U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2011

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

For the transition period from______ to ______

Commission file number: 001-13467

COMMONWEALTH BIOTECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

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

718 Grove Road
Midlothian, VA 23114
(Address of principal executive offices)

(804) 464-1601
(Issuer's telephone number)

601 Biotech Drive
Richmond, VA 23235
(Former address of principal executive offices)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

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

As of May 20, 2011, 12,660,504 shares of common stock, no par value per share, of the registrant were outstanding.

Table of Contents

COMMONWEALTH BIOTECHNOLOGIES, INC.

INDEX

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

COMMONWEALTH BIOTECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash and cash equivalents	$ 56,066	$ 99,912
Investments	527	527
Other current assets	26,552	3,735
Assets of discontinued operations	2,400,601	2,268,071
Total current assets	2,483,746	2,372,245
Property and Equipment, net	4,945	5,432
Other Assets		
Assets held for sale	3,730,231	3,769,712
Total other assets	3,730,231	3,769,712
Total Assets	**$ 6,218,922**	**$ 6,147,389**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities Not Subject to Compromise		
Current Liabilities		
Accounts payable	$ 9,764	$ 12,853
Loan from corporate officer	23,904	—
Accrued payroll liabilities	32,773	12,969
Liabilities of discontinued operations	1,051,795	995,874
Total current liabilities	1,118,236	1,021,696
Total Liabilities Not Subject to Compromise	**1,118,236**	**1,021,696**
Liabilities Subject to Compromise		
Debt plus accrued interest	3,712,690	3,726,052
Priority claims	35,175	35,175
Accounts payable and other unsecured creditors	512,196	512,196
Deferred revenue	128,434	128,434
Rent deposit	144,873	144,873
Other liabilities	161,298	177,922
Total Liabilities Subject to Compromise	**4,694,666**	**4,724,652**
Total Liabilities	**5,812,902**	**5,746,348**
Commitments, and contingencies	—	—
Stockholders' equity		
Preferred stock, no par value, 1,000,000 shares authorized - none outstanding	—	—
Common stock, no par value, 100,000,000 shares authorized; 2011- 12,093,838 2010 - 9,906,338 issued and outstanding	—	—
Additional paid-in-capital	26,204,816	26,119,191
Restricted stock	—	—
Other comprehensive income	652,842	652,927
Accumulated deficit	(26,451,638)	(26,371,077)
Total stockholders' equity	406,020	401,041
Total Liabilities and Stockholders' Equity	**$ 6,218,922**	**$ 6,147,389**

See accompanying notes to financial statements

Table of Contents

COMMONWEALTH BIOTECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2011	2010
Revenues		
Rental income	$ 148,495	$ 144,873
Total revenues	148,495	144,873
Operating costs and expenses		
Chapter 11 expenses	20,000	—
General and administrative	217,510	356,513
Total Operating Costs and Expenses	237,510	356,513
Operating loss	(89,015)	(211,640)
Other income (expense)		
Interest expense	(67,636)	(65,065)
Other income	—	13,327
Total other income (expense)	(67,636)	(51,738)
Loss from continuing operations	(156,651)	(263,378)
Income from operating discontinued operations	76,091	8,325
Total income from discontinued operations	76,091	8,325
Net loss	$ (80,560)	$ (255,053)
Basic and diluted loss per common share from continued operations	$ (0.01)	$ (0.03)
Basic and diluted income (loss) per common share from discontinued operation	$ —	$ —
Basic and diluted loss per common share after discontinued operation	$ (0.01)	$ (0.03)

See accompanying notes to financial statements

COMMONWEALTH BIOTECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
	(Unaudited)	
Cash flows from operating activities:		
Net loss	$ (80,560)	$ (255,053)
Adjustments to reconcile net loss to net cash used in operating activities:		
Intercompany loans	(603)	5,615
Income from discontinued operations	(76,091)	(8,325)
Depreciation and amortization	39,968	45,421
Stock-based compensation	—	3,000
Loss on disposal of equipment	—	9,862
Expenses satisfied with the issuance of stock	35,000	34,452
Changes in:		
Accounts receivable	—	93,105
Prepaid expenses and inventory	2,286	(2,282)
Accounts payable and other current liabilities	85,115	(125,063)
Net cash provided by (used in) operating activities	5,115	(199,268)
Cash flows from investing activities	—	—
Cash flows from financing activities:		
Principal payments on long term debt and capital leases	(48,961)	(71,996)
Issuance of restricted stock	—	1,000
Net cash used in financing activities	(48,961)	(70,996)
Net decrease in cash and cash equivalents	(43,846)	(270,264)
Cash and cash equivalents, beginning of period	99,912	554,660
Cash and cash equivalents, end of period	$ 56,066	$ 284,396
Supplemental disclosure of cash flow information		
Cash payments for interest	$ 31,700	$ 35,600
Non-cash investing and financing activities		
Debt reduction through issuance of stock	$ —	$ 462,300
Expenses satisfied through the issuance of stock	$ 35,000	$ 34,500
Accounts payable and other current liabilities satisfied with the issuance of stock	$ —	$ 59,500
Prepaid expenses satisfied through the issuance of note payable	$ 23,904	$ —

