

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

SCHEDULE 13D  
Under the Securities Exchange Act of 1934

Commonwealth Biotechnologies Inc.

Common Stock, with no par value per share

CUSIP Number: 202739108

Venturepharm Laboratories Limited  
No.3 Jinzhuang, Si Ji Qing  
Haidian District, Beijing  
People's Republic of China  
Attn: George Peng  
Tel: +86 (10) +86 (10) 88500088 ext 280

26 June 2008

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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**SCHEDULE 13D**

CUSIP Number: 202739108

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)  <b>Venturepharm Laboratories Limited</b>		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions)  <b>WC and OO</b>		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED <input type="checkbox"/> PURSUANT TO ITEMS 2(d) or 2(e)		
6	CITIZENSHIP OR PLACE OF ORGANIZATION  <b>Cayman Islands</b>		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  <b>436,426</b>	
	8	SHARED VOTING POWER  --	
	9	SOLE DISPOSITIVE POWER  <b>436,426</b>	
	10	SHARED DISPOSITIVE POWER  --	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  <b>436,426</b>		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> (See Instructions)		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  <b>7.7%</b>		
14	TYPE OF REPORTING PERSON (See Instructions)  <b>CO</b>		

**SCHEDULE 13D**

CUSIP NO.: 202739108

<b>1</b>	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)  <p align="center"><b>William Xia Guo</b></p>		
<b>2</b>	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) <div style="float: right;">                     (a) <input type="checkbox"/>                      (b) <input checked="" type="checkbox"/> </div>		
<b>3</b>	SEC USE ONLY		
<b>4</b>	SOURCE OF FUNDS (See Instructions)  <p align="center"><b>WC and OO</b></p>		
<b>5</b>	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <div style="float: right;"><input type="checkbox"/></div>		
<b>6</b>	CITIZENSHIP OR PLACE OF ORGANIZATION  <p align="center"><b>Canada</b></p>		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		<b>7</b>	SOLE VOTING POWER  <p align="center"><b>436,426<sup>1</sup></b></p>
		<b>8</b>	SHARED VOTING POWER  <p align="center">--</p>
		<b>9</b>	SOLE DISPOSITIVE POWER  <p align="center"><b>436,426<sup>2</sup></b></p>
		<b>10</b>	SHARED DISPOSITIVE POWER  <p align="center">--</p>
<b>11</b>	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  <p align="center"><b>436,426<sup>3</sup></b></p>		
<b>12</b>	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) <div style="float: right;"><input type="checkbox"/></div>		
<b>13</b>	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  <p align="center"><b>7.7%<sup>4</sup></b></p>		
<b>14</b>	TYPE OF REPORTING PERSON (See Instructions)  <p align="center"><b>IN</b></p>		

<sup>1</sup> William Xia Guo indirectly owns 436,426 shares of common stock in the Issuer merely by virtue of him being the majority owner of VPL.

<sup>2</sup> See note 1 above.

<sup>3</sup> See note 1 above.

<sup>4</sup> See note 1 above.



**Items 1 - 7 of Schedule 13D**

**Item 1 - Security and Issuer**

This Schedule 13D relates to the common stock with no par value per share of Commonwealth Biotechnologies, Inc. The address of the Issuer's principal office is at 601 Biotech Drive, Richmond, Virginia 23235.

**Item 2 - Identity and Background**

Venturepharm Laboratories Limited ("**VPL**") is a corporation incorporated in the Cayman Islands, and its shares are listed on the Growth Enterprise Market of the Hong Kong Stock Exchange Limited (stock code: 8225). Its principal address is at No. 3 Jinzhuang, Si Ji Qing, Haidian District, Beijing, PRC, 100089. William Xia Guo is a majority owner of VPL<sup>5</sup>. He is a citizen of Canada. His business address is No. 3 Jinzhuang, Si Ji Qing, Haidian District, Beijing, PRC, 100089. He is the Chief Executive Officer of VPL having its principal address at No. 3 Jinzhuang, Si Ji Qing, Haidian District, Beijing, PRC, 100089. VPL and William Xia Guo are collectively referred to as the "**Reporting Persons**" and each, a "**Reporting Person**" in this Statement.

The Reporting Persons are making this single, joint filing pursuant to Rule 13(d)-1(k) promulgated by the Securities and Exchange Commission pursuant to Section 13 of the Securities Exchange Act of 1934, as amended.

Item 2 of this Statement is supplemented by adding the following information thereto:

Schedule I attached to this Statement contains the following information concerning each director, executive officer and controlling person of VPL: (i) name and residence or business address, (ii) principal occupation or employment and (iii) the name, principal business and address of any corporation or other organization in which such employment is conducted. Schedule I is incorporated by reference. Each person listed on Schedule I are collectively referred to as "**Schedule I Persons**" in this Statement.

During the last five years, neither any of the Reporting Persons nor any of the Schedule I Persons has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). During the last five years, neither any of the Reporting Persons nor any of the Schedule I Persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, is or was subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

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<sup>5</sup> See diagram attached as Schedule II to this Statement showing the interest William Xia Guo holds in VPL.

### **Item 3 - Source and Amount of Funds or Other Consideration**

The securities reported in this Statement were acquired through the exercise of a put option by the Issuer pursuant to an Ancillary Agreement dated 28 March 2008 between VPL and the Issuer (the “*Ancillary Agreement*”) as amended and supplemented by a Subscription and Waiver Agreement dated 8 May 2008 and between VPL and the Issuer (“*Subscription and Waiver Agreement*”).

The consideration for the securities reported in this Statement was US\$1,000,000, which was satisfied by (a) VPL paying to the Issuer US\$500,000 by wire of immediate available funds and (b) VPL issuing 2,229,664 shares in VPL (“*VPL Consideration Shares*”) to the Issuer. Pursuant to the terms of the Ancillary Agreement, the number of VPL’s Consideration Shares was arrived at by dividing HK\$3,895,000, (equivalent to approximately US\$500,000) by HK\$1.7469, which was approximately 90% of the arithmetic average of the closing prices of one share in VPL as published in the Daily Quotation Sheets published by the Hong Kong Stock Exchange Limited for the 50 consecutive trading days immediately prior to and including 25 April 2008.

The cash consideration in the sum of US\$500,000 was funded by working capital of VPL.

### **Item 4 - Purpose of the Transaction**

The Issuer engages in the business of, among others, biology, lead optimization and chemical syntheses while VPL and its subsidiaries engage in the business of, among others, formulation and clinical trials. Both the Issuer and the VPL’s group operate in the business of drug discovery process development and scale-up. The services of the Issuer and VPL cover the key areas in the value chain of the life science R&D outsourcing industry. VPL considered that through the acquisition of the securities in the Issuer, VPL would be able to strengthen its research and development services in existing therapeutic areas, expand its therapeutic capacity by entering into new segments of industry and complement its geographical expansion strategy to strengthen delivery capabilities.

Except as disclosed below, the Reporting Persons have no plan or proposal which relate to or would result in (a) the acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries; (d) any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any other material change in the Issuer’s business or corporate structure, including but not limited to, if the Issuer is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by section 13 of the Investment Company Act of 1940; (g) changes in the Issuer’s charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person; (h) causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to section 12(g)(4) of the Securities Exchange Act of 1934, as amended; and (j) any action similar to any of those enumerated above.

- a) VPL entered into a Share Sale Agreement with PharmAust Limited, a company incorporated in Australia, on 28 March 2008 (the “*Share Sale Agreement*”). Under the Share Sale Agreement, PharmAust agreed to sell, and VPL agreed to purchase, subject to the satisfaction of certain conditions, 2,150,000 shares (the “*Sale Shares*”) of the common stock of the Issuer. As of the date of this Statement, all the conditions for completion of the sale and purchase of the Sale Shares are not yet satisfied. According to the Share Sale Agreement, if the conditions are not satisfied by 28 July 2008, the Share Sale Agreement will be deemed to be at an end and of no force or effect.
- b) Upon completion of the sale and purchase under the Share Sale Agreement, together with the securities reported in this Statement, VPL will be entitled to nominate a director to the board of the Issuer in accordance with the issuer’s Articles of Incorporation and Bylaws and the applicable U.S. federal and state law.
- c) The Sale Shares are currently subject to certain restrictions under the Virginia Control Share Acquisition Statute. On March 21, 2008, the Issuer amended its Bylaws to remove the applicability of the Virginia Control Share Acquisition Statute to the effect that upon acquisition of the Sale Shares by VPL, the Sale Shares shall be outstanding voting shares of the Issuer’s common stock, and rank pari passu with all issued and outstanding shares of the Issuer.

**Item 5 - Interest in Securities of the Issuer**

- a) As at 26 June 2008, the Issuer has 5,987,426 issued and outstanding shares of its common stock (including the securities reported in this Statement). VPL directly beneficially owns 436,426 shares of the common stock of the Issuer, which consists of approximately 7.74% of the outstanding common stock of the Issuer. As at 26 June 2008, William Xia Guo indirectly owns 436,426 shares of the common stock of the Issuer, which consists of approximately 7.74% of the outstanding common stock of the Issuer<sup>6</sup>. There is no person who together with any of the persons named in Item 2 above, comprise a group within the meaning of section 13(d)(3) of the Act.

- b) VPL holds 436,426 shares of the common stock of the Issuer as to which there is sole power to vote and to dispose. William Xia Guo indirectly holds 436,426 shares of the common stock of the Issuer<sup>7</sup> as to which there is sole power to direct the vote or to direct the disposition.
- c) Neither VPL nor William Xia Guo has effected any transactions in the common stock of the Issuer in the past 60 days prior to the date of this Statement.
- d) William Xia Guo, by virtue of being the majority owner of VPL, has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities reported in this Statement.
- e) Not applicable.

**Item 6 - Contracts, Arrangements, Understanding or Relationship with respect of Securities of the Issuer**

- a) VPL and PharmAust have entered into the Sale Share Agreement on 28 March 2008 in relation to the sale and purchase of the Sale Shares. Please refer to Item 4 above for further details.
- b) VPL and the Issuer have entered into the Ancillary Agreement on 28 March 2008 whereby (i) VPL granted the Issuer a put option to sell to VPL the securities reported in this Statement, and (ii) the Issuer granted VPL two call options to purchase from the Issuer, at any time prior to the date that is the third anniversary of the date of the Ancillary Agreement (i.e. 28 March 2008), up to an aggregate of US\$3,000,000 of shares of the common stock of the Issuer. By the Subscription and Waiver Agreement entered into between VPL and the Issuer on 8 May 2008, VPL and the Issuer agreed to waive the prohibition under the Ancillary Agreement that the Issuer may not exercise the put option until the expiration of a 60-day period following the completion of the acquisition of the Sale Shares, and the Issuer agreed to exercise the put option.

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<sup>6</sup> See note 1 above.

<sup>7</sup> See note 1 above.



