FORM 10-KSB/A

(Amendment No.1)

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

☒ **ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2007

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_____ to _____

Commission file number: 001-13467

COMMONWEALTH BIOTECHNOLOGIES, INC.

(Name of small business issuer in its charter)

Virginia	**54-1641133**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

601 Biotech Drive
Richmond, Virginia 23235
(Address of principal executive offices) (Zip Code)

Issuer's telephone number: (804) 648-3820

Securities registered pursuant to Section 12(b) of the Exchange Act:

Common Stock, without par value per share	**NASDAQ Capital Market**
(Title of Class)	**(Name of Exchange on which registered)**

Securities registered pursuant to Section 12(g) of the Exchange Act:
None

Check whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB ☐.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The issuer's revenues for the year ended December 31, 2007 were $12,422,193.

The aggregate market value of the shares of common stock, without par value ("Common Stock"), of the registrant held by non-affiliates on April 7, 2008 was approximately $8,436,266 based on the closing sales price of the shares of $2.75 per share, as reported on the NASDAQ Capital Market on April 7, 2008.

As of April 7, 2008, there were 5,524,362 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Annual Report to Shareholders for the fiscal year ended December 31, 2007 are incorporated by reference into Part II of this Form 10-KSB/A.

Transitional Small Business Disclosure Format (check one): Yes ☐ No ☒

PART I

Item 1. Description of Business

Overview

Commonwealth Biotechnologies, Inc. (the "Company" or "CBI") is a specialized life sciences outsourcing business that offers cutting-edge expertise and a complete array of discovery chemistry and biology products and services through its subsidiary companies: CBI Services, Fairfax Identity Labs ("FIL"), Mimotopes Pty Limited ("Mimotopes") and Exelgen Limited ("Exelgen") (formerly Tripos Discover Research Ltd).

The market for drug discovery outsourcing was $4.1 billion in 2005 and is expected to grow at 20% annually to reach $7.2 billion in 2009 (Kalorama Information, 2006). CBI is positioned to compete in this growing market with an experienced and business-focused management team and over 100 highly trained scientific staff located in three laboratories in Richmond (Virginia), Melbourne (Australia) and Bude (U.K.) and sales offices located in the U.S., U.K., and Asia/Pacific.

CBI aims to build a leading global contract drug-discovery solutions business by pursuing a number of strategic initiatives aimed at increasing revenues, increasing margins, managing costs and most importantly, increasing market awareness and market value. Specifically, CBI intends to achieve these objectives by:

- nurturing a collaborative sales culture focusing on preferred supplier agreements and partnerships;
- targeting large contracts;
- building leading positions in selected growth markets;
- providing centralized support to enable business unit pursuit of growth; and
- considering the potential acquisition of additional cash-generating biology and chemistry service businesses.

Business Units

Revenues from all four business units are derived principally from providing macromolecular synthetic and analytical services to researchers in the biotechnology industry or to researchers who are engaged in life sciences research in government or academic labs throughout the world. This arrangement distinguishes CBI from many other biotechnology companies in that revenues are derived from services rather than from the successful commercialization of a new biotechnology product. CBI believes that Mimotopes, Exelgen, CBI Services and FIL have all developed a strong reputation as leading providers in their respective markets. Their operations, areas of expertise and value propositions are outlined below:

CBI Services (Richmond, Virginia)

CBI Services provides a wide array of life-science solutions in the areas of bio-defense, laboratory support and contract research. CBI Services has broad expertise in the most current analytical chemistries, microbiology applications and molecular biology technologies and has a reputation as a provider of novel and imaginative research and development solutions. CBI Services offers all services under the Food & Drug Administration's ("FDA") Good Laboratory Practices ("GLP") guidelines. Selected services are also offered under the Good Manufacturing Practices ("GMP") and Good Clinical Practices ("cCMP") guidelines. CBI's quality assurance office manages all regulated services.

FIL (Richmond, Virginia)

FIL has been at the forefront of DNA technology of profiling for identity since it opened its doors in 1990. FIL's rigorous standards are designed to provide credible evidence that affects decisions regarding criminal trials, paternity, immigration, estate settlement, adoption, and other issues of identity. FIL provides Forensics, Paternity and Convicted Offender DNA Index System ("CODIS") services to government and private concerns. FIL is accredited by the American Association of Blood Banks, the National Forensic Science Technology Center, the State of New York and pursuant to the Clinical Laboratory Investigation Act ("CLIA"). Its employees have extensive laboratory and courtroom experience.

Mimotopes (Melbourne, Australia)

Mimotopes is an industry leader with over 16 years experience in the development, synthesis and distribution of research grade peptides for the drug discovery industry. CBI believes that Mimotopes' patented synthesis technologies, state-of-the-art facilities and highly educated and experienced staff make it one of the leading research grade peptide synthesis companies in the world. Mimotopes' products and services are delivered to both commercial clients and to discovery and alliance partners. In 2006 and 2007, Mimotopes developed significant partnerships with

peptide partner company PepScan and global key life science companies Genzyme Pharmaceuticals and Invitrogen. Mimotopes' partnership with Genzyme Pharmaceuticals, a leading manufacturer of clinical-grade peptides, has created a brand that provides a total suite of peptide products and acts as an integrated 'one-stop-shop' for peptide customers.

Exelgen (Bude, United Kingdom)

Exelgen (formerly Tripos Discovery Research Ltd), based in Bude, Cornwall, U.K., is a leading, knowledge-driven, drug discovery services business that provides pharmaceutical and biotechnology companies with novel approaches to drug discovery. Applying proprietary computational design and therapeutic medicinal chemistry tools and expertise, CBI believes that Exelgen is able to reduce drug discovery timelines by up to 30%. Since 1997, Exelgen has been offering compound libraries under the LeadQuest® brand, screening libraries under the LeadScreen® brand and custom *de novo* compound libraries under the LeadSelect® brand.

Target Markets

Each of CBI's business units has its own distinct capabilities and market focus, although significant overlap exists between the customer bases. The markets served by each of the business units are shown below:

Business Unit	Market Segments Served	Applications
CBI Services	Government	Basic research
	Biotechnology companies	Process research
	Pharmaceutical companies	Immunology and vaccine development
		Drug development
Fairfax Identity Labs	Private individuals	Paternity and relationship testing
	Medical community	Immigration testing
	Legal community	Forensic DNA analysis
Mimotopes	Government	Immunology and vaccine development
	Universities	Drug target screening
	Biotechnology companies	Drug development
	Pharmaceutical companies	
Exelgen	Biotechnology companies	Drug design
	Pharmaceutical companies	Drug target screening
		Drug development

CBI Services, Exelgen and Mimotopes all cater to the outsourcing requirements of pharmaceutical and biotechnology companies for reagents (such as peptides, proteins and small molecules), as well as drug research and development. The adoption of outsourcing by the pharmaceutical and biotechnology industries is driven by three major factors:

(1) *Speed*. Faster discovery results accelerate the time to fail or advance a drug through the development pipeline. Eliminating bad leads early or shaving weeks or months from the time it takes to get a drug to market can mean millions of dollars in cost savings and added revenues.

(2) *Quality*. All the advantages of an accelerated drug discovery program can be jeopardized if the results do not meet the strict quality standards of the pharmaceutical industry. High quality results depend on quality control, quality equipment and quality people.

(3) *Cost*. Speed and quality are necessary but insufficient conditions for success. The economic scarcity problem of unlimited wants and needs and limited resources applies to drug discovery outsourcing as well. The more suppliers can offer for less, the more successful they will be.

CBI believes that market growth is spurring investment in contract research organizations and attracting new providers to the market, many from low-cost territories such as Asia. CBI believes that it is well positioned to compete in this growing market with over 100 highly trained staff located in three world-class laboratories based in Richmond (Virginia), Melbourne (Australia) and Bude (U.K.). The time difference between the sites means that the Company operates virtually around the clock across its three primary research sites. Strong links to preferred suppliers in Asia also means that its customers can access the best mix of fast, secure, high quality, and innovative research services at globally competitive prices.