See accompanying notes to financial statements

Table of Contents

NOTE 1. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis which contemplates realization of assets and satisfaction of liabilities in the normal course of business. If the Company is unable to improve operating results and meet its debt obligations, it may have to cease operations. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Total losses for the Company were $80,560 and $255,053 for the quarters ended March 31, 2011 (the "2011 Quarter) and 2010 (the "2010 Quarter"), respectively. Recent operating losses may continue into future periods and there can be no assurance by management that the Company's financial outlook will improve. For the 2011 Quarter and 2010 Quarter, losses from continuing operations were $156,651 and $263,378, respectively. Income resulting from the discontinued operations in the 2011 Quarter and 2010 Quarter was $76,091 and $8,325, respectively.

The Company generated negative cash flows of $43,846 and $270,264 in the 2011 Quarter and 2010 Quarter, respectively. Net working capital as of March 31, 2011 and December 31, 2010 was ($1,069,109) and ($1,065,096), respectively. The negative working capital is primarily due to continuing losses and debt obligations due within one year.

As of March 31, 2011, the Company had $56,066 in cash and cash equivalents, which was a 43.9% decrease over the cash balance at December 31, 2010. This decrease was primarily due to continued operating losses.

Cash provided by (used in) operating activities was $5,115 and (199,268) in the 2011 Quarter and 2010 Quarter, respectively. This change was primarily a result of continued losses and reduced accounts receivable resulting from the sale of CBI Services and FIL.

The Company did not engage in any investing activities during the 2011 Quarter or the 2010 Quarter.

Cash used by financing activities for the 2011 Quarter and the 2010 Quarter was $48,961 and $70,996, respectively. This change was primarily the result of reduced principal payments on the Company's mortgage.

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a net sales price of $850,000. The sale closed on April 29, 2011. Estimated net proceeds to be received by the Company are as follows:

Proceeds escrowed at closing	$ 850,000
Estimated Payoff PIPE Investor Notes	(675,000)
Break fee to losing bidder	(24,000)
Estimated Expenses	(25,000)
Estimated net proceeds	$ 126,000

In addition, the Company has a non-binding sales agreement for the sale of land, office and laboratory space located at 601 Biotech Drive in Chesterfield County, Virginia. The sale is subject to acceptance and approval by the Bankruptcy Court. Management believes that this offer will be accepted as the "Stalking Horse" bid by the Bankruptcy Court. The Company plans to use the net proceeds from these asset sales to pay off all secured and unsecured creditors and to fund operations. Once the Company is a debt-free public shell, a merger with a private Company seeking access to the public financial markets will be pursued. This process is currently underway.

A continued lack of adequate cash resulting from the Company's inability to generate cash flow from operations or to raise capital from external sources would force the Company to substantially curtail or cease operations and would, therefore, have a material adverse effect on its business.

There can be no assurance that any funds required during the next twelve months or thereafter can be generated from operations. Nor can there be any assurance that funds will be available from external sources, such as debt or equity financing or other potential sources, if they cannot be generated internally. Lastly, there can be no assurance that the Company will be able to secure a suitable merger partner.

During the last year, the Company's business has undergone substantial changes in relation to size, scale and scope of activities. Now that the sale of Mimotopes is complete, the Company has no operating units or subsidiaries.

As a result of the foregoing circumstances, there is substantial doubt about the Company's ability to continue as a going concern. The financial statements included herein do not include any adjustments relating to the recoverability or classification of asset carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

The Company's independent auditors have included a paragraph emphasizing "going concern" in their report on the 2010 financial statements. The financial statements included herein do not include any adjustments relating to the recoverability or classification of asset carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Business

The Company was formed on September 30, 1992, for the purpose of providing specialized analytical laboratory services for the life scientist. During 2007, the Company acquired Mimotopes which has developed a number of proprietary and patented technologies and is an industry leader in the synthesis of research grade peptides.

The sale of the assets of CBI's FIL and CBI Services divisions were approved at the 2009 Annual Meeting of Shareholders. These operations were discontinued in November 2009.