- c) VPL and the Issuer entered into a Registration Rights Agreement on 28 March 2008 (the “**Registration Rights Agreement**”), whereby VPL may, at any time after the date that is the second anniversary of the date of the Registration Rights Agreement, request registration under the United States Securities Act of 1933, as amended, of all or any portion of the Sale Shares on an applicable Securities Exchange Commission (the “**SEC**”) form. Subject to the decision of the board of directors of the Issuer, the Issuer may postpone for up to 90 days the filing or the effectiveness of a registration statement for the demand registration.
- d) VPL and the Issuer entered into a Voting and Lock-Up Agreement on 28 March 2008 (the “**Voting and Lock-Up Agreement**”), whereby, (i) for the period beginning on the completion of the acquisition of the Sale Shares and expiring on the date that is the six month anniversary of the completion of the acquisition of the Sale Shares, VPL would agree to vote all shares of the common stock of the Issuer that it controls (including the Sale Shares) in favour of all proposals requiring shareholder approval that are adopted by the board of directors of the Issuer; and (ii) during the period beginning on the completion of the acquisition of the Sale Shares and ending on the date that is the 18 month anniversary of such date of completion, VPL would not offer, sell, contract to sell, grant any option to purchase or otherwise dispose of any shares of the Issuer’s capital stock, or any securities convertible into or exercisable or exchangeable for the Issuer’s capital stock, or warrants to purchase shares of the Issuer’s capital stock (including, without limitation, securities of the Issuer which may be deemed to be beneficially owned by VPL in accordance with the rules and regulations of the SEC and securities which may be issued upon the exercise of a stock option or warrant) without the prior written consent of the Issuer, which consent will not be unreasonably withheld.

**Item 7 - Materials to be Filed as Exhibits**

Exhibit 1	Sale Share Agreement
Exhibit 2	Subscription and Waiver Agreement
Exhibit 3	Ancillary Agreement
Exhibit 4	Registration Rights Agreement
Exhibit 5	Voting and Lock-Up Agreement

## SIGNATURES

After reasonable inquiry and to the best of his or her knowledge and belief, each of the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Dated this 24 day of July 2008.

Venturepharm Laboratories Limited

/s/ William Xia GUO

Name: William Xia GUO

Title: Executive Director and CEO

/s/ William Xia GUO

William Xia Guo

**Schedule I**

**DIRECTORS AND EXECUTIVE OFFICERS**

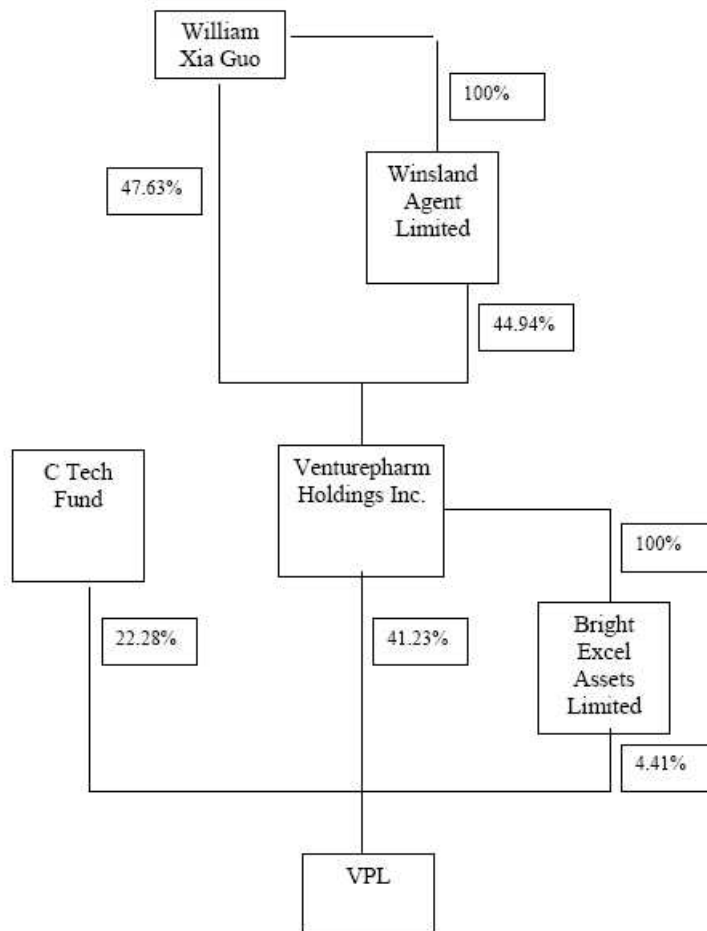
**OF**

**VENTUREPHARM LABORATORIES LIMITED**

The name and present principal occupation of each director and executive officer of VPL are set forth below. Unless otherwise stated, the business address for each person listed below is c/o Venturepharm Laboratories Limited, No. 3 Jinzhuang, Si Ji Qing, Haidian District, Beijing PRC 100089

<b>Name and Business Address (if applicable)</b>	<b>Principal Occupation and Principal Business (if applicable)</b>
William Xia Guo	Chairman, executive director and chief executive officer of VPL
Dr. Maria Xue Mei Song	Executive director and Vice President of VPL
Mr. Feng Tao	Non-executive director of VPL
Mr. Wu Xin	Non-executive director of VPL
Dr. Nathan Xin Zhang	Non-executive director of VPL
Ms. Wang Hong Bo	Independent non-executive director of VPL
Mr. Paul Contomichalos	Independent non-executive director of VPL
Mr. Wu Ming Yu	Independent non-executive of VPL

Schedule II



Note 1: CBI holds 0.62% and other public shareholders hold 31.43% respective in VPL.

Note 2: C Tech Fund is held by 6 independent third parties.

PHARMAUST LIMITED  
ACN 094 006 023  
(Vendor)

and

VENTUREPHARM LABORATORIES LIMITED  
(Purchaser)

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## SHARE SALE AGREEMENT

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STEINEPREIS PAGANIN   
Lawyers & Consultants

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THIS AGREEMENT is made the 28<sup>th</sup> day of March 2008

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**BETWEEN**

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**PHARMAUST LIMITED** (ACN 094 006 023) of 71 Division Street, Welshpool, Western Australia  
(Vendor);

AND

**VENTUREPHARM LABORATORIES LIMITED**, a company incorporated pursuant to the laws of  
Cayman Islands (**Purchaser**).

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**RECITALS**

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- A. PharmAust Chemistry is the recorded holder of the Sale Shares.
- B. The Vendor is the legal and beneficial owner of all of the issued capital of PharmAust Chemistry.
- C. The Vendor agrees to procure the sale by PharmAust Chemistry of, and the Purchaser agrees to purchase, the Sale Shares on the terms and conditions set out in this Agreement.

IT IS AGREED as follows:

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**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Agreement:

**Agreement** means the agreement constituted by this document and includes the recitals.

**Business Day** means:

- (a) for the purposes of clause 10.3, a day on which banks are open for business in the city where the notice or other communication is received, excluding a Saturday or a Sunday or a public holiday; and
- (b) for all other purposes, a day on which banks are open for business in Perth, Hong Kong and Beijing, excluding a Saturday or a Sunday or a public holiday.

**Company** means Commonwealth Biotechnologies Inc., a company established under the laws of the State of Virginia.

**Completion** means completion of the sale and purchase of the Sale Shares in accordance with clause 5.

**Completion Date** means the date determined in accordance with clause 5.1.

**Conditions** means the conditions precedent set out in clause 2.1.

**Consideration** means the sum of US\$3,117,500.

**Deposit Escrow Agreement** means the escrow agreement to be entered into by the Parties and the Escrow Agent pursuant to which the Escrow Amount is to be held in escrow on the terms and subject to the conditions contained therein.

**Duty** means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes, but is not limited to, any interest, fine, penalty, charge or other amount imposed in respect of the above but excludes any Tax.

**End Date** means that date which is 3 months after the Execution Date or such other date as agreed by the Parties in writing.

**Escrow Account** means the Deposit Escrow Account established by the Escrow Agent in accordance with the Deposit Escrow Agreement.

**Escrow Agent** means Allens Arthur Robinson of 49/F One Exchange Square, 8 Connaught Place, Central Hong Kong.

**Escrow Amount** means the sum of the consideration being US\$3,117,500.

**Execution Date** means the date on which the Parties sign this Agreement.

**Government Agency** means a government or government department, a governmental or semi-governmental or judicial person (whether autonomous or not) charged with the administration of any applicable law.

**Hong Kong** means the Hong Kong Special Administrative Region of the People's Republic of China.

**Party** means a party to this Agreement.

**PharmAust Chemistry** means PharmAust Chemistry Limited (ABN 45 112 931 334) of 71 Division Street, Welshpool, Western Australia.

**Registration Agreement** means the Registration Rights Agreement entered into between PharmAust Chemistry and the Company dated 9 February 2007 dealing with registration of the Sale Shares.

**Sale Shares** means 2,150,000 fully paid shares of common stock of the Company.

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of a debt or any other monetary obligation or the performance of any other obligation and includes, but is not limited to, any agreement to grant or create any of the above, but specifically excludes all rights, obligations or requirements arising under the Registration Agreement or the Voting Lock-Up Agreement.

**Surviving Provisions** means clauses 1, 8.2, 8.3, 9 and 12.

**Tax** means any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, which is assessed, levied, imposed or collected by any Government Agency under any tax law and includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above but excludes Duty.

**US\$** means the lawful currency of the United States of America.

**Voting and Lock-Up Agreement** means the Voting and Lock-Up Agreement entered into among the Vendor, PharmAust Chemistry and the Company on 9 February 2007 in relation to the Vendor's rights and obligations in relation to the Sale Shares.

**Warranties** means the warranties and representations set out in clause 6.1.

## **1.2 Interpretation**

In this Agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, 2 or more Parties binds or benefits all of them jointly and each of them severally;
- (c) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any Party includes that Party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (e) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (h) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Agreement and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement; and
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning.



### **1.3 Business Day**

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

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## **2. CONDITIONS**

### **2.1 Conditions**

Clauses 3, 4 and 5 of this Agreement are subject to and conditional upon:

- (a) the Vendor obtaining all necessary shareholder and regulatory approvals required to complete the transactions contemplated by this Agreement;
- (b) the Purchaser obtaining all necessary shareholder, regulatory and other relevant approvals required to complete the transactions contemplated by this Agreement;
- (c) the Purchaser and the Company entering into a registration agreement and a voting and lock-up agreement;
- (d) there having been no breach of any of the Warranties;
- (e) no notice, order, judgment, action or proceeding of any court, arbitrator, governmental authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by this Agreement or which may adversely affect the right of the Purchaser to own the legal and beneficial title to the Sale Shares, free of Security Interests, following Completion; and
- (f) the Parties and the Escrow Agent executing the Deposit Escrow Agreement by no later than 7 days from the Execution Date.

### **2.2 Conditions cannot be waived**

The Conditions contained in clauses 2.1(a), 2.1(b), 2.1(c) and 2.1(f) in this Agreement can not be waived.

### **2.3 Satisfaction or waiver**

If:

- (a) the Conditions (other than the Condition in clause 2.1(f)) are not satisfied in accordance with the provisions of this Agreement on or before the End Date (as varied or extended by the Parties in writing); or
- (b) the Condition in clause 2.1(f) is not satisfied on or before the date that is 7 days from the Execution Date (or such other date as agreed by the Parties in writing),

this Agreement shall be deemed to be at an end and of no force or effect with no Party being subject to any of the obligations contained in this Agreement and with no Party claiming any rights at law or in equity against any other Party

save for the performance of those covenants and agreements (if any) which should have already been performed and all damages for breach of the same.