Market Dynamics

Pharmaceutical companies have been struggling for some time to maintain the growth expected of them by the market. CBI believes that the primary reason for this is the increasing difficulty in discovering new drugs, in particular blockbusters (drugs with greater than $1 billion in sales). This led to a consolidation of the industry in the 1990s and the formation of the new “big Pharmas”. However, CBI believes that these mergers were largely unsuccessful because they failed to address the real problem, the falling rate at which candidate compounds were entering the development pipeline as commercial drugs. With a combination of increasing regulatory requirements and a more competitive marketplace, it takes an increasing number of high quality candidate compounds to produce the same number of successful drugs.

Pharmaceutical companies, and in particular big Pharmas, have realized that they cannot generate the large number of necessary candidate compounds in-house, and this has led to a trend for these companies to outsource large amounts of their drug discovery research. A market intelligence report by Kalorama Information (2006) indicates that outsourcing was worth $4.1 billion in 2005, and is projected to grow at a rate of 20% annually to reach $7.2 billion in 2009. The report also states that recent improvements in biology have made chemistry the major bottleneck in the product pipeline. Chemistry and optimization (key areas of expertise for Exelgen) now make up 44% and 19% of outsourcing respectively. It has been estimated that an additional 30,000 chemists will be required worldwide by 2010 and that medicinal and process chemists will be the specialties in highest demand.

Although the dollar value of the drug discovery outsourcing market is huge, it is comprised of a relatively small number of mature customers. The vast majority of this market lies in the U.S., Western Europe and Japan. It is a very sophisticated market consisting of large multinational pharmaceutical companies, small pharmaceutical companies, generic manufacturers and drug discovery companies.

The most attractive global customers are the big Pharmas, including Pfizer, GSK, Merck, AstraZeneca, Novartis, Eli Lilly and Bristol-Myers Squibb. They are active companies and have the capacity to offer large contracts. Many have centralized outsourcing departments that match the specific needs of a particular project to contractors with specific expertise in that area. They are very experienced at outsourcing and have the resources to overcome barriers such as distance, due diligence inspections, and technology transfer issues which may deter some smaller companies from outsourcing to overseas contractors. Small drug discovery companies are also an attractive opportunity but the low profile of many of these companies, coupled with their limited resources and experience in outsourcing, make marketing to them more difficult. The Kalorama Information report indicates that suppliers of synthetic services to the pharmaceutical industry are numerous but small, and mainly based in the U.S. or Europe. The largest supplier, Albany Molecular, has only a 6% market share.

During the course of 2007, CBI significantly enhanced its research and development outsourcing capabilities through the acquisition of Mimotopes and Exelgen. Although there is increasing competition from low-cost providers in China and India, recent concerns over production standards and quality in some low-cost territories has led to a flight to quality providers. With a strong reputation for price competitive and high quality service and product delivery, CBI believes that it is well positioned to grow business in high-value niches in the pharmaceutical outsourcing market because of its unique combination of proprietary informatics systems and contract chemistry and biology services. CBI’s “one stop shop” model is already attracting new customers and winning a broader range of business from existing customers.

Growth Strategy

During the course of 2007, the Company acquired U.K.-based medicinal chemistry company Exelgen and Australian-based peptide chemistry company Mimotopes, transforming the Company into a full-service pre-clinical drug discovery services provider with a global base of operations and clients. These transactions have transformed CBI into a full-service pre-clinical drug discovery services provider with a global base of operations and clients, and CBI believes that it is well positioned for continued strong growth with a record number and value of new contracts over the last year, a growing market for high-quality research and development outsourcing and a dynamic and commercially driven management team. CBI recorded revenues of $12.4 million in 2007, up from $6.5 million in 2006, with a net loss of $2.8 million, up from $1.1 million in 2006. However, these results significantly under-play the Company’s operating performance because of the timing of the Exelgen acquisition and significant one-time costs

associated with the acquisition. In December 2007, CBI completed a company-wide reorganization aimed at realigning its sales and marketing capabilities and attaining cost synergies following the Mimotopes and Exelgen transactions. Beginning in 2008, CBI expects cost synergies, through targeted redundancies and salary savings to generate annual savings of $1.6 million.

With a focus on both revenue and cost synergies, integration of Mimotopes and Exelgen into the Company in 2007 resulted in new contract signings. CBI expects to build on these successes to become a leading global contract drug-discovery solutions business. The Company will pursue a number of strategic initiatives aimed at increasing revenues, increasing margins, managing costs and increasing market awareness and value. These include:

- Continued commitment to existing customers – a focus on existing customers and commitment to product quality has delivered strong sales growth and customer loyalty.
- Expansion of customer base – through aggressive marketing and promotion.
- Expansion into new geographies – through an expanded sales team and strategic partnering initiatives.
- Cross functional sales team – The Company has appointed a Vice President, Business Development and Marketing who has re-organized the existing sales staff and has developed a marketing strategy focused on winning high-value contracts and building leading positions in selected growth markets.
- New product development – CBI's technical expertise and the scalability of its operations enables quick response to customer demand for new products.
- Outsourcing raw materials – CBI is turning to low-cost territories such as China as a means to outsource selected raw ingredients. This provides the opportunity for significant margin enhancement.
- Developing capacity for an expanding market – CBI believes that it is well positioned to take advantage of the expanding global market in R&D outsourcing.

CBI will also actively pursue opportunities to acquire or partner with complementary businesses in the drug discovery outsourcing industry. By actively pursuing such opportunities, it ultimately aims to provide clients with a seamless link between drug discovery to scale up, multi-kilogram synthesis and GMP manufacture, thus capturing more value down the supply chain and proving the market with a truly vertically integrated product offering.

Operations

CBI operates on a fee-for-service basis and has integrated a number of foundation technologies to provide a broad range of capabilities to customers who otherwise must go to several different sources for their needs. The Company's business units have a strong reputation for:

- World-leading expertise in drug development and discovery;
- An innovative and collaborative culture;
- Providing seamless information flow at all stages of the process;
- Providing customers with a shorter time to market; and
- Total intellectual property security.

Across the Company, the business units have technical capabilities and proprietary technology platforms that differentiate them from other providers. For example:

- Mimotopes' patented SynPhase Technology provides CBI with a competitive advantage to rapidly, efficiently and cost-effectively produce large libraries of research grade peptides.
- Exelgen's proprietary computational design and therapeutic medicinal chemistry tools and expertise are able to significantly reduce clients' drug discovery timelines.
- FIL is accredited by all major U.S. authorities and provides highly accurate DNA identity information.
- CBI Services' state-of-the-art laboratories, biodefense facility, government security clearance and accreditations provide it with access to contracts not appropriate for most contract research organizations.

All of CBI's business units operate under strict Standard Operating Protocols ("SOPs") which detail the particular technologies used to complete the work in progress. SOPs are made available to the customer upon request. In addition, CBI Services and FIL have instituted rigorous GLP reporting requirements, and have put in place the necessary features to meet all aspects of GLP compliance. The Quality Assurance Unit has enabled CBI Services and FIL to take on projects with customers who require adherence to compliance reporting. Other accreditations achieved by CBI Services and FIL include:

- ISO/IEC 17025:2005 and forensic requirements for accreditation FRA 1 and FRA 2;

- Forensic Quality Services accreditation for DNA forensic and CODIS analyses;
- American Association of Blood Banking accreditation for Paternity DNA identify testing, New York State Accreditation for forensic analyses;
- An FBI-approved Laboratory Quality Assurance Program for microbial forensics;
- College of American Pathologist approval for performance of molecular diagnostics;
- Basic Sentinel Lab of the Laboratory Response Network of Bioterrorism;
- Compliance with and certification by CLIA for analysis of human samples;
- Select agent registration with the Centers of Disease Control ("CDC") and USDA;
- Continuous successful operation of a CDC accredited BSL3 laboratory since 1996;
- Extensive experience in SOW tasks including GLP-rated vaccine development programs and testing for the Department of Defense;
- NRC accreditation for use of radionuclides;
- DEA approval for experimental use and storage of Schedule 1-6 controlled substances; and
- EPA and Virginia DEQ compliance certifications.