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a net sales price of $850,000. The sale closed on April 29, 2011. Now that the sale of Mimotopes is complete, the Company has no operating units or subsidiaries.

Consolidation Policy

The consolidated financial statements include the accounts of CBI and its wholly owned subsidiary, Mimotopes Pty Ltd, Australia. All inter-company accounts and transactions have been eliminated in consolidation.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue upon the completion of laboratory service projects, or upon the delivery of biologically relevant materials that have been synthesized in accordance with project terms. Laboratory service projects are generally administered under fee-for-service contracts or purchase orders. Any revenues from research and development arrangements, including corporate contracts and research grants, are recognized pursuant to the terms of the related agreements as work is performed, or as scientific milestones, if any, are achieved. Product sales are recognized when shipped. Amounts received in advance of the performance of services or acceptance of a milestone, are recorded as deferred revenue and recognized when completed.

Rental income is recognized when earned in accordance with the terms of the lease agreement.

Foreign Currency Translation

The Company's consolidated financial statements are reported in U.S. dollars. Assets and liabilities of a foreign subsidiary are translated using rates of exchange as of the balance sheet dates. Related revenues and expenses are translated at average rates of exchange in effect during the periods. Cumulative translation adjustments have been recorded as a separate component within accumulated other comprehensive income (loss) of stockholders' equity. Realized gains and losses from foreign currency translations are included in other income (expense).

Fair Value Measurements

On January 1, 2008, the Company adopted FASB ASC 820, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. FASB ASC 820 applies to reported balances that are required or permitted to be measured at fair value under existing accounting pronouncements; accordingly, the standard does not require any new fair value measurements of reported balances. The adoption of FASB ASC 820 did not have a material effect on the carrying values of the Company's assets.

FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. At times, the Company maintains cash balances in excess of FDIC insured amounts.

Restricted Cash

Restricted cash in Mimotopes represents the amount that is held by a third party in escrow as required under the terms of the Company's land lease agreement. The total amount held in escrow as of March 31, 2011 was approximately $113,000. Interest income earned on restricted cash is recorded in other interest income.

Investments

The Company classifies its investments in securities as available-for-sale. These investments are carried at the estimated fair value, with unrealized gains and losses reported in other comprehensive income (loss). Upon the sale of a security, the realized net gain or loss is reported in results from operations.

Accounts Receivable

The majority of our accounts receivable are due from trade customers. Credit is extended based on evaluation of our customers' financial condition and collateral is not required. Accounts receivable payment terms vary and are stated in the financial statements at amounts due from customers net of an allowance for doubtful accounts. Accounts that are outstanding longer than the payment terms are considered past due. We determine our allowance by considering a number of factors, including the length of time trade accounts receivable are past due, our previous loss history, customers' current ability to pay their obligations to us, the condition of the general economy and the industry as a whole. The Company writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed principally by the straight-line method over their estimated useful lives providing depreciation and amortization for financial reporting purposes. The cost of repairs and maintenance is expensed as incurred. The estimated useful lives of the assets are as follows:

Asset	Years
Buildings	39.5
Laboratory and computer equipment	3 – 10
Furniture, fixtures and office equipment	7

Assets under capital lease obligations are recorded at the lesser of the present value of the minimum lease payments or the fair market value of the leased asset, at inception of the lease.

Impairment of Long-Lived Assets

The Company reviews and accounts for the impairment of long-lived assets other than goodwill, including property and equipment and certain other non-current assets in accordance with ASC 360-35, "Accounting for the Impairment or Disposal of Long-Lived Assets". Long-lived assets besides goodwill are reviewed for impairment when events or changes in circumstances indicate the carrying value of an asset may not be recoverable. For long-lived assets other than goodwill that are to be held and used in operations, an impairment is indicated when the estimated total undiscounted cash flow associated with the asset or group of assets is less than carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value.

Income Taxes

Deferred taxes are provided on the asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

FASB Accounting Standards Codification 740, Accounting for Uncertainty in Income Taxes, prescribes a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. The Company's Management has evaluated the impact of this guidance to its consolidated financial statements. Management is not aware of any material uncertain tax positions, and has not accrued the effect of any uncertain tax positions as of March 31, 2011 and December 31, 2010. The Company's tax returns are subject to examination by the taxing authorities, generally for a period of three years from the date they are filed. With few exceptions, the Company is no longer subject to income tax examinations by federal, state or local tax authorities for years before 2007. The Company's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

Loss per Common Share

Basic loss per common share has been computed on the basis of the weighted-average number of common shares outstanding. Common shares which can be issued upon exercise of stock options and warrants have not been included in the computation because their inclusion would have been anti-dilutive. Weighted average shares outstanding for basic and diluted loss per common share were 10,873,699 and 9,735,795 for the three months ended March 31, 2011 and 2010, respectively. (see Note 4).