#### **2.4 Best endeavours**

The Purchaser must use its best endeavours to satisfy the Conditions contained in clause 2.1(b) and 2.1(c). The Vendor must use its best endeavours to satisfy the Conditions contained in clause 2.1(a) and 2.1(d).

#### **2.5 Notice**

The Purchaser and the Vendor must promptly notify the other in writing if any of the Conditions are satisfied or cannot be satisfied.

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### **3. SALE AND PURCHASE**

#### **3.1 Sale Shares**

Subject to clauses 2 and 7, on the Completion Date the Vendor must procure the sale by PharmAust Chemistry and the Purchaser must purchase the Sale Shares for the Consideration free of all Security Interests and other third party interests or rights whatsoever, in the manner detailed in clause 5.

#### **3.2 Associated rights**

The Vendor must procure the sale by PharmAust Chemistry of the Sale Shares together with all rights attached to them as at the date of this Agreement and all those rights which accrue between the date of this Agreement and Completion, subject to the provisions of clause 5. The Vendor shall procure that PharmAust Chemistry hold on trust for the Purchaser all dividends, interests, monies or rights arising from or accruing to the Sale Shares during the period between the Execution Date and the Completion Date and shall on demand procure that PharmAust Chemistry pay or otherwise transfer such dividends, interests, monies or rights to the Purchaser or its nominee(s).

#### **3.3 Voting prior to Completion**

The Vendor covenants that it will consult with the Purchaser with respect to the exercise of PharmAust Chemistry's voting power in respect of the Sale Shares on any matters put forward by the Company for shareholder approval between the Execution Date and the Completion Date.

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### **4. CONSIDERATION**

#### **4.1 Consideration**

The Consideration is payable by the Purchaser by a cash payment of US\$3,117,500 which shall be paid within 7 days of the Execution Date into the Escrow Account to be held in escrow by the Escrow Agent pursuant to the terms and conditions of the Deposit Escrow Agreement.

## **4.2 Escrow**

The Parties acknowledge and agree that subject to the Deposit Escrow Agreement:

- (a) the Purchaser shall deposit the Escrow Amount with the Escrow Agent pursuant to the terms and conditions of the Deposit Escrow Agreement;
- (b) the Escrow Amount shall be held in escrow by the Escrow Agent until the earlier of:
  - (i) the date Completion occurs; and
  - (ii) the termination of this Agreement in accordance with its terms;
- (c) on the Completion Date and provided that the Vendor has performed its obligations in accordance with clause 5.2, the Purchaser must notify the Escrow Agent immediately that the Escrow Amount is payable to the Vendor in accordance with clause 5(d) of the Deposit Escrow Agreement; and
- (d) if Completion fails to take place on or before the End Date, or this Agreement is otherwise terminated in accordance with its terms the Vendor must notify the Escrow Agent immediately that the Escrow Amount is payable to the Purchaser in accordance with clause 5(a) of the Deposit Escrow Agreement.

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## **5. COMPLETION**

### **5.1 Completion Date**

Completion must take place at the offices of the Vendor at 12:00 pm on the day which is 2 Business Days after satisfaction of the Conditions, or any other time, date and place as the Purchaser and Vendor agree.

### **5.2 Vendor obligations at, and from, Completion**

At Completion, the Vendor must:

- (a) give the Purchaser original share certificates or holding statements for the Sale Shares (if any) or other written evidence in a form acceptable to the Purchaser of PharmAust Chemistry's ownership of the Sale Shares;
- (b) give the Purchaser completed registrable transfers for the Sale Shares in favour of the Purchaser (as transferees) which have been duly executed by PharmAust Chemistry (as transferor);
- (c) deliver to the Purchaser a certificate signed by a director of the Vendor, dated as of the Completion Date, that each of the Warranties is true and accurate and not misleading as at Completion;
- (d) (if required by the Purchaser) deliver to the Purchaser irrevocable powers of attorney (in such form as the Purchaser may reasonably require) executed by PharmAust Chemistry in favour of the Purchaser to enable the Purchaser (pending the registration of the transfer of the Sale

Shares) to exercise all voting and other rights attaching to the Sale Shares and to appoint proxies for this purpose;

- (e) execute or cause to be executed and deliver to the Purchaser such other documents as may be necessary to register the Sale Shares in the name of the Purchaser; and
- (f) deliver to the Purchaser a duly executed waiver and general release and deed of settlement (if applicable) in form satisfactory to the Purchaser in respect of any claims or actions which the Vendor or its affiliates have or may have against the Company or any of its affiliates save for any claim or action which the Purchaser may specifically request the Vendor to initiate in its name to perfect the Purchaser's interest in, or title to, the Sale Shares, in which case, the Vendor shall act in accordance with the instructions of the Purchaser.

### 5.3 Purchaser obligations at Completion

Subject to the Vendor's performance of the Vendor's obligations under clause 5.2, at Completion the Purchaser must deliver the notification referred to in clause 4.2(c) of this Agreement to the Escrow Agent.

### 5.4 Simultaneous Completion and Right to Terminate

- (a) The Purchaser shall not be obliged to complete the sale and purchase of any of the Sale Shares unless the sale and purchase of all the Sale Shares is completed simultaneously.
- (b) If the foregoing provisions of **clause 4.2**, and this **clause 5** are not fully complied with by any Party (the "**Defaulting Party**") by or on the date set for Completion, the other Party (the "**Non-Defaulting Party**") shall be entitled (in addition to and without prejudice to all other rights or remedies available to the Non-Defaulting Party including the right to claim damages) by written notice to the Defaulting Party served on such date to:
  - (i) effect Completion so far as practicable having regard to the defaults which have occurred;
  - (ii) fix a new date for Completion (being a date no later than five Business Days after the agreed date for Completion), in which case the foregoing provisions of this **clause 5.4** shall apply to Completion as so deferred; or
  - (iii) elect to terminate this Agreement, whereupon all rights and obligations of the Parties shall cease to have effect, provided however that (a) the Surviving Provisions shall continue in force following the termination of this Agreement; and (b) the termination of this Agreement shall be without prejudice to the rights and liabilities of each Party accrued prior to such termination.

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## 6. WARRANTIES

### 6.1 Warranties and representations

Subject to the qualifications and limitations in clause 6.5, the Vendor warrants and represents to the Purchaser as at the date of this Agreement and each day up to and including Completion as follows:

- (a) **Title:** PharmAust Chemistry is the legal and beneficial owner of the Sale Shares which are free of all Security Interests and other third party interests or rights.
- (b) **Consents:** The Vendor is able to procure that PharmAust Chemistry sell and transfer the Sale Shares without the consent of any other person and free of any pre-emptive rights or rights of first refusal.
- (c) **Fully paid:** The Sale Shares are fully paid and no money is owing in respect of them.
- (d) **No legal impediment:** The execution, delivery and performance by the Vendor of this Agreement complies with:
  - (i) each law, regulation, authorisation, ruling, judgement, order or decree of any Government Agency;
  - (ii) the constitution or other constituent documents of the Vendor; and
  - (iii) any Security Interest or document which is binding on the Vendor in relation to the Sale Shares and the Company.
- (e) **Authorisations:** The Vendor has taken all necessary action to authorise the execution, delivery and performance of this Agreement in accordance with its terms.
- (f) **Capacity:** The Vendor is an entity duly organised and validly existing under the laws of Australia and has the legal right and full power and authority to enter into and perform this Agreement and any other transaction documents in connection with the transactions contemplated hereby, which when executed will constitute valid and binding obligations on it, in accordance with their respective terms.
- (g) **Exemption:** There is no restriction on assignment of the Sale Shares as contemplated by this Agreement and the transfer of the Sale Shares as contemplated hereunder falls within one of the available exemptions of transfer under the applicable US securities law.

### 6.2 Independent Warranties

Each of the Warranties is to be construed separately and independently of the others and is not limited by reference to or inference from any other Warranty or any other term of this Agreement.

### 6.3 Indemnity

The Vendor covenants and undertakes to and with the Purchaser to indemnify and hold harmless the Purchaser from and against any claim, action, damage, loss, liability, cost, charge, expense or outgoing which the Purchaser pays, suffers, incurs or is liable for in respect of or in connection with:

- (a) any breach by the Vendor of any representation, warranty or covenant of the Vendor in this Agreement; and
- (b) any breach by the Vendor of this Agreement,

except to the extent that the Warranty, or the Vendor's liability for the claim, action, damage, loss, liability, cost, charge, expense or outgoing are limited or qualified under clause 6.5.

### 6.4 Reliance

The Vendor acknowledges that the Purchaser has entered into this Agreement in reliance on the Warranties and has been induced by them to enter into this Agreement.

### 6.5 Qualifications and limitations on claims

- (a) The Purchaser acknowledges and agrees that the Vendor has disclosed against the Warranties, and the Purchaser is aware of, and will be treated as having actual knowledge of, all facts, matters and circumstances that:
  - (i) are specifically provided for or described in this Agreement (including but not limited to the matters described in clause 7); or
  - (ii) are specifically disclosed in the documentation set out in a letter of the date of this Agreement issued by the Vendor to the Purchaser and provided by the Vendor to the Purchaser.
- (b) The Warranties are given subject to the specific disclosures described in clause 6.5(a). The Vendor will have no liability under the Warranties to the extent that specific disclosure is made against the Warranties under this clause 6.5.
- (c) The Purchaser agrees that it must not make a claim, and it shall not be a breach of a Warranty, if the facts, matters or circumstances giving rise to the claim, action, damage, loss, liability, cost, charge, expense or outgoing, are specifically disclosed under clause 6.5(a).

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## 7. ACKNOWLEDGEMENT

- (a) The Purchaser expressly acknowledges that the Sale Shares are unregistered and will be subject to the terms and restrictions of the voting and lock-up agreement.
- (b) The Purchaser further acknowledges and agrees as follows:

- (i) The Purchaser is not a "U.S. person" as defined in Rule 902(k) of Regulation S ("Regulation S") under the US Securities Act of 1933 (the "US Securities Act") and is not acquiring the Sale Shares for the account or benefit of any U.S. person as so defined.
- (ii) The sale and assignment of the Sale Shares to the Purchaser as contemplated herein have not been registered under the US Securities Act.
- (iii) The Purchaser shall not sell, transfer or assign any of the Sale Shares, except in accordance with Regulation S or the registration requirements under the US Securities Act, or pursuant to an available exemption from any applicable requirements under the US Securities Act, and the certificate(s) evidencing the Sale Shares shall bear a restrictive legend to this effect.
- (iv) The Purchaser agrees that it will conduct no hedging transactions with regard to the Sale Shares except in compliance with the US Securities Act.

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## **8. DUTIES, COSTS AND EXPENSES**

### **8.1 Duties**

- (a) Each of the Vendor and the Purchaser must pay in equal shares any Duty in respect of the execution, delivery and performance of:
  - (i) this Agreement; and
  - (ii) any Agreement or document entered into or signed under or in relation to this Agreement.
- (b) A Party must pay any fine, penalty or other cost in respect of its failure to pay any Duty except to the extent that the fine, penalty or other cost is caused by an act or default on the part of the other Party.