Marketing

CBI believes that its business units have excellent customer service reputations. Sales and business development staff employ their technical know-how by way of a consultative/collaborative selling strategy and routinely assist clients with the design of their projects and synthesis of their products. In 2007, CBI companies boasted seven of the top ten global pharmaceutical companies as clients. The reorganization of the global sales and marketing team in 2007 created an integrated service offering that provides cross-selling opportunities across our business units for clients based anywhere in the world.

CBI has embarked on an expanded marketing effort under the direction of the newly appointed Vice President of Business Development and Marketing. This will involve an increase in trade show and industry-based partnering activities, improvements to the web sites, and an enhanced e-commerce focus. CBI currently has ten full time sales and business development professionals operating in the major world markets, North America, Europe and Asia The Company has sales operations in San Francisco, Minneapolis, Raleigh-Durham, Melbourne (Australia) and Wirral (U.K.) with the corporate office in San Diego and a satellite office in St. Louis. The business units all have internal technical support professionals to provide technical quotes and field support. CBI has recently implemented an improved client relationship management system which will facilitate accurate forecasting and help pinpoint strengths and weaknesses in marketing efforts.

Intellectual Property

Each of CBI's business units is primarily focused on fee-for-service offerings; various intellectual properties have developed that have resulted in U.S. and international patents. For example, CBI Services has patented a potential human pharmaceutical product, termed HepArrest®. HepArrest is designed as a hospital drug for use in reversing the anti-coagulant effects of heparin. The Company has licensed HepArrest to Prism Pharmaceuticals, King of Prussia, Pennsylvania, for pre-clinical studies, leading to an Investigational New Drug application. The Company has other intellectual properties in the form of issued and pending patents, many of which underpin the various technology platforms employed by the individual business units.

CBI takes appropriate steps to protect its intellectual property rights and those of its customers. The Company's practice is to require its employees and consultants to execute non-disclosure and proprietary rights agreements upon commencement of employment or consulting arrangements with the Company. These agreements require that all proprietary information disclosed to the individual by CBI or its customers remain confidential.

Employees

Worldwide, CBI employs 110 full-time staff in three facilities. CBI has an entrepreneurial executive management team with a wealth of scientific and commercial experience in the biotechnology and life science industries.

Partners and Partnerships

The experience of CBI's staff coupled with its patented technology platforms and advanced laboratory facilities position the Company well for partnering with research institutions and discovery companies in drug

development. CBI companies have developed strategic alliances with key life science companies including Invitrogen, Genzyme, Thermo Fisher, GSK, Elan, Abbott and Schering Plough. Mimotopes' partnership with Genzyme Pharmaceuticals has created a brand that provides a total suite of peptide products and acts as an integrated 'one-stop-shop' for peptide customers. In 2007, the alliance was listed as one of the top 5 leading global peptide providers in an independent analysis of the peptide industry (Bionest Partners, 2007). CBI is looking to adopt a similar partnering model with small molecule and biological cGMP manufacturers.

U.S. Government Regulation

CBI complies with existing federal, state and local laws and regulations and does not anticipate that continuing compliance will have any material effect upon the capital expenditures, earnings or competitive position. While the Company does not require government regulatory approvals to provide for current services, numerous federal, state, and local agencies, such as federal and state environmental agencies, working condition and other similar regulators, have jurisdiction to take actions that could have a material adverse effect upon its ability to do business. CBI has put in place numerous procedures and guidelines which allows it to meet accreditation requirements of federal, state, and industry specific regulatory groups. CBI anticipates that it will continue to implement and upgrade the compliance capabilities under the FDA's GLP guidelines. The Company anticipates that eventually more of its service offerings will meet the FDA's GMP and cCMP guidelines.

Investor Relations

The Company is committed to presentation of its capabilities in appropriate forums, such as analyst conferences and forums. Presentations made by CBI's management at these venues are posted to CBI's web page (www.cbi-biotech.com).

Item 2. Description of Property

Facilities

CBI currently operates in three facilities, located in Richmond (Virginia), Melbourne (Australia) and Bude (U.K.). The headquarters is located in Richmond. The Company owns its property in Richmond. The Company owns its property in Melbourne and leases the land upon which it sits and leases its property in Bude. The addresses of the properties are set forth below:

Commonwealth Biotechnologies, Inc.
601 Biotech Drive
Richmond, Virginia 23235
Facility monthly payment: $34,724; note expires November 2009

Mimotopes Pty Ltd
11 Duerdin Street
Clayton, Victoria 3168
Australia
Land rent: $7,730; CBI owns the building

Exelgen Discovery Research Centre
Bude-Stratton Business Park
Bude, Cornwall, EX23 8LY
England, United Kingdom
Rental term expires June 2009; monthly payments are $31,989.

The Company's facility located in Richmond (Virginia) encompasses 32,000 square feet of state-of-the-art laboratory and administrative space. The building is designed to facilitate movement of samples throughout each laboratory, and where necessary, to maintain and ensure custody of samples. The building houses expansion space, which was purposefully left undeveloped to accommodate new technologies as they come on board.

The Company's facility located in Melbourne (Australia) has a functional floor area of 24,000 square feet, including 10,000 square feet of state-of-the-art laboratory space. The Company owns all plant and equipment at the site and rents the land from Monash University on a rolling seven-year lease with renewal options.

The Company's facility located in Bude (U.K.) encompasses 25,000 square feet of state-of-the-art laboratory and administrative space, providing capacity to accommodate large library synthesis and contract research operations simultaneously. There is also a biological screening capability within the facility.

Item 3. Legal Proceedings

CBI is not subject to any pending legal proceeding required to be disclosed.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders in the fourth fiscal quarter of 2007.

PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities

Market Information

The information is as set forth on page 12 the Company's 2007 Annual Report to Shareholders under the caption "Stockholder Matters", previously filed with the SEC as Exhibit 13.1 to the Form 10-KSB dated April 9, 2008.

Recent Sales of Unregistered Securities

On December 31, 2007, CBI entered into and closed a subscription agreement (the "Subscription Agreement") with six institutional investors, pursuant to which CBI issued and sold convertible notes at an initial aggregate price of $1,950,000 and Class A Warrants and Class B Warrants to purchase shares of common stock on terms referenced therein. The Class A and Class B Warrants were issued in proportion to the amount of convertible notes purchased by each investor.

The convertible notes are due July 31, 2009 and are initially convertible into 975,000 shares of common stock at the rate of $2.00 per share.

The Class A Warrants are exercisable for an aggregate of 975,000 shares of common stock, at an initial price of $2.85 per share, subject to adjustment as provided in the Class A Warrants. The Class A Warrants may be exercised beginning six (6) months after issuance and expire sixty-five (65) months after their date of issuance.

The Class B Warrants are exercisable for an aggregate of 243,750 shares of common stock, at an initial price of $5.00 per share, subject to adjustment as provided in the Class B Warrants. The Class B Warrants may be exercised beginning six (6) months after issuance and expire one (1) year after their date of issuance.

CBI was required by the terms of the Subscription Agreement to file after the closing date with the Securities and Exchange Commission ("SEC") a registration statement to register the shares of common stock issuable upon conversion of the convertible notes and exercise of the warrants to permit the investors to resell such shares to the public. CBI filed the registration statement with the SEC on January 30, 2008 [Registration No. 333-148942].

The following table provides information about CBI's equity compensation plans as of December 31, 2007:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	785,877	$ 5.52	1,044,609
Equity compensation plans not approved by security holders	0	0	0
Total	785,877	$ 5.52	1,044,609

Item 6. Management's Discussion and Analysis or Plan of Operation

The information is as set forth on pages 13 and 14 through 20 of the Company's 2007 Annual Report to Shareholders under the caption "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" respectively, previously filed with the SEC as Exhibit 13.1 to the Form 10-KSB dated April 9, 2008.

