continue to provide the compensation and benefits specified in the executive officer's employment agreement for the duration of what otherwise would have been the term of the employment agreement. In addition, each employment agreement contains non-competition provisions which prohibit each executive officer from competing with the Company or soliciting its employees under certain circumstances. A court may, however, determine that these non-competition provisions are unenforceable or only partially enforceable.

The Company has entered into severance agreements with each of Dr. Freer, Dr. Harris and Mr. Reynolds. Each severance agreement (all of which are substantially similar) has an initial term of five years and will be extended for successive one-year periods beginning on the first anniversary of its commencement, unless either the executive officer or the Company shall have given notice to the other of an election not to extend the term of the severance agreement. If the employment of any of these executive officers is terminated

(with certain exceptions) within 60 months following a "Change in Control," as such term is defined in the severance agreement, the executive officer will be entitled to receive a cash payment equal to two times the annual salary for the most recent twelve-month period and three times the bonus paid with respect to such period. To the extent the aggregate benefits available to an executive officer, whether under his respective severance agreement or otherwise, exceed the limit of three times the executive's average base compensation provided in Section 280G of the Internal Revenue Code of 1986, as amended, resulting in the executive officer incurring an excise tax under Section 4999 of the Code or any other taxes or penalties (other than ordinary income or capital gains taxes), the severance agreements require the Company to pay the executive officer an additional amount to cover any such excise taxes or penalties incurred. The Company will not be entitled to a deduction for the amount in excess of this limit.

#### Compensation Committee Interlocks and Insider Participation

The Compensation Committee of the Board of Directors during 1998 consisted of Mr. Mills and Mr. Einselen. None of the members of the Compensation Committee has at any time been an officer or employee of the Company or any of its subsidiaries, nor have any of the members had any relationship with the Company requiring disclosure by the Company.

#### CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Two directors of the Company, Charles A. Mills, III and Peter C. Einselen, also serve as executive officers of A&S. A&S served as underwriter for the Company's issuance of industrial development revenue bonds in an aggregate principal amount of \$4,000,000. This transaction was completed in March 1998, and A&S' underwriting fee associated with the issuance of such bonds was approximately \$160,000.

The Company believes that the transaction noted above was made on terms no less favorable to the Company than could have been obtained from unaffiliated third parties. All future transactions between the Company and its officers, directors and principal shareholders will be approved in accordance with the Virginia law by a majority of the Board of Directors, including a majority of the independent and disinterested directors of the Board of Directors, and will be on terms no less favorable to the Company than could be obtained from unaffiliated third parties.

#### SHAREHOLDER PROPOSALS

If a shareholder wishes to have a proposal considered for inclusion in the Company's proxy materials for the 2000 Annual Meeting of Shareholders, the proposal must comply with the Securities and Exchange Commission's proxy rules, be stated in writing and be submitted on or before November 5, 1999. Any proposals should be mailed to the Company at 601 Biotech Drive, Richmond, Virginia 23235, Attention: Thomas R. Reynolds, Secretary.

In addition to any other applicable requirements, for business to be properly brought before the annual meeting by a shareholder, even if a proposal is not to be included in the Company's proxy statement, the Company's Bylaws provide that the shareholder must give timely notice in writing to the Secretary of the Company not later than 90 days prior to the annual meeting. As to each matter, the notice must contain (i) a brief description of the business to be brought before the annual meeting (including the specific proposal to be presented) and the reasons for addressing it at the annual meeting, (ii) the name of, record address of, and class and number of shares beneficially owned by the shareholder proposing such business and (iii) any material interest of the shareholder in such business. The 2000 annual meeting of shareholders of the Company will be held on April 13, 2000.