### **8.2 Costs and expenses**

Subject to clause 8.1, each Party must pay its own costs and expenses in respect of the negotiation, preparation, execution, delivery and registration of this Agreement or other agreement or document described in clause 8.1(a).

### **8.3 Costs of performance**

Any action to be taken by the Purchaser or the Vendor in performing its obligations under this Agreement must be taken at its own cost and expense unless otherwise provided in this Agreement.

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## **9. CONFIDENTIALITY**

### **9.1 Terms to remain confidential**

Each Party is to keep confidential the terms of this Agreement, and any other confidential information obtained in the course of furthering this Agreement, or during the negotiations preceding this Agreement (**Confidential Information**), and is not to disclose it to any person except:

- (a) to employees, legal advisers, auditors and other consultants requiring the information for the purposes of this Agreement;
- (b) with the consent of the other Party;
- (c) if the information is, at the date of this Agreement, lawfully in the possession of the recipient of the information through sources other than any of the other Parties;
- (d) if required by law or a stock exchange;
- (e) if strictly and necessarily required in connection with legal proceedings relating to this Agreement;
- (f) if the information is generally and publicly available other than as a result of a breach of confidence; or
- (g) to a financier or prospective financier (or its advisers) of a Party.

### **9.2 Disclosure of Information**

A Party disclosing Confidential Information must use all reasonable endeavours to ensure that persons receiving Confidential Information from it do not disclose the information except in the circumstances permitted in clause 9.1.

### **9.3 Obligations continuing**

The obligations under this clause 9 contain obligations, separate and independent from the other obligations of the Parties and remain in existence for a period of five (5) years from the Execution Date, regardless of any termination of this Agreement.

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## **10. NOTICES**

### **10.1 Requirements for Notice**

Each notice authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed and prepaid mail or facsimile in each case addressed to the Party at its address set out in clause 10.2, or as the case may be to such other address as it may from time to time notify to the other Parties.

### **10.2 Address of Parties**

The initial address of the Parties shall be as follows:



In the case of the Vendor:

PharmAust Limited  
50 Derby Road  
SUBIACO WA 6008  
Facsimile: INT + (61 8) 3814056  
Attention: Mr Simon Owen

In the case of the Purchaser:

Venturepharm Laboratories Limited  
Venturepharm Tower, No. 3 in Jinzhuang, Si Ji Qing, Haidian District,  
Beijing, China, 100097  
Facsimile: INT + (86-10) 88500080  
Attention: Mr Bill Guo

#### Change of Address

Each Party may from time to time change its address by giving notice pursuant to clause 10.1 to the other Parties.

### 10.3 Receipt of Notice

Any notice given pursuant to clause 10.1 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery if delivered prior to 5 pm (local time) on a Business Day or on the next following Business Day if delivered after 5 pm (local time) on a Business Day or on a day other than a Business Day;
- (b) if sent by mail, on the second clear Business Day after the day of posting; or
- (c) if sent by facsimile, on the day the facsimile was sent by clear transmission.

### 10.4 Waiver

The non-exercise of or a delay in exercising any power or right of a Party does not operate as a waiver of that power or right, nor does any single exercise of a power or right preclude any other or further exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the Party to be bound by the waiver.

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## 11. FURTHER ASSURANCE

Each Party shall sign, execute and do all deeds, acts, documents and things as may reasonably be required by the other Party to effectively carry out and give effect to the terms and intentions of this Agreement.

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**12. GOVERNING LAW AND PROCESS AGENT**

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the Parties agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong and the courts which hear appeals therefrom.

The Vendor hereby irrevocably appoints the Escrow Agent as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. If for any reason the agent named above (or its successor) no longer serves as agent of the Vendor for this purpose, the Vendor shall promptly appoint a successor agent satisfactory to the Purchaser, notify the Purchaser thereof and deliver to the Purchaser a copy of the new process agent's acceptance of appointment, provided that until the Purchaser receives such notification, it shall be entitled to treat the agent named above (or its said successor) as the agent of the Vendor for the purposes of this clause 12. The Vendor agrees that any such legal process shall be sufficiently served on it if delivered to such agent for service at its address for the time being in Hong Kong whether or not such agent gives notice thereof to the Vendor.

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**13. VARIATION**

No modification or alteration of the terms of this Agreement shall be binding unless made in writing dated subsequent to the date of this Agreement and duly executed by the Parties.

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**14. MISCELLANEOUS****14.1 Severance**

If any provision of this Agreement is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.

**14.2 Entire Agreement**

This Agreement shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.

**14.3 Counterparts**

This Agreement may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

**14.4 Time**

Time shall be of the essence in this Agreement in all respects.

**EXECUTED** by the Parties as an Agreement.

**EXECUTED BY** )  
**PHARMAUST LIMITED** )  
**ACN 094 006 023** )  
in accordance with the Corporations Act: )



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director/Secretary

**EXECUTED BY** )  
**VENTUREPHARM LABORATORIES LIMITED** )  
in accordance with its constituent )  
documents and place of incorporation: )

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

EXECUTED by the Parties as an Agreement.

EXECUTED BY  
PHARMAUST LIMITED  
ACN 094 006 023  
in accordance with the Corporations Act:

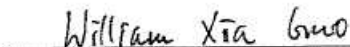


Director



Director/Secretary

EXECUTED BY  
VENTUREPHARM LABORATORIES LIMITED  
in accordance with its constituent  
documents and place of incorporation:



Director

Director/Secretary

EXECUTED by the Parties as an Agreement.

EXECUTED BY )  
PHARMAUST LIMITED )  
ACN 094 006 023 )  
in accordance with the Corporations Act: )

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

EXECUTED BY )  
VENTUREPHARM LABORATORIES LIMITED )  
in accordance with its constituent )  
documents and place of incorporation: )



William Xia Guo  
\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary



**SUBSCRIPTION AGREEMENT AND**  
**WAIVER TO ANCILLARY AGREEMENT**

**THIS SUBSCRIPTION AGREEMENT AND WAIVER TO ANCILLARY AGREEMENT** (this "Agreement"), is dated as of May 8, 2008, by and among Commonwealth Biotechnologies Inc., a Virginia corporation ("CBI"), and Venturepharm Laboratories Limited, a Cayman Islands limited company ("VPL").

**WHEREAS**, on March 28, 2008, CBI and VPL entered into an Ancillary Agreement, which agreement was filed as Exhibit 10.3 to CBI's Current Report on Form 8-K, filed with the U.S. Securities and Exchange Commission (the "SEC") on April 2, 2008 (the "Ancillary Agreement");

**WHEREAS**, pursuant to Section 1.01 of the Ancillary Agreement, subject to the satisfaction of certain conditions, CBI possesses the right to put up to \$1,000,000 of CBI's common stock, without par value per share ("Common Stock"), to VPL in accordance with the terms of the Ancillary Agreement and pursuant to restrictions imposed by the Nasdaq Stock Market and the Hong Kong Stock Exchange (the "Put Right");

**WHEREAS**, CBI and VPL intend to enter into this Subscription Agreement to waive certain of the terms of the Put Right; and

**WHEREAS**, in connection with the waiver of certain parties of the Put Right, CBI desires to exercise the Put Right to put 463,426 shares of CBI's Common Stock (the "CBI Shares") to VPL and VPL agrees to purchase the Put Shares pursuant to the terms of this Agreement; and

**NOW, THEREFORE**, in consideration of the mutual covenants and other agreements contained in this Agreement CBI and VPL hereby agree as follows:

**1. Waiver of Certain Provisions of the Ancillary Agreement.**

(a) VPL hereby waives the provision in Section 1.01(a) of the Ancillary Agreement to the extent that it prohibits CBI from exercising the Put Right until the expiration of a 60-day period following the closing of VPL's acquisition of shares of CBI Common Stock from Pharmaust Limited, an Australian limited company.

(b) Subject to the terms and conditions of this Agreement, CBI, by entering into of this Agreement, shall be deemed to have provided the written notice of its exercise of the Put Right required by Section 1.01(b) of the Ancillary Agreement.

(c) Save as expressly provided in this Agreement, all terms and conditions contained in the Ancillary Agreement shall remain in full force and effect.

**2. Sale of CBI Shares.** Subject to the terms and conditions of this Agreement, CBI hereby exercises the Put Right to sell the CBI Shares to VPL on the Closing Date (as defined below) and VPL shall, on the Closing Date, purchase and acquire the CBI Shares from CBI for the consideration referenced in Section 3 hereof.

3. **Consideration.** In consideration of the sale of the CBI Shares:

(a) On the Closing Date, VPL shall pay, directly or indirectly, to the bank account notified to VPL by CBI in writing not later than 2 days before the Closing Date \$500,000 by wire of immediate available funds and payment of such sum into such bank account shall be good and complete discharge of VPL's obligation to pay the cash consideration to CBI; and

(b) On the Closing Date, VPL shall issue a total of 2,229,664 of its ordinary shares to CBI. Such number of shares equals \$500,000 of equity value, based on VPL's price of HKD 1.7469 (at exchange rate of USD/HKD 7.79) per ordinary share (the "VPL Shares").

4. **Closing Date.** The "Closing Date" shall be 2 business days after satisfaction of all the conditions set out in Section 5. The consummation of the transactions contemplated herein shall take place at the offices of Kaufman & Canoles, III James Center, 1051 East Cary Street, 12<sup>th</sup> Floor, Richmond, Virginia, after the satisfaction or waiver of all conditions to closing set forth in this Agreement.

5. **Conditions.** Closing of this Agreement shall be conditional on:

(a) VPL obtaining the necessary shareholders' approval as required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange Hong Kong Limited (the "Hong Kong Stock Exchange") to complete the transaction contemplated hereunder by way of written shareholders' approval in lieu of holding a general meeting as approved by the Hong Kong Stock Exchange;

(b) VPL obtaining all necessary regulatory and other relevant approvals required to complete the transaction contemplated hereunder; and

(c) the GEM Listing Committee of the Hong Kong Stock Exchange having granted the listing of, and permission to deal in, the VPL Shares.

If any of the above conditions is not fulfilled on or before July 28, 2008 or such other date as may be agreed between CBI and VPL in writing, then this Agreement shall lapse immediately and have no force and effect with no party being subject to any of the obligations contained hereunder and with no party claiming any rights at law or in equity against the other party to this Agreement. In such event, the Ancillary Agreement shall remain in full force and effect as if this Agreement had not been entered into by the parties hereto.

6. **VPL Representations and Warranties.** VPL hereby represents and warrants to CBI that:

(a) **Organization and Standing of VPL.** VPL is a limited company duly incorporated or organized, validly existing and in good standing under the laws of the Cayman Islands.



(b) **Authority; Enforceability.** This Agreement, has been duly authorized, executed and delivered by VPL and is a valid and binding agreement of VPL enforceable against VPL in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity. VPL has full corporate power and authority necessary to enter into and deliver this Agreement and to perform its obligations hereunder.