Employee Stock Plans

The Company adopted a Stock Incentive Plan on June 24, 1997. The Plan provides for granting to employees, officers, directors, consultants and certain other non-employees of the Company options to purchase shares of common stock. This plan has expired and no additional shares may be issued.

[Table of Contents](#)

A 2000 Stock Incentive Plan was adopted by the Board of Directors and approved by the shareholders. The Plan makes up to 300,000 shares of common stock available for grants of restricted stock awards and stock options in the form of incentive stock options and non-qualified options to employees, directors and consultants of the Company. This plan has expired and no additional shares may be issued.

A 2002 Stock Incentive Plan was adopted by the Board of Directors and approved by the shareholders. The Plan makes up to 600,000 shares of common stock available for grants of restricted stock awards and stock options in the form of incentive stock options and non-qualified options to employees, directors and consultants of the Company.

A 2007 Stock Incentive Plan was adopted by the Board of Directors and approved by the shareholders. The Plan makes up to 1,000,000 shares of common stock available for grants of restricted stock awards and stock options in the form of incentive stock options and non-qualified options to employees, directors and consultants of the Company.

A 2009 Stock Incentive Plan was adopted by the Board of Directors and approved by the shareholders. The Plan makes up to 1,000,000 shares of common stock available for grants of restricted stock awards and stock options in the form of incentive stock options and non-qualified options to employees, directors and consultants of the Company.

Incentive awards may be in the form of stock options, restricted stock, incentive stock or tax offset rights. In the case of incentive stock options (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended), the exercise price will not be less than 100% of the fair market value of shares covered at the time of the grant, or 110% for incentive stock options granted to persons who own more than 10% of the Company’s voting stock. Options granted under the Plans generally vest over a five-year period from the date of grant and are exercisable for ten years, except that the term may not exceed five years for incentive stock options granted to persons who own more than 10% of the Company’s outstanding common stock.

Recent Accounting Pronouncements

On July 1, 2009, the Accounting Standards Codification became FASB’s officially recognized source of authoritative U.S. generally accepted accounting principles applicable to all public and non-public non-governmental entities, superseding existing FASB, AICPA, EITF and related literature. Rules and interpretive releases of the SEC under the authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. All other accounting literature is considered non-authoritative. The switch to the ASC affects the way companies refer to U.S. GAAP in financial statements and accounting policies.

In April 2009, the FASB issued FASB Staff Position FAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments” (“ASC Topic 825-10-65-1”). This FSP relates to fair value disclosures in public entity financial statements for financial instruments that are within the scope of Statement of Financial Accounting Standards No. 107 (ASC Topic 825-10), “Disclosures about Fair Value of Financial Instruments”. This guidance increases the frequency of those disclosures, requiring public entities to provide the disclosures on a quarterly basis, rather than annually. FSP 107-1 is effective for interim and annual periods ending after June 15, 2009. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

On July 1, 2009, the Accounting Standards Codification became FASB’s officially recognized source of authoritative U.S. generally accepted accounting principles applicable to all public and non-public non-governmental entities, superseding existing FASB, AICPA, EITF and related literature. Rules and interpretive releases of the SEC under the authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. All other accounting literature is considered non-authoritative. The switch to the ASC affects the way companies refer to U.S. GAAP in financial statements and accounting policies.

In June 2009, the FASB issued SFAS No. 167, “Amendments to FASB Interpretation No. 46(R)”, which was primarily codified into FASB ASC Topic 810, “Consolidation”. This standard establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the non-controlling interest, changes in a parent’s ownership interest and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. This standard also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. The Company adopted this standard during the first quarter of 2010. Its adoption did not have a significant impact on the Company’s results of operations or consolidated financial statements.

In June 2009, the FASB issued revisions to ASC 860-10, ASC 860-40, ASC 860-50 which enhances information reported to users of financial statements by providing greater transparency about transfers of financial assets and the company's continuing involvement in transferred assets. This statement removes the concept of qualifying special purpose entity, changes the requirements for derecognizing financial assets, and requires enhanced disclosures to provide financial statement users with greater transparency about transfers of financial assets and a transferor's continuing involvement with transfers of financial assets accounted for as sales. The Company adopted this standard during the first quarter of 2010. Its adoption did not have a significant impact on the Company's results of operations or consolidated financial statements.