Item 7. Financial Statements

The Company's financial statements and the related notes thereto, together with the report of BDO Seidman, LLP for 2007 and 2006, are set forth on pages 19 through 44 of the Company's 2007 Annual Report to Shareholders, previously filed with the SEC as Exhibit 13.1 to the Form 10-KSB dated April 9, 2008.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 8A. Controls and Procedures.

See Item 8A(T)

Item 8A(T). Controls and Procedures

Evaluation of Disclosure Controls and Procedures

CBI maintains a system of controls and procedures designed to provide reasonable assurance as to the reliability of the financial statements and other disclosures included in this report, as well as to safeguard assets from unauthorized use or disposition. CBI evaluated the effectiveness of its disclosure controls and procedures (as defined in Rule 13a-14(c) and Rule 15a-14(c) under the Securities Exchange Act of 1934) under the supervision and with the participation of management, including the Company's Chief Executive Officer and Vice President of Financial Operations, within 90 days prior to the filing date of this report. Based upon that evaluation, the Company's Chief Executive Officer and Vice President of Financial Operations concluded that the Company's disclosure controls and procedures are effective in timely alerting them to information required to be included in the Company's periodic Securities and Exchange Commission filings. There were no significant changes in the Company's internal controls or in other factor that could significantly affect these controls subsequent to the date of their evaluation.

Management's Annual Report on Internal Control Over Financial Reporting

CBI's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities and Exchange Act of 1934, as amended. CBI's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of CBI's assets;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that CBI's receipts and expenditures are being made only in accordance with the authorization of its management and directors; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of CBI's assets that could have a material effect on the financial statements.

CBI's management assessed the effectiveness of its internal control over financial reporting as of December 31, 2007. In making this assessment, management used the framework set forth in the report entitled *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. Based on this assessment, CBI's management believes that, as of December 31, 2007, CBI's internal control over financing reporting is effective based on those criteria.

The annual report does not include an attestation report of CBI's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit CBI to provide only management's report in the annual report.

Item 8B. Other Information

The Company has previously reported all information required to be disclosed during the fourth quarter of 2007 in a report on Form 8-K.

PART III

Item 9. Directors, Executive Officers, Promoters Control Persons and Corporate Governance; Compliance with Section 16(a) of the Exchange Act

Executive Officers, Directors and Key Employees

The following individuals constitute our board of directors and executive management:

Name	Age	Position	Appointment Year
Paul D'Sylva, Ph.D.	38	Chief Executive Officer and Director	2007
Richard J. Freer, Ph.D.	65	Chairman, Chief Operating Officer and Director	1992
Robert B. Harris, Ph.D.	55	President and Director	1992
James D. Causey	53	Director	2004
Daniel O. Hayden	59	Director	2007
Donald A. McAfee, Ph.D.	65	Director	2001
Samuel P. Sears, Jr.	63	Director	2001
Thomas R. Reynolds	45	Senior Vice President and Secretary	
James H. Brennan	55	Vice President, Financial Operations	

Paul D' Sylva, Ph.D. Dr. D'Sylva assumed the position of Chief Executive Officer of CBI in January 2007. Dr. D'Sylva served previously as the co-founder and Managing Director of PharmAust Limited. From 2001 to 2005, Dr. D'Sylva served as Director of Research and Development at Murdoch University. Dr. D'Sylva has a strong track record in raising investment capital for early stage business ventures and has led the development of a number of successful research joint-venture institutes, companies and funds. During his tenure at Murdoch University, he founded and directed the AU$12.5m Investment Fund – Murdoch Westscheme Enterprise Partnership, founded and directed the commercial consulting company MurdochLink Pty Ltd, and was involved in the establishment and governance of a number of key research centers and institutes. He sits on the advisory board of the Centre for Computational Comparative Genomics, a joint-venture research institute in Bioinformatics based at Murdoch University and retains a non-executive role at Murdoch University as an Adjunct Professor of Business. He received a Ph.D. from the University of Arizona in public finance and econometrics. Dr. D'Sylva's term as a director runs through 2010, or until his successor is appointed.

Richard J. Freer, Ph.D. Since founding CBI in 1992, Dr. Freer has served as the Chairman of the Board and a director of CBI. He assumed the role of Chief Operating Officer in 2002. From 1975 until 1997, Dr. Freer was employed in the Department of Pharmacology and Toxicology at Virginia Commonwealth University ("VCU"), first as an Associate Professor and then a full Professor. In addition, from 1988 through 1995, Dr. Freer was first Director and then Chair of the Biomedical Engineering Program. From 1996 through 1997, Dr. Freer served as Professor in VCU's Department of Biochemistry and Molecular Biophysics. Dr. Freer received a bachelor's degree in Biology from Marist College and a doctorate degree in Pharmacology from Columbia University. Dr. Freer's term as a director runs through 2009, or until his successor is appointed.

Robert B. Harris, Ph.D. Since founding CBI in 1992, Dr. Harris has served as the President and a director of CBI. He also served as the Chief Executive Officer from 2002 to 2007. Until 1997, Dr. Harris was employed in the Department of Biochemistry and Molecular Biophysics at VCU, first as an Assistant, then Associate and finally a full Professor. Dr. Harris received a joint bachelor's degree in Chemistry and Biology from the University of Rochester, and a master's degree and a doctorate degree in Biochemistry/Biophysical Chemistry from New York University. Dr. Harris' term as a director runs through 2008, or until his successor is appointed.

James D. Causey. Since 2004, Mr. Causey has served as Vice President of Trader Publishing Company, a nationwide network of classified publications. From 2003 until 2004, Mr. Causey served as a consultant in the publishing industry. From 1999 to 2003, Mr. Causey served as the chief executive officer of Sabot Publishing, a Richmond, Virginia based publisher of leading special interest publications. Mr. Causey received a master's degree in business from the University of Maryland. Mr. Causey's term as a director runs through 2010, or until his successor is appointed.

Daniel O. Hayden. Mr. Hayden has been employed by Genzyme Corporation, Cambridge, Massachusetts ("Genzyme"), since 1999. Since 2003, Mr. Hayden has served as a Senior Vice President and General Manager of the Pharmaceuticals Business Unit of Genzyme. Prior to 2003, Mr. Hayden served Genzyme in a Vice President capacity. Genzyme is a leading, global biotechnology company, and its Pharmaceuticals Business Unit is a global specialty pharmaceutical chemicals business focused on the production of active pharmaceutical ingredients and intermediates in the lipid and peptide markets. Mr. Hayden serves as the Chairman of the internal Genzyme, Liestal Switzerland Board of Directors. Mr. Hayden's term as a director runs through 2008, or until his successor is appointed.

Donald A. McAfee, Ph.D. Since 2003, Dr. McAfee has served as Vice President of Research and Chief Scientific Officer for Cardiome Pharma Corp., a Vancouver-based drug discovery and development company. In addition, since 2004, Dr. McAfee has also served as a consultant for McAfee Scientific, a drug development consulting firm. In 1994, he co-founded Aderis Pharmaceuticals, Inc. (formerly Discovery Therapeutics, Inc.), a clinical stage pharmaceutical company, where he served as Chief Technical Officer and Director. Before organizing Discovery Therapeutics, Dr. McAfee served for eight years as Vice President, Research, at Whitby Research, Inc., Richmond, Virginia (formerly Nelson Research and Development, Irvine, California), managing drug discovery programs. Prior to entering industry, Dr. McAfee served as Chairman of the Division of Neurosciences at the Beckman Research Institute (City of Hope), Duarte, California, and held faculty appointments at the Yale University School of Medicine and the University of Miami School of Medicine. Dr. McAfee earned his Ph.D. in Physiology at the University of Oregon School of Medicine, and has authored more than 100 articles and book chapters in neuroscience and pharmacology. He is currently an adjunct professor at the Medical College of Virginia and a Director of the Virginia Biotech Association, an industry advocacy group. Dr. McAfee currently serves as a director of Duska Scientific Co., an emerging biopharmaceutical company. Dr. McAfee's term as a director runs through 2009, or until his successor is appointed.