(c) **Consents.** Except as noted in the Ancillary Agreement and this Agreement, no consent, approval, authorization or order of any court, governmental agency or body or arbitrator having jurisdiction over VPL or any of its affiliates, is required for the execution by VPL of this Agreement and compliance and performance by VPL of its obligations hereunder.

(d) **No Violation or Conflict.** Assuming the representations and warranties of CBI in Section 7 are true and correct, neither the issuance and sale of the VPL Shares nor the performance of VPL's obligations under this Agreement will:

(i) violate, conflict with, result in a breach of, or constitute a default (or an event which with the giving of notice or the lapse of time or both would be reasonably likely to constitute a default) under (A) the governing documents of VPL, (B) to VPL's knowledge, any decree, judgment, order, law, treaty, rule, regulation or determination applicable to VPL of any court, governmental agency or body, or arbitrator having jurisdiction over VPL or any of its affiliates, (C) the terms of any bond, debenture, note or any other evidence of indebtedness, or any agreement, stock option or other similar plan, indenture, lease, mortgage, deed of trust or other instrument to which VPL or any of its affiliates is a party, by which VPL or any of its affiliates is bound, or to which any of the properties of VPL or any of its affiliates is subject;

(ii) result in the creation or imposition of any lien, charge or encumbrance upon the Shares or any of the material assets of VPL or any of its affiliates except as described herein; or

(iii) result in the activation of any anti-dilution rights or a reset or repricing of any debt or security instrument of any other creditor or equity holder of VPL, nor result in the acceleration of the due date of any material obligation of VPL.

(f) **The VPL Shares.** Upon issuance, the VPL Shares:

(i) will be, free and clear of any security interests, liens, claims or other encumbrances, subject to restrictions upon transfer under applicable securities laws of the Cayman Islands;

(ii) will be duly and validly issued, fully paid and non-assessable;

(iii) will be listed for trading on the Hong Kong Stock Exchange;

(iv) will not subject the holders thereof to personal liability by reason of being such holders;

(v) assuming the representations and warranties of CBI as set forth in Section 7 hereof are true and correct, will not result in a violation of Cayman Islands law; and

(vi) will have attached thereto full voting rights and rank *pari passu* with all issued and outstanding shares of VPL.

(g) **Litigation.** There is no pending or, to the best knowledge of VPL, threatened action, suit, proceeding or investigation before any court, governmental agency or body, or arbitrator having jurisdiction over VPL, or any of its affiliates that would affect the execution by VPL or the performance by VPL of its obligations hereunder.

(h) **No Market Manipulation.** VPL and its affiliates have not taken, and will not take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of the VPL Shares or the CBI Shares, to facilitate the sale or resale of the VPL Shares, or the CBI Shares or affect the price at which the VPL Shares or the CBI Shares may be issued or resold.

(i) **Information Concerning VPL.** VPL's reports filed with the Hong Kong Stock Exchange (the "VPL Reports"), including the exhibits and financial statements included therewith, contain all material information relating to VPL and its operations and financial condition as of their respective dates which information is required to be disclosed therein. Since the dates of the most recent financial statements included in the VPL Reports, there has been no material adverse event relating to VPL's business, financial condition or affairs not disclosed in the Reports. The Reports, including the exhibits and financial statements included therewith, do not contain any 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, taken as a whole, not misleading in light of the circumstances when made.

(j) **Stop Transfer.** VPL will not issue any stop transfer order or other order impeding the sale, resale or delivery of any of the VPL Shares, except as may be required by any applicable securities laws or regulations and unless contemporaneous notice of such instruction is given to CBI.

(k) **No Undisclosed Liabilities.** Save as disclosed in its most recent audited financial statements, VPL has no liabilities or obligations which are material, individually or in the aggregate, other than those incurred in the ordinary course of VPL businesses since the date of the most recent audited financial statements of VPL contained in the Reports.

(l) **No Undisclosed Events or Circumstances.** Since the date of the most recent audited financial statements of VPL contained in the Reports, no event or circumstance has occurred or exists with respect to VPL or its businesses, properties, operations or financial condition, that, under applicable law, rule or regulation, requires public disclosure or

announcement prior to the date hereof by VPL but which has not been so publicly announced or disclosed in the Reports.

(m) **Reporting Company.** VPL is a publicly-held company subject to reporting obligations of the Hong Kong Stock Exchange. Pursuant to the requirements of the Hong Kong Stock Exchange, VPL has filed all reports and other materials required to be filed thereunder during the preceding twelve months.

(n) **Listing.** VPL's ordinary shares are quoted on the Hong Kong Stock Exchange. VPL has not received any oral or written notice that its ordinary shares are not eligible nor will become ineligible for listing on the Hong Kong Stock Exchange nor that its ordinary shares do not meet all requirements for the continuation of such listing. VPL satisfies all the requirements for the continued listing of its ordinary shares (including the VPL Shares) on the Hong Kong Stock Exchange.

(o) **Correctness of Representations.** VPL represents that the foregoing representations and warranties are true and correct as of the date hereof in all material respects, and, unless VPL otherwise notifies CBI prior to the Closing Date, shall be true and correct in all material respects as of the Closing Date; provided, that, if such representation or warranty is made as of a different date in which case such representation or warranty shall be true as of such date.

(q) **Exempt Offering.** The offer and issuance of the VPL Shares to CBI is exempt from all applicable securities registration provisions of Cayman Islands law.

7. **CBI Representations and Warranties.** CBI hereby represents and warrants to VPL that:

(a) **Organization and Standing of CBI.** CBI is a corporation duly incorporated or organized, validly existing and in good standing under the laws of the Commonwealth of Virginia.

(b) **Authority; Enforceability.** This Agreement, has been duly authorized, executed and delivered by CBI and is a valid and binding agreement of CBI enforceable against CBI in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity. CBI has full corporate power and authority necessary to enter into and deliver this Agreement and to perform its obligations hereunder.

(c) **Consents.** Except as noted in the Ancillary Agreement and this Agreement, no consent, approval, authorization or order of any court, governmental agency or body or arbitrator having jurisdiction over CBI or any of its affiliates, is required for the execution by CBI of this Agreement and compliance and performance by CBI of its obligations hereunder.

(d) **No Violation or Conflict.** Assuming the representations and warranties of VPL in Section 6 are true and correct, neither the issuance and sale of the CBI Shares nor the performance of CBI's obligations under this Agreement will:

(i) violate, conflict with, result in a breach of, or constitute a default (or an event which with the giving of notice or the lapse of time or both would be reasonably likely to constitute a default) under (A) the governing documents of CBI, (B) to CBI's knowledge, any decree, judgment, order, law, treaty, rule, regulation or determination applicable to CBI of any court, governmental agency or body, or arbitrator having jurisdiction over CBI or any of its affiliates, (C) the terms of any bond, debenture, note or any other evidence of indebtedness, or any agreement, stock option or other similar plan, indenture, lease, mortgage, deed of trust or other instrument to which CBI or any of its affiliates is a party, by which CBI or any of its affiliates is bound, or to which any of the properties of CBI or any of its affiliates is subject;

(ii) result in the creation or imposition of any lien, charge or encumbrance upon the CBI Shares or any of the material assets of CBI or any of its affiliates except as described herein; or

(iii) result in the activation of any anti-dilution rights or a reset or repricing of any debt or security instrument of any other creditor or equity holder of CBI, nor result in the acceleration of the due date of any material obligation of CBI.

(f) **The CBI Shares.** Upon issuance, the CBI Shares:

(i) will be, free and clear of any security interests, liens, claims or other encumbrances, subject to restrictions upon transfer under applicable securities laws of the United States and the Commonwealth of Virginia;

(ii) will be duly and validly issued, fully paid and non-assessable;

(iii) will be listed for trading on the Nasdaq Capital Market;

(iv) will not subject the holders thereof to personal liability by reason of being such holders;

(v) assuming the representations and warranties of VPL as set forth in Section 5 hereof are true and correct, will not result in a violation of the United States or Commonwealth of Virginia securities laws; and

(vi) will not be subject to the Virginia Control Share Acquisition Statute and will have attached thereto full voting rights and rank *pari passu* with all issued and outstanding shares of CBI.

(g) **Litigation.** There is no pending or, to the best knowledge of CBI, threatened action, suit, proceeding or investigation before any court, governmental agency or body, or

arbitrator having jurisdiction over CBI, or any of its affiliates that would affect the execution by CBI or the performance by CBI of its obligations hereunder.

(h) **No Market Manipulation.** CBI and its affiliates have not taken, and will not take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of the VPL Shares or the CBI Shares, to facilitate the sale or resale of the VPL Shares or the CBI Shares, or affect the price at which the VPL Shares or the CBI Shares may be issued or resold.

(i) **Information Concerning CBI.** CBI's reports filed with the SEC (the "CBI Report") including the exhibits and financial statements included therewith contain all material information relating to CBI and its operations and financial condition as of their respective dates which information is required to be disclosed therein. Since the dates of the most recent financial statements included in the CBI Reports, there has been no material adverse event relating to CBI's business, financial condition or affairs not disclosed in the Reports. The Reports, including the exhibits and financial statements included therewith, do not contain any 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, taken as a whole, not misleading in light of the circumstances when made.

(j) **Stop Transfer.** CBI will not issue any stop transfer order or other order impeding the sale, resale or delivery of any of the CBI Shares, except as may be required by any applicable securities laws or regulations and unless contemporaneous notice of such instruction is given to VPL.

(k) **No Undisclosed Liabilities.** CBI has no liabilities or obligations which are material, individually or in the aggregate, other than those incurred in the ordinary course of CBI businesses since the date of the most recent audited financial statements of CBI contained in the Reports.

(l) **No Undisclosed Events or Circumstances.** Since the date of the most recent audited financial statements of CBI contained in the Reports, no event or circumstance has occurred or exists with respect to CBI or its businesses, properties, operations or financial condition, that, under applicable law, rule or regulation, requires public disclosure or announcement prior to the date hereof by CBI but which has not been so publicly announced or disclosed in the Reports.

(m) **Reporting Company.** CBI is a publicly-held company subject to reporting obligations of Securities Exchange Act of 1934, as amended (the "Exchange Act"). Pursuant to the requirements of the Exchange Act, CBI has filed all reports and other materials required to be filed thereunder during the preceding twelve months.

(o) **Listing.** CBI's Common Stock is quoted on the Nasdaq Capital Market. CBI has not received any oral or written notice that its Common Stock is not eligible nor will become ineligible for listing on the Nasdaq Capital Market nor that its Common Stock does not meet all requirements for the continuation of such listing. CBI satisfies all the requirements for the continued listing of its Common Stock on the Nasdaq Capital Market.

(p) **Correctness of Representations.** CBI represents that the foregoing representations and warranties are true and correct as of the date hereof in all material respects, and, unless CBI otherwise notifies VPL prior to the Closing Date, shall be true and correct in all material respects as of the Closing Date; provided, that, if such representation or warranty is made as of a different date in which case such representation or warranty shall be true as of such date

(q) **Exempt Offering.** The offer and issuance of the CBI Shares to VPL is exempt from the registration provisions of the Securities Act of 1933, as amended (the "1933 Act"), afforded by Section 4(2) or Section 4(6) of the 1933 Act and/or Rule 506 of Regulation D promulgated thereunder.