The Company's Bylaws provide that a shareholder of the Company entitled to vote for the election of directors may nominate persons for election to the Board of Directors by mailing written notice to the Secretary of the Company not later than (i) with respect to an election to be held at an annual meeting of shareholders, 90 days prior to such meeting, and (ii) with respect to an election to be held at a special meeting of shareholders for the election of directors, the close of business on the seventh day following the date on which notice of such meeting is given to shareholders. Any such shareholder's notice shall include (a) the name and address of the shareholder and of each person to be nominated, (b) a representation that the shareholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate each person specified, (c) a description of all arrangements or understandings between the shareholder and each nominee and any other person (naming such person) pursuant to which the nomination is to be made by the shareholder, (d) such other information regarding each nominee as would be required to be included in a proxy statement

filed pursuant to the proxy rules of the Securities and Exchange Commission, and (e) the consent of each nominee to serve as a director of the Company if so elected.

OTHER MATTERS

The Board of Directors is not aware of any other matters to be brought before the Annual Meeting of Shareholders. If any other matters, however, are properly brought before the Annual Meeting, the persons named in the enclosed form of proxy will have discretionary authority to vote all proxies with respect to such matters in accordance with their best judgment.

UPON THE WRITTEN REQUEST OF ANY HOLDER OF THE COMPANY'S COMMON STOCK ENTITLED TO VOTE AT THE 1999 ANNUAL MEETING OF SHAREHOLDERS, THE COMPANY WILL FURNISH, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-KSB FOR THE YEAR ENDED DECEMBER 31, 1998, INCLUDING FINANCIAL STATEMENTS, AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. REQUESTS SHOULD BE DIRECTED TO THE COMPANY AT 601 BIOTECH DRIVE, RICHMOND, VIRGINIA 23235, ATTENTION: JAMES H. BRENNAN, CONTROLLER.

By Order of the Board of Directors,

/s/ Thomas R. Reynolds

THOMAS R. REYNOLDS  
Secretary

COMMONWEALTH BIOTECHNOLOGIES, INC.

ANNUAL MEETING OF SHAREHOLDERS  
APRIL 15, 1999

The undersigned hereby appoints Richard J. Freer, Ph.D. and Robert B. Harris, Ph.D., or either of them, with power of substitution, as proxies to vote all stock of Commonwealth Biotechnologies, Inc. (the "Company") owned by the undersigned at the Annual Meeting of Shareholders to be held at April 15, 1999, at 11:00 a.m. at 601 Biotech Drive, Richmond, Virginia, and any adjournment thereof, on the following matters as indicated below and such other business as may properly come before the meeting.

- 1.        FOR the election as director of all nominees listed:  
                  Robert B. Harris, Ph.D., Peter C. Einselen and George F. Allen (except as marked to the contrary below).
- WITHHOLD AUTHORITY to vote for all nominees listed:  
                  Robert B. Harris, Ph.D., Peter C. Einselen and George F. Allen (except as marked to the contrary below).

INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR INDIVIDUAL NOMINEES, WRITE THE APPLICABLE NAME(S) IN THE SPACE PROVIDED BELOW:  
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- 2.    Proposal to ratify the appointment of McGladrey & Pullen, LLP as the independent public accountants of the Company for the fiscal year ended December 31, 1999.
- FOR                                    AGAINST                                    ABSTAIN

IN THEIR DISCRETION, THE PROXIES NAMED ABOVE MAY VOTE UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.

THIS PROXY MUST BE DATED AND SIGNED. THIS PROXY IS SOLICITED ON BEHALF OF THE COMPANY'S BOARD OF DIRECTORS.

This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned shareholder. If no direction is made, this Proxy will be voted (i) FOR the two nominees as Class II Directors of the Company and the one nominee as a Class III Director of the Company; and (ii) FOR the proposal to ratify the appointment of McGladrey & Pullen, LLP as the independent public accountants of the Company for the fiscal year ended December 31, 1999.

Please sign exactly as your name appears on this Proxy Card. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership or limited liability entity, please sign in full name such entity by authorized person.

Dated: \_\_\_\_\_, 1999

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Signature of Shareholder

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Signature if held jointly

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.