Samuel P. Sears, Jr. Since March 1999, Mr. Sears has been in private practice as an attorney and has been providing business consulting services. From December 1998 through February 1999, Mr. Sears served as Vice Chairman of American Prescription Providers, Inc., a specialty pharmacy network offering prescriptions and nutriceuticals to patients with chronic diseases. From 1995 through May 1998, Mr. Sears was Chief Executive Officer and Chairman to Star Scientific, Inc., a tobacco company focusing on demonstrating the commercial viability of potentially less harmful tobacco products. Mr. Sears is a graduate of Harvard College and Boston College Law School. Mr. Sears' term as a director runs through 2008, or until his successor is appointed.

Audit Committee

The members of the Audit Committee as of December 31, 2007 were Samuel P. Sears, Jr., James D. Causey, Donald A. McAfee, Ph.D. Each member of the Audit Committee is independent under the rules of the SEC and the Nasdaq Capital Market. The Board of Directors has determined that Samuel P. Sears, Jr., who is an independent director, is an "audit committee financial expert" as such term is defined in Item 401(h)(2) of Regulation S-K promulgated under the Exchange Act.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers and persons who own more than ten percent of a registered class of the Company's equity securities to file with the Securities and Exchange Commission reports of ownership and changes in beneficial ownership of the Company's common stock. Directors, executive officers and greater than ten percent shareholders are required to furnish the Company with copies of all Section 16(a) forms they file. Based solely on a review of the copies of these reports furnished to the Company or written representations that no other reports were required, we believe that all reports were timely made.

Code of Conduct

CBI has adopted a Code of Conduct, which is applicable to all directors, officers and associates of the Company, including the principal executive officer and the principal financial and accounting officer.

Item 10. Executive Compensation

The following table sets forth the compensation paid to or earned by (i) the Chief Executive Officer, and (ii) CBI's two other most highly compensated executive officers (collectively, the "Named Executive Officers") during each of CBI's last two fiscal years:

Name and principal position [1]	Year	Salary ($)	Bonus ($)	Stock Awards ($)[2]	Option Awards ($)[2]	All other Compensation ($)	Total ($)
Richard J. Freer, Ph.D.	2007	215,250	—	85,927	—	14,666[3]	315,843
Chairman and COO	2006	215,250	19,714	100,333	—	28,259[3]	363,556
Robert B. Harris, Ph.D.	2007	215,250	—	6,307	—	10,067[4]	231,624
President	2006	215,520	19,714	6,307	32,187	23,486[4]	297,214
Paul D'Sylva, Ph.D.	2007	156,628	—	—	52,400	60,011[5]	269,039
CEO							

(1) This table does not include 2006 information for Dr. D'Sylva, as he assumed the position of Chief Executive Officer in January 2007.

(2) Amounts reflect the dollar amount recognized for the fiscal years ended December 31, 2007 and December 31, 2006, in accordance with FAS123(R) and thus may include amounts from awards granted in prior fiscal periods.

(3) Consists of $5,400 travel allowance, a $8,544 payment for health and dental insurance and a $722 payment for life and disability insurance in 2007. Consists of $12,500 travel allowance, a $9,107 payment in lieu of accrued, but unused, personal leave, a $5,930 payment for health and dental insurance and a $722 payment for life and disability insurance in 2006.

(4) Consists of $5,400 travel allowance, a $3,881 payment for health and dental insurance and a $786 payment for life and disability insurance in 2007. Consists of $12,500 travel allowance, a $9,107 payment in lieu of accrued, but unused, personal leave, a $1,093 payment for health and dental insurance and a $786 payment for life and disability insurance in 2006.

(5) Consists of $50,000 in relocation costs, a $9,225 payment for health and dental insurance and a $786 payment for life and disability insurance in 2007.

Director Compensation

The following table shows all cash compensation paid to CBI's directors in 2007. Directors did not receive any compensation other than as stated in the chart below. Each option granted in the chart below has an exercise price of $2.05 and expires on March 22, 2017.

Name	Fees Earned or Paid in Cash	Options Received
Gerald P. Krueger	$ 6,750	0
Donald A. McAfee, Ph.D.	$ 11,500	3,000
Daniel O. Hayden	$ 10,500	3,000
James D. Causey	$ 11,500	3,000
Samuel P. Sears, Jr.	$ 11,500	3,000

Outstanding Equity Awards At Fiscal Year-End

The following table sets forth certain information concerning the value of outstanding equity awards held by the Named Executive Officers as of December 31, 2007.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[1]
Paul D'Sylva, Ph.D.	40,000	—	$ 2.09	02/21/2017	—	—
Richard J. Freer, Ph.D.	7,069	—	$ 3.75	12/31/2010	100,000[2]	196,000
	26,500	—	$ 3.85	11/09/2011		
	4,606	—	$ 3.30	11/12/2013		
	5,394	—	$ 3.30	11/12/2013		
	7,885	—	$ 4.80	01/03/2016		
Robert B. Harris, Ph.D.	12,619	—	$ 3.85	11/09/2011		
	4,606	—	$ 3.30	11/12/2013		
	5,394	—	$ 3.30	11/12/2013		
	10,000	—	$ 6.00	01/03/2015		
	20,000	—	$ 5.35	02/03/2015		
	3,943	—	$ 4.80	01/03/2016		

(1) Based upon the closing price of CBI's common stock on January 25, 2008, as reported by the Nasdaq Capital Market of $2.59 per share.
(2) Restricted Shares vest in equal quarterly installments of 10,000 Shares beginning on January 1, 2010.

Employment Agreements

PAUL D'SYLVA, PH.D.

As of February 9, 2007, CBI entered into an employment agreement with Dr. D'Sylva pursuant to which Dr. D'Sylva will serve as Chief Executive Officer. This agreement expires on February 9, 2010. The employment agreement provides Dr. D'Sylva with:

- a base salary of at least $250,000 after his first year of employment, with any amount above such minimum level to be determined by the Board of Directors. In his first year of employment, Dr. D'Sylva will receive a salary of $100,000 and will also be reimbursed for up to $50,000, for moving and travel expenses related to his relocation to the United States. Notwithstanding the foregoing, we increased Dr. D'Sylva's base salary to $250,000 effective of August 1, 2007;
- a grant, on February 22, 2007, of incentive stock options to purchase 40,000 Shares of our common stock;
- an annual bonus to be based upon financial performance criteria determined by the Board of Directors;
- a grant of 60,000 Shares of restricted common stock to be granted on a date and with vesting terms mutually acceptable to Dr. D'Sylva and our company;
- an annual equity compensation as determined on a yearly basis at the sole discretion of the Compensation Committee of our Board of Directors; and
- participation in any and all employee benefit plans.

Under the employment agreement, upon Dr. D'Sylva's death, CBI shall pay Dr. D'Sylva's beneficiary an amount equal to (i) one month's salary, and (ii) a cash, option and restricted stock bonus with respect to that portion of our company's fiscal year completed prior to Dr. D'Sylva's death. In addition, upon Dr. D'Sylva's death, all unvested, restricted Shares of CBI's common stock held by Dr. D'Sylva shall immediately vest.

CBI may terminate Dr. D'Sylva's employment at any time for "Cause," as such term is defined in the employment agreement, without incurring any continuing obligations to Dr. D'Sylva.