## **8. Indemnification.**

(a) **VPL Indemnification.** VPL shall defend, protect, indemnify and hold harmless CBI and its officers, directors, employees and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**CBI Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such CBI Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**CBI Indemnified Liabilities**"), incurred by the CBI Indemnitees or any of them as a result of, or arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by the VPL in this Agreement, (ii) any breach of any covenant, agreement or obligation of VPL contained in this Agreement or (iii) the execution, delivery, performance or enforcement of this Agreement. To the extent that the foregoing undertaking by VPL may be unenforceable for any reason, VPL shall make the maximum contribution to the payment and satisfaction of each of the CBI Indemnified Liabilities which is permissible under applicable law. The rights of indemnification set forth under this Section 8(a) are in addition to and not in lieu of any rights CBI may have under applicable law or any other agreement or instrument.

(b) **CBI Indemnification.** CBI shall defend, protect, indemnify and hold harmless VPL and its officers, directors, employees and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**VPL Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such VPL Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**VPL Indemnified Liabilities**") incurred by the VPL Indemnitees or any of them as a result of, or arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by the CBI in this Agreement, (ii) any breach of any covenant, agreement or obligation of CBI contained in this Agreement or (iii) the execution, delivery, performance or enforcement of this Agreement. To the extent that the foregoing undertaking by CBI may be unenforceable for any reason, CBI shall make the maximum contribution to the payment and satisfaction of each of the VPL Indemnified Liabilities which



is permissible under applicable law. The rights of indemnification set forth under this Section 8(b) are in addition to and not in lieu of any rights CBI may have under applicable law or any other agreement or instrument.

9. **Registration Rights**

Upon Closing Date, CBI shall grant to VPL the same registration right in respect of the CBI Shares as if the CBI Shares were part of the Purchased Shares (as defined under the Registration Rights Agreement dated as of March 28, 2008 between VPL and CBI (the "Registration Rights Agreement")), and VPL may exercise all its rights under the Registration Rights Agreement in respect of the CBI Shares as if they were the Purchased Shares.

10. **Miscellaneous**

(a) **Notices.** All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to CBI, to: Commonwealth Biotechnologies Inc., 601 Biotech Drive, Richmond, VA 23235, Attn: Dr. Paul D'Sylva, Ph.D., CEO, telecopier: (804) 648-2641, with a copy by telecopier only to: Kaufman and Canoles, P.C., III James Center, 12<sup>th</sup> Floor, 1051 East Cary Street, Richmond, VA 23219, Attn: Bradley A. Haneberg, Esq., telecopier: (804) 771-5777, (ii) if to VPL, to Venturepharm Laboratories Limited, Venturepharm Towers, No. 3 Jinzhuang Si Ji Qing, Haidian District, Beijing 10089, People's Republic of China, Attn: Mr. Bill Guo.

(b) **Entire Agreement; Assignment.** This Agreement represents the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by CBI and VPL. Neither CBI nor VPL have relied on any representations not contained or referred to in this Agreement and the documents delivered herewith. No right or obligation of a party hereto shall be assigned without prior notice to and the written consent of the other party.

(c) **Counterparts/Execution.** This Agreement may be executed in any number of counterparts and by the different signatories hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but

one and the same instrument. This Agreement may be executed by facsimile signature and delivered by facsimile transmission.

(d) **Law Governing this Agreement.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of the Commonwealth of Virginia or in the federal courts located in the Eastern District of Virginia. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. **The parties executing this Agreement and other agreements referred to herein or delivered in connection herewith agree to submit to the in personam jurisdiction of such courts and hereby irrevocably waive trial by jury.** The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement 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.

(e) **Specific Enforcement, Consent to Jurisdiction.** CBI and VPL acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to seek an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which any of them may be entitled by law or equity.

(f) **Captions: Certain Definitions.** The captions of the various sections and paragraphs of this Agreement have been inserted only for the purposes of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

(g) **Severability.** In the event that any term or provision of this Agreement shall be finally determined to be superseded, invalid, illegal or otherwise unenforceable pursuant to applicable law by an authority having jurisdiction and venue, that determination shall not impair or otherwise affect the validity, legality or enforceability: (i) by or before that authority of the remaining terms and provisions of this Agreement, which shall be enforced as if the



unenforceable term or provision were deleted, or (ii) by or before any other authority of any of the terms and provisions of this Agreement.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, CBI and VPL have executed this Agreement as of the day and year first above written.

COMMONWEALTH-BIOTECHNOLOGIES, INC.


By: \_\_\_\_\_

Name: Paul D'Sylva

Title: Chief Executive Officer

Date: \_\_\_\_\_

VENTUREPHARM LABORATORIES LIMITED

By:  \_\_\_\_\_

Name: Bill Guo

Title: Chief Executive Officer

Date: 8 May, 2008

IN WITNESS WHEREOF, CBI and VPL have executed this Agreement as of the day and year first above written.

COMMONWEALTH BIOTECHNOLOGIES, INC.

By: 

Name: Paul D'Sylva

Title: Chief Executive Officer

Date: \_\_\_\_\_

VENTUREPHARM LABORATORIES LIMITED

By: 

Name: Bill Guo

Title: Chief Executive Officer

Date: \_\_\_\_\_



## ANCILLARY AGREEMENT

THIS ANCILLARY AGREEMENT ("Agreement") is made and entered into this 28 day of March, 2008, by and between Commonwealth Biotechnologies, Inc., a Virginia corporation ("CBI"), and Venturepharm Laboratories Limited, a Cayman Islands limited company ("VPL"). CBI and VPL are hereinafter sometimes referred to individually as a "Party" or collectively as the "Parties."

### RECITALS

WHEREAS, contemporaneously with the execution of this Agreement, VPL has agreed, subject to, among others, applicable regulatory approvals, to purchase an aggregate of 2,150,000 shares (the "Purchased Shares") of CBI's common stock, without par value per share ("CBI Common Stock"), from PharmAust Limited, an Australian limited company, in a private transaction.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth together with other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE I

#### AGREEMENT RELATED TO PUT RIGHT AND CALL RIGHT

##### 1.01 Put Right of CBI.

(a) In consideration of US\$1 paid by CBI to VPL (receipt of which is hereby acknowledged), on one single occasion at any time prior to the date that is the third anniversary of the date of this Agreement (the "Put Expiration Date"), but no earlier than 60 days after the closing of the acquisition of the Purchased Shares by VPL, subject to the terms of this Agreement, CBI shall have the option (the "Put Right") to sell to VPL, and VPL shall be obligated to purchase, up to \$1,000,000 of CBI Common Stock at the Put Price Per Share (the "Put Shares"). The Put Shares will be newly issued, unregistered shares of CBI Common Stock, with registration rights. The payment will be made half by cash and half by ordinary shares of VPL at the price determined in accordance with paragraph (c) below.

(b) CBI shall provide written notice to VPL of its election to exercise the Put Right, which notice shall specify: (a) the date of notice of exercise of the Put Right (the "Put Notification Date"); and (b) the date on which VPL shall purchase the Put Shares from CBI (the "Put Date"). The Put Date shall be the tenth business day after VPL receives such notice.

(c) The "Put Price Per Share" shall be defined as 10% discount of the arithmetic average of the closing sales prices of one share of CBI Common Stock, as reported by the NASDAQ Capital Market, for the fifty (50) consecutive trading days immediately prior to (but not including) the second business day before the Put Date. If there are any days on which the NASDAQ Capital Market is open but CBI Common Stock does not trade, such days shall be

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omitted from the calculation and additional days shall be added to the time period as necessary to establish a 50-trading day average price. The number of the ordinary shares of VPL to be issued to CBI as partial consideration will be determined by dividing one half of the consideration for the Put Shares by 90% of the arithmetic average of the closing prices of the one share of VPL as published in the Daily Quotation Sheets published by The Stock Exchange of Hong Kong Limited for the fifty (50) consecutive trading days immediately prior to (but not including) the second business day before the Put Date, subject to the rules of the HK Stock Exchange. To the extent that CBI Common Stock is not then listed on the Nasdaq Capital Market or VPL's ordinary shares are not then listed on the HK Stock Exchange, the Parties agree to mutually determine the Put Price Per Share.

(d) Subject to the terms and conditions hereof, upon exercise by CBI of the Put Right, CBI hereby agrees to issue and sell to VPL, and VPL hereby agrees to purchase from CBI, that number of Put Shares calculated by dividing the dollar amount of the investment selected by CBI (up to \$1, 000,000) by the Put Price Per Share.

(e) Until the Put Expiration Date, CBI will not offer any placement of equity or equity equivalent securities of CBI to any third party, until CBI exercises its put right. The foregoing sentence shall only apply to situations where CBI issues its securities in a capital raise. CBI shall not be restricted in its ability to issue securities (i) pursuant to its stock incentive plans or (ii) in connection with any strategic acquisition or merger, the primary purpose of which is not to raise capital.

#### 1.02 Call Right of VPL.

(a) In consideration of US\$1 paid by VPL to CBI (receipt of which is hereby acknowledged), at any time prior to the date that is the third anniversary of the date of this Agreement (the "Call Expiration Date"), subject to the terms of this Agreement, VPL shall have two separate options (each, a "Call Right" and, collectively, the "Call Rights") to purchase, and CBI shall be obligated to sell, up to an aggregate of \$3,000,000 of CBI Common Stock (the "Call Shares"). The Call Shares will be newly issued, unregistered shares of CBI Common Stock, with registration rights. The payment will be made half by cash and half by ordinary shares of VPL. For clarification purposes, the Parties hereto acknowledge that while CBI shall grant VPL two Call Rights pursuant to the terms of this Agreement, upon exercise of these Call Rights, CBI is not required to sell more than \$3,000,000 of CBI Common Stock in the aggregate pursuant to this Agreement upon VPL's exercise of the Call Rights.

(b) VPL shall provide written notice to CBI of its election to exercise a Call Right, which notice shall specify: (a) the date of notice of exercise of the applicable Call Right (the "Call Notification Date"); and (b) the date on which VPL shall purchase the Call Shares from CBI (the "Call Date"). The applicable Call Date shall be the tenth business day after CBI receives such notice.

(c) The "Call Price Per Share" shall be defined as 10% discount of the arithmetic average of the closing sales prices of one share of CBI Common Stock, as reported by the NASDAQ Capital Market, for the fifty (50) consecutive trading days immediately prior to

(but not including) the second business day before an applicable Call Date. If there are any days on which the NASDAQ Capital Market is open but CBI Common Stock does not trade, such days shall be omitted from the calculation and additional days shall be added to the time period as necessary to establish a 50-trading day average price. The number of the ordinary shares of VPL to be issued to CBI as partial consideration will be determined by dividing one half of the consideration for the Call Shares by 90% of the arithmetic average of the closing prices of the one share of VPL as published in the Daily Quotation Sheets published by The Stock Exchange of Hong Kong Limited for the fifty (50) consecutive trading days immediately prior to (but not including) the second business day before the Call Date, subject to the rules of the HK Stock Exchange. To the extent that CBI Common Stock is not then listed on the Nasdaq Capital Market or VPL's ordinary shares are not then listed on the HK Stock Exchange, the Parties agree to mutually determine the Call Price Per Share.

(d) Subject to the terms and conditions hereof, upon exercise by VPL of a Call Right, CBI hereby agrees to issue and sell to VPL, and VPL hereby agrees to purchase from CBI, that number of Call Shares calculated by dividing the dollar amount of the investment selected by VPL by the Call Price Per Share. Notwithstanding the foregoing, however, CBI shall not be required to issue more than an aggregate of \$3,000,000 of CBI Common Stock upon the exercise of the Call Rights.

(e) Up until the Call Expiration Date, CBI agrees to grant VPL a first right of refusal to participate in any placement of equity or equity equivalent securities of CBI. The foregoing sentence shall only apply to situations where CBI issues its securities in a capital raise. CBI will not grant VPL a first right of refusal to participate in the issuance of securities (i) pursuant to its stock incentive plans or (ii) in connection with any strategic acquisition or merger the primary purpose of which is not to raise capital.

1.03 Closing Date. The closing of the sale and purchase of the Shares under this Agreement shall be held at time and place CBI and VPL may agree.

1.04 Delivery. At the Closing, subject to the terms and conditions hereof, CBI will deliver to VPL a stock certificate, issued in the name of VPL and bearing applicable legends representing the Put Shares or Call Shares, as applicable, dated as of the Closing against payment of the purchase price, which shall be paid in immediately available funds. VPL will deliver to CBI a stock certificate, issued in the name of CBI and bearing applicable legends representing the Shares, after HK regulatory approval. An executed subscription agreement shall be signed by both Parties prior to the Closing making reasonable and appropriate representations and warranties necessary to ensure compliance with U.S. securities laws as well as HK Stock Exchange Regulations.

## **ARTICLE II**

### **MISCELLANEOUS**

2.01 Interplay with Nasdaq Listing Rules and Existing Contractual Obligations of CBI. Notwithstanding any other provision noted in this Agreement, CBI shall be under no obligation

to issue any securities and shall not be deemed to have granted any rights to VPL to the extent that such issuance or grant would violate (a) the listing standards of the Nasdaq Stock Market, including, but not limited to Rule 4350 thereof, or (b) the terms of CBI's private placement of securities completed as of December 31, 2007 (the "Private Placement"). The documents governing the Private Placement are included as exhibits to CBI's Current Report on Form 8-K, filed with the Securities and Exchange Commission on January 8, 2008.

2.02 Obligations of VPL. The obligations of VPL hereunder are subject to the conditions that (a) the purchase of the Purchased Shares by VPL shall have been completed in accordance with the terms and conditions of the Share Sale Agreement dated [ ] March 2008 between VPL and PharmAust Limited, and (b) VPL shall have obtained all necessary approvals under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and any other regulatory approvals.

2.03 Dispute Resolution.

(a) The Parties hereby agree to exercise their best efforts to resolve all disputes arising hereunder in good faith.

(b) Any and all disputes arising out of or in connection with the negotiation, execution, interpretation, performance or nonperformance of this Agreement (including the validity, scope and enforceability of this arbitration provision) which cannot be settled as provided in subsection (a) above shall be submitted to an authorized arbitration association in (i) Richmond, Virginia (to the extent that VPL initiates such arbitration) or (ii) Hong Kong (to the extent CBI initiates such arbitration).

(c) The Parties shall proceed diligently with the performance of this Agreement, pending final resolution of any dispute, request for relief, claim, appeal or action arising hereunder.

2.04 Notices. All notices, writings, information, documents or communications required or permitted to be given hereunder shall be in writing shall be sent by electronic mail, confirmed telefax, personal delivery, overnight mail with confirmed receipt, or by United States Mail, postage pre-paid, and in each case (except hand delivery) addressed to the applicable party as set forth below or at such other address as shall be designated by such party in a written notice to the party:

To CBI:

Commonwealth Biotechnologies, Inc.  
601 Biotech Drive  
Richmond, Virginia 23235  
Attention: Richard J. Freer, Ph.D., Chairman  
Facsimile: (804) 915-3831  
E-Mail: rfreer@cbi-biotech.com



With a copy to:

Kaufman & Canoles  
Three James Center, 12<sup>th</sup> Floor  
1051 East Cary Street  
Richmond, Virginia 23219  
Attention: Bradley A. Haneberg, Esq.  
Facsimile: (804) 771-5777  
E-Mail: bahaneberg@kaufcan.com

To VPL:

Venturepharm Laboratories Limited  
Venturepharm Towers  
No. 3 Jinzhuang  
Si Ji Qing, Haidian District  
Beijing 10089, People's Republic of China  
Attention: Mr. Bill Guo  
E-Mail: bill@venturpharm.net

2.05 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Virginia.

2.06 Assignment. Neither Party shall assign this Agreement (i) without the other Party's prior written consent, and (ii) only in such case if the assignee agrees in writing to be bound irrevocably and unconditionally by the terms hereof; provided however, that the assigning party shall remain liable for the assignee's performance of its obligations hereunder. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and except as otherwise limited herein, their respective successors, assigns, heirs and personal representative, as applicable.

2.07 Entire Agreement. This Agreement contains the entire agreement between the Parties respecting the subject matter hereof. Any variations, amendments, modifications or changes in this Agreement shall not be binding upon a Party unless in a writing duly executed by such Party.

2.08 No Waiver. No consent or waiver, express or implied, by any Party to or of any breach or default by the other in the performance by the other of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such Party hereunder. Failure on the part of either Party to complain of any act or failure to act of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder.

2.09 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument.

2.10 Further Assurances. The Parties shall each perform such acts, execute and deliver such instruments and documents, and do all such other things as may be reasonably necessary to accomplish the transactions contemplated by this Agreement.

2.11 Severability. If any provision in this Agreement shall be found or be held to be invalid or unenforceable, then the meaning of said provision shall be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement which shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by any party. In such event, the Parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

2.12 Captions. The headings and captions in this Agreement are for ease of reference only and shall not be relied upon in construing any provision hereof.

*[Remainder of Page Blank; Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement

**COMMONWEALTH BIOTECHNOLOGIES, INC.**

By: \_\_\_\_\_

Name: Richard J. Freer, Ph.D.

Title: Chief Operating Officer

**VENTUREPHARM LABORATORIES LIMITED**

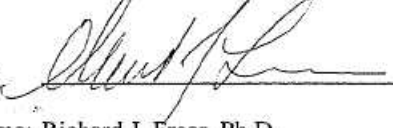
By: \_\_\_\_\_

Name: William Xia Guo

Title: Director

IN WITNESS WHEREOF, the parties hereto have executed this Agreement

**COMMONWEALTH BIOTECHNOLOGIES, INC.**

By: \_\_\_\_\_

Name: Richard J. Freer, Ph.D.

Title: Chief Operating Officer

**VENTUREPHARM LABORATORIES LIMITED**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**COMMONWEALTH BIOTECHNOLOGIES, INC.**  
**REGISTRATION RIGHTS AGREEMENT**

**THIS AGREEMENT** is made as of 28<sup>th</sup> March, 2008, by and between Commonwealth Biotechnologies, Inc., a Virginia corporation (the "Company"), and Venturepharm Laboratories Limited, a Cayman Islands limited company (the "Stockholder").

As of the date hereof, the Stockholder has agreed to acquire, subject to, among others, applicable regulatory approvals, 2,150,000 shares of the Company's common stock, without par value per share (the "Purchased Shares"), from PharmAust Limited, an Australian limited company in a private transaction. In connection with such purchase, the Stockholder entered into a letter agreement with the Company pursuant to which the Company agreed to provide the Stockholder certain registration rights related to the Purchased Shares.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Demand Registrations.

(a) Requests for Registration. At any time after the date that is the second anniversary of the date of this Agreement, the Stockholder may request registration under the Securities Act of 1933, as amended (the "Securities Act"), of all or any portion of the Purchased Shares on an applicable Securities and Exchange Commission (the "SEC") form. Such registration requested pursuant to this Section 1(a) is referred to herein as the "Demand Registration." The request for a Demand Registration shall specify the number of Purchased Shares requested to be registered. The Stockholder shall be entitled to request one Demand Registration in which the Company shall pay all Registration Expenses (as defined below). A registration shall not count as the Demand Registration until it has become effective.

(b) Priority on Demand Registration. The Company shall not include in the Demand Registration any securities other than Purchased Shares without the prior written consent of the Stockholder. If the Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Purchased Shares and, if permitted hereunder, other securities requested to be included in such offering, exceeds the number of Purchased Shares and other securities, if any, which can be sold therein without adversely affecting the marketability of the offering, the Company shall include in such registration prior to the inclusion of any securities which are not Purchased Shares the number of Purchased Shares requested to be included which in the opinion of such underwriters can be sold without adversely affecting the marketability of the offering.

(c) Restrictions on Demand Registration. The Company may postpone for up to 90 days the filing or the effectiveness of a registration statement for the Demand Registration if the Company's Board of Directors determines in its reasonable good faith judgment that the

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Demand Registration would reasonably be expected to have a material adverse effect on any planned merger, acquisition or similar transaction; provided that in such event, the Stockholder shall be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration shall not count as the permitted Demand Registration hereunder and the Company shall pay all Registration Expenses in connection with such registration. The Company may delay the Demand Registration hereunder only once in any twelve-month period.

(d) Selection of Underwriters. The Stockholder shall have the right to select the investment banker(s) and manager(s) to administer the Demand Registration.

2. Registration Procedures. Whenever the Stockholder shall request that any Purchased Shares be registered pursuant to this Agreement, the Company shall use its best efforts to effect the registration and the sale of such Purchased Shares in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible:

(a) prepare and file with the SEC one or more registration statements with respect to such Purchased Shares and use commercially reasonable efforts to cause such registration statements to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to the counsel selected by the Stockholder copies of all such documents proposed to be filed, which documents shall be subject to the review and comment of such counsel);

(b) notify the Stockholder of the effectiveness of a registration statement filed hereunder and prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than 180 days and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the Stockholder set forth in such registration statement;

(c) furnish to the Stockholder such number of copies of a registration statement, each amendment and supplement thereto, the prospectus included in a registration statement (including each preliminary prospectus) and such other documents as the Stockholder may reasonably request in order to facilitate the disposition of the Purchased Shares owned by the Stockholder;

(d) use its best efforts to register or qualify such Purchased Shares under such other securities or blue sky laws of such jurisdictions as the Stockholder reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable the Stockholder to consummate the disposition in such jurisdictions of the Purchased Shares owned by the Stockholder (provided that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(e) notify the Stockholder, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in a registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of the Stockholder, the Company shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Purchased Shares, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(f) cause all such Purchased Shares to be listed on each securities exchange on which similar securities issued by the Company are then listed and, if not so listed, to be listed on the NASD automated quotation system and, if listed on the NASD automated quotation system, use its best efforts to secure designation of all such Purchased Shares covered by a registration statement as a NASDAQ "national market system security" within the meaning of Rule 11Aa2-1 of the SEC or, failing that, to secure NASDAQ authorization for such Purchased Shares and, without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Purchased Shares with the NASD;

(g) enter into such customary agreements (including underwriting agreements in customary form) and take all such other actions as the Stockholder or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Purchased Shares;

(h) make available for inspection by the Stockholder, any underwriter participating in any disposition pursuant to a registration statement and any attorney, accountant or other agent retained by the Stockholder or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by the Stockholder, underwriter, attorney, accountant or agent in connection with a registration statement, subject to the agreement of such person to maintain the confidentiality of all confidential information of the Company;

(i) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any common stock included in a registration statement for sale in any jurisdiction, the Company shall use its best efforts promptly to obtain the withdrawal of such order;

(j) obtain a cold comfort letter from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters as the Stockholder reasonably requests; and

(k) provide such reasonable assistance in the marketing of the Purchased Shares as is customary of issuers in primary underwritten public offerings (including participation by its senior management in "road shows").