If CBI terminates Dr. D'Sylva's employment for any reason other than for "Cause" or if Dr. D'Sylva terminates his employment for "Good Reason," as such term is defined in the employment agreement, Dr. D'Sylva is entitled to (a) monthly salary until the "Benefit End Date" as such term is defined in the employment agreement, (b) medical, dental and life insurance benefits until the "Benefit End Date"

To the extent a "Change-of-Control," as such term is defined in the employment agreement, occurs during the term of the agreement, Dr. D'Sylva, at his sole option, may deem such event to be a termination of employment without Cause. As a result, Dr. D'Sylva would be entitled to receive the benefits noted above. In addition, all unvested options and Shares of restricted stock held by Dr. D'Sylva will immediately vest.

To the extent Dr. D'Sylva becomes "Disabled," as such term is defined in the employment agreement, during the term of the agreement, CBI shall continue pay him his full salary and benefits until he shall become eligible for disability income under our disability plan. While receiving disability income payments, CBI shall pay Dr. D'Sylva the difference between such payments and his salary (without bonus), and he shall continue to participate in our company's benefit plans until February 9, 2010.

The agreement contains a non-competition provision, which prohibits Dr. D'Sylva from competing with CBI or soliciting its employees under certain circumstances. A court may, however, determine that this non-competition provision is unenforceable or only partially enforceable.

RICHARD J. FREER, PH.D.

As of June 27, 2005, CBI entered into an amended employment agreement with Dr. Freer pursuant to which Dr. Freer will serve as Chairman of the Board and Chief Operating Officer. This agreement expires on December 31, 2009. The employment agreement provides Dr. Freer with:

- a base salary of at least $205,000, with any amount above such minimum level to be determined by the Board of Directors;
- a grant, on January 1, 2007, of incentive stock options to purchase 30,000 Shares of our common stock;
- an annual bonus to be based upon financial performance criteria determined by the Board of Directors. Assuming full satisfaction of such financial performance criteria, the maximum cash bonus payable shall not be less than $25,000 per year;
- a number of annual incentive stock option and restricted stock grants to be based upon financial performance criteria determined by the Board of Directors. Assuming full satisfaction of such financial performance criteria, Dr. Freer is eligible to receive incentive stock options to purchase an aggregate of 10,000 Shares of common stock and 5,000 Shares of restricted common stock on a yearly basis. Such options and restricted Shares shall vest in three equal yearly installments beginning on the date that is one year following the date of grant;
- a grant of 50,000 Shares of restricted common stock on June 27, 2005 and a grant of 50,000 Shares of restricted common stock on January 1, 2006, with such Shares vesting in quarterly installments of 10,000 Shares beginning on January 1, 2010; and
- participation in any and all employee benefit plans.

Under the employment agreement, upon Dr. Freer's death, CBI shall pay Dr. Freer's beneficiary an amount equal to (i) one month's salary, and (ii) a cash, option and restricted stock bonus with respect to that portion of our company's fiscal year completed prior to Dr. Freer's death. In addition, upon Dr. Freer's death, all unvested, restricted Shares of CBI's stock held by Dr. Freer shall immediately vest.

CBI may terminate Dr. Freer's employment at any time for "Cause," as such term is defined in the employment agreement, without incurring any continuing obligations to Dr. Freer.

If CBI terminate Dr. Freer's employment for any reason other than for "Cause" or if Dr. Freer terminates his employment for "Good Reason," as such term is defined in the employment agreement, Dr. Freer is entitled to (a) a lump cash sum equal to the aggregate amount of salary due to Dr. Freer up through December 31, 2009 and (b) medical, dental and life insurance benefits until December 31, 2009.

To the extent a "Change-of-Control," as such term is defined in the employment agreement, occurs during the term of the agreement, Dr. Freer, at his sole option, may deem such event to be a termination of employment without Cause. As a result, Dr. Freer would be entitled to receive the benefits noted above. In addition, all unvested options and Shares of restricted stock held by Dr. Freer will immediately vest. In connection with the execution of this agreement, our company and Dr. Freer terminated that certain Executive Severance Agreement, dated June 27, 1997.

To the extent Dr. Freer becomes "Disabled," as such term is defined in the employment agreement, during the term of the agreement, CBI shall continue pay him his full salary and benefits until he shall become eligible for disability income under our disability plan. While receiving disability income payments, CBI shall pay Dr. Freer the difference between such payments and his salary (without bonus), and he shall continue to participate in our company's benefit plans until December 31, 2009.

The agreement contains a non-competition provision, which prohibits Dr. Freer from competing with CBI or soliciting its employees under certain circumstances. A court may, however, determine that this non-competition provision is unenforceable or only partially enforceable.

ROBERT B. HARRIS, PH.D.

As of January 1, 2007, CBI entered into an employment agreement with Dr. Harris pursuant to which Dr. Harris will serve CBI as President. This agreement expires on December 31, 2011. The employment agreement provides Dr. Harris with:

- a base salary of at least $225,000, with any amount above such minimum level to be determined by the Board of Directors;
- an annual bonus to be based upon financial performance criteria determined by the Board of Directors. Assuming full satisfaction of such financial performance criteria, the maximum cash bonus payable shall not be less than $25,000 per year; and
- a number of annual incentive stock option and restricted stock grants to be based upon financial performance criteria determined by the Board of Directors. Assuming full satisfaction of such financial performance criteria, Dr. Harris is eligible to receive incentive stock options to purchase an aggregate of 5,000 Shares of common stock and 5,000 Shares of restricted common stock on a yearly basis. Such options and restricted Shares shall vest in three equal yearly installments beginning on the date that is one year following the date of grant; and
- participation in any and all employee benefit plans.

Under the employment agreement, upon Dr. Harris' death, CBI shall pay Dr. Harris' beneficiary an amount equal to (a) one month's salary, and (b) a cash, option and restricted stock bonus with respect to that portion of our fiscal year completed prior to Dr. Harris' death.

CBI may terminate Dr. Harris' employment at any time for "Cause," as such term is defined in the employment agreement, without incurring any continuing obligations to Dr. Harris.

If CBI terminates Dr. Harris' employment for any reason other than for "Cause" or if Dr. Harris terminates his employment for "Good Reason," as such term is defined in the employment agreement, Dr. Harris is entitled to (a) receive salary and benefits for a period of twelve months following the date of termination and (b) medical, dental and life insurance benefits until December 31, 2011.

To the extent that CBI has not offered to renew this agreement or enter into another employment arrangement with substantially similar or better terms for Dr. Harris on or before the date that is one year prior to the expiration date of this agreement, Dr. Harris may declare CBI in default, and terminate this agreement for "Good Reason." As such, Dr. Harris would be entitled to the benefits noted above for such a termination.

To the extent a "Change-of-Control," as such term is defined in the employment agreement, occurs during the term of the agreement, Dr. Harris, at his sole option, may deem such event to be a termination of employment without Cause. As a result, Dr. Harris would be entitled to receive the benefits noted above. In addition, all unvested options and Shares of restricted stock held by Dr. Harris will immediately vest.

To the extent Dr. Harris becomes "Disabled," as such term is defined in the employment agreement, during the term of the agreement, CBI shall continue pay him his full salary and benefits until he shall become eligible for disability income under our disability plan. While receiving disability income payments, CBI shall pay Dr. Harris the difference between such payments and his salary (without bonus), and he shall continue to participate in our company's benefit plans until December 31, 2011.

The agreement contains a non-competition provision, which prohibits Dr. Harris from competing with CBI or soliciting its employees under certain circumstances. A court may, however, determine that this non-competition provision is unenforceable or only partially enforceable.

Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

This table below contains certain information about the beneficial owners known to CBI as of March 17, 2008 of more than 5% of the Company's outstanding shares of common stock.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Class
PharmAust Chemistry Ltd[1] 11 Duerdin Street Clayton, Victoria 3168 Australia	2,150,000	38.9%

(1) As of February 9, 2007, CBI acquired the outstanding capital stock of Mimotopes Pty Ltd, an Australian limited company ("Mimotopes"), from PharmAust Chemistry Ltd, an Australian limited company and the parent company of Mimotopes ("PharmAust Chemistry"). CBI issued 2,150,000 unregistered shares of its common stock to PharmAust Chemistry as consideration for such acquisition. The shares of common stock issued by CBI to PharmAust Chemistry represent approximately 38.9% of CBI's outstanding common stock on a post-transaction basis. In connection with this acquisition, PharmAust Chemistry entered into a Voting and Lock-Up Agreement with CBI and PharmAust Limited, PharmAust Chemistry's parent company ("PharmAust"). Pursuant to the Voting and Lock-Up Agreement, PharmAust Chemistry and PharmAust agreed, for so long as either holds shares of CBI's common stock, to vote such shares in favor of all director nominees who are nominated by CBI's Nominating Committee. In addition, PharmAust and PharmAust Chemistry agreed that each will not offer, sell, contract to sell, or otherwise dispose of any shares of CBI's common stock for a period of one year following the closing of the acquisition.

This table demonstrates the alignment of the interests of CBI's directors and executive officers with the interests of CBI's shareholders by showing how much of CBI's outstanding common stock is beneficially owned by CBI's directors, each of the Named Executive Officers and all directors and Named Executive Officers as a group as of March 17, 2008. Except as otherwise noted, the beneficial owners listed have sole voting and investment power with respect to the shares shown.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class (%)[1]
Paul D'Sylva, Ph.D.[2]	40,000	*
Richard J. Freer, Ph.D.[3]	227,334	4.0
Robert B. Harris, Ph.D.[4]	101,363	1.82
Samuel P. Sears, Jr.[5]	101,476	1.82
Donald A. McAfee, Ph.D.[6]	38,267	*
James D. Causey[7]	25,000	*
Gerald P. Krueger[8]	26,000	*
Daniel O. Hayden[9]	13,000	*
All directors and executive officers as a group (8 persons)[10]	572,440	9.89

* Less than 1%.

(1) Applicable percentages are based on 5,520,545 shares outstanding on March 17, 2008. Also includes shares of common stock subject to options and warrants that may be exercised within 60 days of March 17, 2008. Such shares are deemed to be outstanding for the purposes of computing the percentage ownership of the individual holding such shares, but are not deemed outstanding for purposes of computing the percentage of any other person shown in the table. This table is based upon information supplied by

officers, directors, and principal shareholders and Schedule 13Gs filed with the SEC. Unless indicated in the footnotes to this table and subject to community property laws where applicable, CBI believes that each of the shareholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned.

(2) Dr. D'Sylva's address is 601 Biotech Drive, Richmond, Virginia 23235. The number of Shares deemed to be beneficially held by Dr. D'Sylva includes currently exercisable options to purchase an aggregate of 40,000 shares of common stock.

(3) Dr. Freer's address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Dr. Freer includes currently exercisable options to purchase an aggregate of 51,454 shares of common stock.

(4) Dr. Harris' address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Dr. Harris includes currently exercisable options to purchase an aggregate of 46,299 shares of common stock.

(5) Mr. Sears' address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Mr. Sears includes currently exercisable options to purchase an aggregate of 35,029 shares of common stock.

(6) Mr. McAfee's address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Mr. McAfee includes currently exercisable options to purchase an aggregate of 35.029 shares of common stock.

(7) Mr. Causey's address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Mr. Causey includes currently exercisable options to purchase an aggregate of 24,000 shares of common stock.

(8) Mr. Krueger's address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Mr. Krueger includes currently exercisable options to purchase an aggregate of 21,000 shares of common stock.

(9) Mr. Hayden's address is 601 Biotech Drive, Richmond, Virginia 23235. The number of shares deemed to be beneficially held by Mr. Hayden represent currently exercisable options to purchase an aggregate of 13,000 shares of common stock.

(10) Includes currently exercisable options and warrants to purchase an aggregate of 265,811 shares of common stock within 60 days of March 17, 2008.

Item 12. Certain Relationships and Related Transactions, and Director Independence

Director Independence

CBI believes that it meets the independence standards adopted by the Securities and Exchange Commission and the Nasdaq Capital Market.

Related Transactions

On February 9, 2007, CBI acquired all outstanding capital stock of Mimotopes, from PharmAust Chemistry Ltd, an Australian limited company and parent company of Mimotopes ("Chemistry"). As consideration for the acquisition, the Company issued an aggregate of 2,150,000 unregistered shares of its common stock, without par value per share, to Chemistry. On February 9, 2007, the closing price of the Company's common stock on the Nasdaq Capital Market was $2.15 per share. In connection with the closing of this transaction, the Company appointed Paul D'Sylva, Ph.D. as the Chief Executive Officer and a director of the Company. The Company entered into a formal employment agreement with Dr. D'Sylva as of February 9, 2007. At the time of the acquisition, Dr. D'Sylva served as the Managing Director of PharmAust Limited, an Australian limited company and the parent company of Chemistry. Dr. D'Sylva has since terminated his employment with PharmAust Limited.

Item 13. Exhibits

See "Exhibit Index."

Item 14. Principal Accountant Fees and Services

BDO Seidman, LLP, was appointed by CBI to serve as CBI's independent registered public accounting firm for fiscal 2007. Audit services provided by BDO Seidman, LLP for fiscal 2007 included the examination of the consolidated financial statements of CBI; audit of CBI's internal control over financial reporting and services related to periodic filings made with the SEC. In addition, BDO Seidman, LLP provided certain services relating to CBI's quarterly reports.

Fees Paid To Independent Registered Public Accounting Firm

Audit Fees

During fiscal 2007, CBI paid BDO Seidman, LLP's fees in the aggregate amount of $225,000, for the annual audit of our financial statements and the quarterly reviews of the financial statements included in our Forms 10-QSB.

Audit Related Fees

During fiscal 2007, CBI paid BDO Seidman, LLP $34,000, for audit-related services.

Tax Fees

During fiscal 2007, CBI paid BDO Seidman, LLP $8000, for tax services.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

Commonwealth Biotechnologies, Inc.

By /s/ Paul D'Sylva, Ph.D.
Paul D'Sylva, Ph.D.
Chief Executive Officer

Date: April 30, 2008

In accordance with the Exchange Act, this amended report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ Richard J. Freer, Ph.D Richard J. Freer, Ph.D.	Chairman, COO and Director	April 30, 2008
/s/ Paul D'Sylva, Ph.D Paul D'Sylva, Ph.D.	Chief Executive Officer and Director	April 30, 2008
/s/ Robert B. Harris, Ph.D. Robert B. Harris, Ph.D.	President and Director (Principal Executive Officer)	April 30, 2008
/s/ Thomas R. Reynolds Thomas R. Reynolds	Executive Vice President, Secretary	April 30, 2008
/s/ James H. Brennan James H. Brennan	Vice President Financial Operations (Principal Financial and Accounting Officer)	April 30, 2008
/s/ James. P. Causey James P. Causey	Director	April 30, 2008
/s/ Samuel P. Sears, Jr. Samuel P. Sears, Jr.	Director	April 30, 2008
/s/ Donald McAfee, Ph.D. Donald McAfee, Ph.D.	Director	April 30, 2008
/s/ Daniel O. Hayden Daniel O. Hayden	Director	April 30, 2008

Executive Compensation Plans and Arrangements

The following is a list of all executive compensation plans and arrangements filed as exhibits to this annual report on Form 10-KSB or incorporated herein by reference:

1. Employment Agreement between the Company and Paul D'Sylva (1)
2. Employment Agreement between the Company and Robert Harris, Ph.D. (2)
3. Employment Agreement between the Company and Thomas R. Reynolds (3)
4. First Amended and Restated Employment Agreement between the Company and Richard J. Freer, Ph.D. (4)
5. First Amended and Restated Employment Agreement between the Company and James H. Brennan (5)
7. Second Amendment to First Amended and Restated Employment Agreement for Richard J. Freer, Ph.D. (5)
8. First Amendment to First Amended and Restated Employment Agreement for James H. Brennan (5)
9. Officer's Severance Agreement for James H. Brennan (6)
10. 1997 Stock Incentive Plan, as amended (7)
11. 2000 Stock Incentive Plan (8)
12. 2002 Stock Incentive Plan, as amended (9)
13. 2007 Stock Incentive Plan (10)