3. Registration Expenses.

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, fees and disbursements of counsel for the Company and all independent certified public accountants (including the expenses of any special audits or "cold comfort" letters required by or incident to such performance), compliance, premiums and other costs of policies of insurance purchased by the Company at its option against liabilities arising out of the public offering of such Registrable Shares, underwriters (excluding discounts and commissions) and other persons retained by the Company (all such expenses being herein called "Registration Expenses"), shall be borne by the Company. The Stockholder shall bear any underwriting discounts, spreads and commissions and shall bear any costs, fees and disbursements of accountants and counsel retained by it.

4. Indemnification.

(a) The Company agrees to indemnify, to the extent permitted by law, the Stockholder, its stockholders, members, managers, officers and directors and each person who controls the Stockholder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by the Stockholder expressly for use therein or by the Stockholder's failure to deliver a copy of a registration statement or prospectus or any amendments or supplements thereto after the Company has furnished the Stockholder with a sufficient number of copies of the same. In connection with an underwritten offering, the Company shall indemnify such underwriters, their officers and directors and each person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Stockholder.

(b) In connection with any registration statement in which the Stockholder is participating, the Stockholder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any registration statement or prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and each person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in a registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by the Stockholder.

(c) Any person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim.

(d) The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person of such indemnified party and shall survive the transfer of securities. The Company also agrees to make such provisions, as are reasonably requested by any indemnified party, for contribution to such party in the event the Company's indemnification is unavailable for any reason.

6. Miscellaneous.

(a) The Company shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the Stockholder in this Agreement.

(b) This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) The Company shall not take any action, or permit any change to occur, with respect to its securities which would adversely affect the ability of the Stockholder to include such Purchased Shares in a registration undertaken pursuant to this Agreement or which would adversely affect the marketability of such Purchased Shares in any such registration (including, without limitation, effecting a stock split or a combination of shares).

(d) Any person having rights under any provision of this Agreement shall be entitled to enforce such rights specifically to recover damages caused by reason of any breach of

any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(e) The provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and the Stockholder.

(f) All covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. Notwithstanding the foregoing, however, this Agreement is not assignable without the prior written consent of both parties hereto.

(g) Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(h) This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement.

(i) The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(j) **The corporate law of the Commonwealth of Virginia shall govern all issues and questions concerning the relative rights of the Company and its stockholders. All other issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of law rules or provisions (whether of the Commonwealth of Virginia or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Virginia. In furtherance of the foregoing, the internal law of the Commonwealth of Virginia shall control the interpretation and construction of this Agreement (and all schedules and exhibits hereto), even though under that jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.**

(k) All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, sent to the recipient by reputable overnight courier service (charges prepaid) or mailed to the recipient by certified or registered

mail, return receipt requested and postage prepaid. Such notices, demands and other communications shall be sent to the following addresses:

Commonwealth Biotechnologies, Inc.  
601 Biotech Drive  
Richmond, VA 23235  
Attention: Richard J. Freer, Ph.D.

With copies to:

Kaufman & Canoles, P.C.  
Three James Center, 12<sup>th</sup> Floor  
1051 East Cary Street  
Richmond, Virginia 23219  
Attention: Bradley A. Haneberg, Esquire

Venturepharm Laboratories Limited  
Venturepharm Towers  
No. 3 Jinzhuang  
Si Ji Qing, Haidian District  
Beijing 10089, People's Republic of China

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(l) The obligations of the Stockholder hereunder are subject to the condition that the Stockholder shall have obtained all necessary approvals under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and any other regulatory approvals.

\* \* \* \* \*

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

**COMMONWEALTH BIOTECHNOLOGIES, INC.**

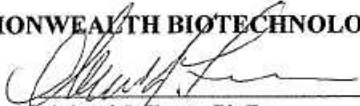
By: \_\_\_\_\_  
Name: Richard J. Freer, Ph.D.  
Title: Chief Operating Officer

**VENTUREPHARM LABORATORIES LIMITED**

By: \_\_\_\_\_  
Name: William Xia huo  
Title: Director

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

**COMMONWEALTH BIOTECHNOLOGIES, INC.**

By:   
Name: Richard J. Freer, Ph.D.  
Title: Chief Operating Officer

**VENTUREPHARM LABORATORIES LIMITED**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



VOTING AND LOCK-UP AGREEMENT

28 March, 2008

Commonwealth Biotechnologies, Inc.  
601 Biotech Drive  
Richmond, Virginia 23235  
Attention: Paul D'Sylva, Ph.D.

Re: Voting and Lock-Up Agreement

Dear Dr. D'Sylva:

Reference is made to the Share Sale Agreement dated as of 28 March, 2008 ~~please provide the date~~ (the "Purchase Agreement") between PharmAust Limited., an Australian limited corporation, ("PharmAust"), and VenturePharm Laboratories Limited ("VPL"). Pursuant to the terms of the Purchase Agreement, VPL has agreed to acquire, subject to, among others, applicable regulatory approvals, from PharmAust 2,150,000 shares of common stock, without par value per share (the "Shares"), of Commonwealth Biotechnologies, Inc. ("CBI"). In connection therewith, CBI and VPL, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agree as follows:

1. For the period beginning on the closing date of the Purchase Agreement and expiring on the date that is the six month anniversary of such closing date (the "Voting Period"), VPL agrees to vote all shares of CBI common stock that it controls (including the Shares) in favor of all proposals requiring shareholder approval that are adopted by CBI's Board of Directors.

2. During the period beginning on the closing date of the Purchase Agreement and ending on the date that is the 18 month anniversary of such closing date (the "Lock-Up Period"), VPL will not offer, sell, contract to sell, grant any option to purchase or otherwise dispose of any shares of CBI's capital stock, or any securities convertible into or exercisable or exchangeable for CBI's capital stock, or warrants to purchase shares of CBI's capital stock (including, without limitation, securities of CBI which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and securities which may be issued upon the exercise of a stock option or warrant) without the prior written consent of CBI, which consent shall not be unreasonably withheld.

3. Furthermore and in furtherance of the agreements set forth in Sections 2 and 3 above, VPL hereby undertakes not to assign, transfer or otherwise convey the Shares which would contravene the intent of Sections 2 and/or 3. In the event that VPL fails to take any action that it is required to take under this Voting and Lock-Up Agreement, VPL appoints CBI as its attorney-in-fact to take such action that VPL would be required to take.

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4. The parties hereto agree there shall be imprinted or otherwise placed, on certificates held by VPL the following restrictive legend:

THE SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN VOTING AND LOCK-UP AGREEMENT BETWEEN COMMONWEALTH BIOTECHNOLOGIES, INC. ("CBI") AND VENTUREPHARM LABORATORIES LIMITED. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF CBI.

5. The provisions of this Agreement shall be binding upon the successors and assigns of the parties including, without limitation, any person who shall succeed to the ownership of any of the Shares. Notwithstanding the foregoing, however, neither party hereto may assign this agreement without the written consent of the other party.

6. Except as otherwise provided herein, VPL shall exercise the full rights of a stockholder with respect to the Shares.

7. This Agreement shall begin on the date hereof and shall terminate upon the expiration of the Lock-Up Period, whichever is later.

8. The parties hereto hereby declare that it is impossible to measure in money the damages which will accrue to a party hereto or to their heirs, personal representatives, or assigns by reason of a failure to perform any of the obligations under this Agreement and agree that the terms of this Agreement shall be specifically enforceable. If any party hereto or his heirs, personal representatives, or assigns institutes any action or proceeding to specifically enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party or such personal representative has an adequate remedy at law, and such person shall not offer in any such action or proceeding the claim or defense that such remedy at law exists.

9. THIS AGREEMENT, AND THE RIGHTS OF THE PARTIES HERETO, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA. VENUE UNDER ANY CLAIM ARISING UNDER OR RELATED TO THIS AGREEMENT SHALL LIE EXCLUSIVELY IN THE STATE COURTS LOCATED IN THE CITY OF RICHMOND AND THE U.S. FEDERAL COURTS LOCATED IN THE EASTERN DISTRICT OF VIRGINIA.

10. This Agreement may be amended only by an instrument in writing signed by each of the parties hereto.

11. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be

ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

12. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together shall constitute one and the same agreement.

13. No waivers of any breach of this Agreement extended by any party hereto to any other party shall be construed as a waiver of any rights or remedies of any other party hereto or with respect to any subsequent breach.

14. In the event that any suit or action is instituted to enforce any provision in this Agreement, the prevailing party shall be entitled to all costs and expenses of maintaining such suit or action, including reasonable attorneys' fees.


15. All notices and other communications required or permitted under this Agreement shall be in writing and shall be delivered personally by hand or by courier, or mailed by United States first-class mail, postage prepaid directed to such party at its address set forth on the signature page hereto, or at such other address as such party may designate by ten (10) days' advance written notice to the party providing notice. All such notices and other communications shall be deemed given upon personal delivery or three (3) days after the date of mailing.

16. This Agreement is intended to be the sole agreement of the parties as it relates to this subject matter and does hereby supersede all other agreements of the parties relating to the subject matter hereof.

17. The obligations of VPL hereunder are subject to the condition that VPL shall have obtained all necessary approvals under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and any other regulatory approvals.

Very truly yours,

**VENTUREPHARM LABORATORIES LIMITED**

By:   
Name: William Xia Luo  
Title: Director  
Date: \_\_\_\_\_

Address: Venturepharm Tohtas  
No 3 Jinchuang, Si Ji Ring  
Haidian District, Beijing 10089, China

AGREED:

**COMMONWEALTH BIOTECHNOLOGIES, INC.**

By: \_\_\_\_\_  
Name: Richard J. Freer, Ph.D.  
Title: Chief Operating Officer  
Date: \_\_\_\_\_

Address: 601 Biotech Drive  
Richmond, Virginia 23235

Very truly yours,

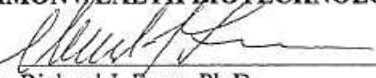
**VENTUREPHARM LABORATORIES LIMITED**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AGREED:

**COMMONWEALTH BIOTECHNOLOGIES, INC.**

By:  \_\_\_\_\_  
Name: Richard J. Freer, Ph.D.  
Title: Chief Operating Officer  
Date: \_\_\_\_\_

Address: 601 Biotech Drive  
Richmond, Virginia 23235