(1) Incorporated by reference to the Company's Current Report on Form 8-K dated February 28, 2007, File No. 001-13467.
(2) Incorporated by reference to the Company's Current Report on Form 8-K dated January 5, 2007, File No. 001-13467.
(3) Incorporated by reference to the Company's Form 10-KSB, dated April 9, 2008, File No. 001-13467.
(4) Incorporated by reference to the Company's Current Report on Form 8-K dated June 28, 2005, File No. 001-13467.
(5) Incorporated by reference to the Company's Form 10-KSB, dated March 31, 2006, File No. 001-13467.
(6) Incorporated by reference to the Company's Form 10-KSB dated March 31, 2003, File No. 001-13467.
(7) Incorporated by reference to the Company's Registration Statement on Form SB-2, Registration No. 333-31731.
(8) Incorporated by reference to the Company's Registration Statement on Form S-8, Registration No. 333-51074.
(9) Incorporated by reference to the Company's Registration Statement on Form S-8, Registration No. 333-102368.
(10) Incorporated by reference to the Company's other definitive Proxy Statement dated April 12, 2007, File No. 001-13467

EXHIBIT INDEX

Exhibit Number	Description Of Exhibits
3(i).1	Articles of Incorporation of Commonwealth Biotechnologies, Inc. (1)
3(i).2	Articles of Amendment of Articles of Incorporation of Commonwealth Biotechnologies, Inc. (2)
3(ii).1	Third Amended and Restated Bylaws of Commonwealth Biotechnologies, Inc. (3)
3(ii).2	Amendment to Third Amended and Restated Bylaws of Commonwealth Biotechnologies, Inc. (4)
4.1	Form of Common Stock Certificate (1)
4.2	Form of Class A Warrant (5)
4.3	Form of Class B Warrant (5)
4.4	Form of Secured Convertible Promissory Note (5)
10.1	Subscription Agreement (5)
10.2	Security Agreement (5)
10.3	Stock Purchase Agreement by and among Commonwealth Biotechnologies, Inc., Pharmaust Limited and Pharmaust Chemistry Ltd. dated November 24, 2006 (6)
10.4	Voting and Lock-Up Agreement dated as of February 9, 2007 (7)
10.5	Registration Rights Agreement, dated as of February 9, 2007 (7)
10.6	Employment Agreement between the Company and Paul D'Sylva, Ph.D. (8)
10.7	First Amended and Restated Employment Agreement for Richard J. Freer, Ph.D. (8)
10.8	First Amendment to First Amended and Restated Employment Agreement between the Company and Richard J. Freer, Ph.D. (9)
10.9	Second Amendment to First Amended and Restated Employment Agreement for Richard J. Freer, Ph.D. (10)
10.10	Employment Agreement for Robert B. Harris (11)
10.11	Employment Agreement between the Company and Thomas R. Reynolds (19)
10.12	First Amended and Restated Employment Agreement for James H. Brennan (12)
10.13	First Amendment to First Amended and Restated Employment Agreement for James H. Brennan (12)
10.14	Officer's Severance Agreement for James H. Brennan (13)
13.1	Annual Report to shareholders for the fiscal year December 31, 2007 incorporated into form 10-KSB (19)
21.1	Subsidiaries of Commonwealth Biotechnologies, Inc. (14)
23.1	Consent of BDO Seidman, LLP (19)

31.1	Certification of Paul D'Sylva, Ph.D. (20)
31.2	Certification of James H. Brennan (20)
32.1	Section 906 Certification of Paul D'Sylva, Ph.D. (20)
32.2	Section 906 Certification of James H. Brennan (20)
99.1	1997 Stock Incentive Plan, as amended (15)
99.2	2000 Stock Incentive Plan (16)
99.3	2002 Stock Incentive Plan, as amended (17)
99.4	2007 Stock Incentive Plan (18)

(1) Incorporated by reference to the Company's Registration Statement on Form SB-2, Registration No. 333-31731.
(2) Incorporated by reference to the Company's Current Report on Form 8-K, dated October 31, 2007, File No. 001-13467.
(3) Incorporated by reference to the Company's Current Report on Form 8-K, dated March 29, 2007, File No. 001-13467.
(4) Incorporated by reference to the Company's Current Report on Form 8-K, dated March 28, 2008, File No. 001-13467.
(5) Incorporated by reference to the Company's Current Report on Form 8-K, dated January 8, 2008, File No. 001-13467.
(6) Incorporated by reference to the Company's Current Report on Form 8-K, dated November 29, 2007, File No. 001-13467.
(7) Incorporated by reference to the Company's Current Report on Form 8-K, dated February 15, 2007, File No. 001-13467.
(8) Incorporated by reference to the Company's Current Report on Form 8-K, dated February 28, 2007, File No. 001-13467.
(9) Incorporated by reference to the Company's Current Report on Form 8-K, dated August 15, 2005, File No. 001-13467.
(10) Incorporated by reference to the Company's Current Report on Form 8-K, dated March 31, 2006, File No. 001-13467.
(11) Incorporated by reference to the Company's Current Report on Form 8-K, dated January 5, 2007, File No. 001-13467.
(12) Incorporated by reference to the Company's Form 10-KSB, dated March 31, 2006, File No. 001-13467.
(13) Incorporated by reference to the Company's Form 10-KSB, dated March 31, 2003, File No. 001-13467.
(14) Incorporated by reference to the Company's Registration Statement on Form SB-2, Registration No. 333-148942.
(15) Incorporated by reference to the Company's Registration Statement on Form SB-2, Registration No. 333-31731.
(16) Incorporated by reference to the Company's Registration Statement on Form S-8, Registration No. 333-51074.
(17) Incorporated by reference to the Company's Registration Statement on Form S-8, Registration No. 333-102368.
(18) Incorporated by reference to the Company's other definitive Proxy Statement dated April 12, 2007, File No. 001-13467.
(19) Incorporated by reference to the Company's Form 10-KSB, dated April 9, 2008, File No. 001-13467.
(20) Filed herewith.

Exhibit 31.1

CERTIFICATION

I, Paul D'Sylva, Ph.D., certify that:

(1) I have reviewed this amended Annual Report on Form 10-KSB/A of Commonwealth Biotechnologies, Inc.;

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

(3) Based on my knowledge, the financial statements, and other financial information referred to in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

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

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

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

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

(d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal annual report that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

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

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

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

Date: April 30, 2008

/s/ Paul D'Sylva, Ph.D.
Paul D'Sylva, Ph.D.
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, James H. Brennan, certify that:

(1) I have reviewed this amended Annual Report on Form 10-KSB/A of Commonwealth Biotechnologies, Inc.;

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

(3) Based on my knowledge, the financial statements, and other financial information referred to in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

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

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

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

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

(d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent year end annual report that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

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

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

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

Date: April 30, 2008

/s/ James H. Brennan
James H. Brennan
Vice President Financial Operations

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the amended Annual Report of Commonwealth Biotechnologies, Inc. (the "Company") on Form 10-KSB/A for the period ending December 31, 2007 as filed with the Securities and Exchange Commission on April 30, 2008 (the "Report"), I, Paul D'Sylva, Ph.D., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act of 1934; and

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

April 30, 2008

/s/ Paul D'Sylva, Ph.D.
Paul D'Sylva, Ph.D.
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the amended Report of Commonwealth Biotechnologies, Inc. (the "Company") on Form 10-KSB/A for the period ending December 31, 2007 as filed with the Securities and Exchange Commission on April 30, 2008 (the "Report"), I, James H. Brennan, Vice President Financial Operations of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act of 1934; and

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

April 30, 2008

/s/ James H. Brennan
James H. Brennan
Vice President Financial Operations