Reclassifications

Certain reclassifications were made to the consolidated financial statements for the quarter ended March 31, 2010 to conform to the quarter ended March 31, 2011 presentation.

NOTE 3. CHAPTER 11 INFORMATION

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a net sales price of $850,000. The sale closed on April 29, 2011. Estimated net proceeds to be received by the Company are as follows:

Proceeds escrowed at closing	$ 850,000
Estimated Payoff PIPE Investor Notes	(675,000)
Break fee to losing bidder	(24,000)
Estimated Expenses	(25,000)
Estimated net proceeds	$ 126,000

In addition, the Company has a non-binding sales agreement for the sale of land, office and laboratory space located at 601 Biotech Drive in Chesterfield County, Virginia. The sale is subject to acceptance and approval by the Bankruptcy Court. Management believes that this offer will be accepted as the "Stalking Horse" bid by the Bankruptcy Court. The Company plans to use the net proceeds from these asset sales to pay off all secured and unsecured creditors and to fund operations. Once the Company is a debt-free public shell, a merger with a private Company seeking access to the public financial markets will be pursued. This process is currently underway.

The following Debtor-in-Possession Balance Sheet excludes the accounts of Mimotopes which are included in the Consolidated Balance Sheet as a discontinued operation. The assets and liabilities of Mimotopes are not included in the Bankruptcy filing.

Table of Contents

Commonwealth Biotechnologies, Inc.
Debtor-in-Possession Balance Sheet

	March 31, 2011
ASSETS	
Current Assets	
Cash and cash equivalents	$ 56,066
Other Assets	27,079
Total current assets	83,145
Property and Equipment, net	4,945
Other Assets	
Investment in Mimotopes Common Stock	4,980,658
Due from Mimotopes	643,896
Assets held for sale	3,730,231
Total other assets	9,354,785
Total Assets	**$ 9,442,875**
LIABILITIES AND STOCKHOLDERS' EQUITY	
Liabilities Not Subject to Compromise	
Current Liabilities	
Accounts payable	$ 9,764
Loan from corporate officer	23,904
Accrued payroll liabilities	32,773
Total current liabilities	66,441
Total Liabilities Not Subject to Compromise	**66,441**
Liabilities Subject to Compromise	
Debt plus accrued interest	3,712,690
Priority claims	35,175
Accounts payable and other unsecured creditors	512,196
Deferred revenue	128,434
Rent deposit	143,673
Other liabilities	162,498
Total Liabilities Subject to Compromise	**4,694,666**
Total Liabilities	**4,761,107**
Commitments, and contingencies	—
Stockholders' equity	
Prepetition stockholder's equity	4,682,078
Postpetition issuance of restricted stock	50,625
Postpetition net loss	(50,935)
Total stockholders' equity	4,681,768
Total Liabilities and Stockholders' Equity	**$ 9,442,875**

Commonwealth Biotechnologies, Inc.

Debtor-in-Possession Statement of Operations
For the Period January 20, 2011 Through March 31, 2011

The following Debtor-in-Possession Statement of Operations excludes the accounts of Mimotopes which are included in the Consolidated Statement of Operations as a discontinued operation:

Revenues	
Rental income	$ 98,997
Total revenues	98,997
Operating costs and expenses	
General and administrative	101,906
Total Operating Costs and Expenses	101,906
Operating loss	(2,910)
Other expense	
Interest expense	(48,026)
Total other expense	(48,026)
Postpetition loss	(50,935)

NOTE 4. STOCK OPTIONS

Stock-Based Compensation Plans - Stock-based compensation expense recognized during a period is based on the value of the portion of stock-based awards that is ultimately expected to vest during the period. Stock-based compensation expense recognized in the three months ended March 31, 2011 included compensation expense for stock-based awards granted prior to, but not yet exercised as of December 31, 2010, based on the fair value on the grant date.

Stock-based compensation expense related to employee stock options recognized under ASC 718 for the three months ended March 31, 2011 and March 31, 2010 was approximately $0 and $3,000, respectively. As of March 31, 2011, total unamortized stock-based compensation cost related to non-vested stock awards was $0.

The total intrinsic value of stock awards (which is the amount by which the stock price exceeded the exercise price of the options on the date of exercise) exercised during the three months ended March 31, 2011 was $0. During the three months ended March 31, 2011, the Company did not receive cash from the exercise of stock awards.

The following table sets forth fair value per share information, including related weighted-average assumptions, used to determine compensation cost for our stock awards consistent with the requirements of ASC 718 for the quarters ending March 31, 2011 and 2010.

	2011	Weighted Average Exercise Price	2010	Weighted Average Exercise Price
Options and warrants outstanding, beginning of quarter	433,012	$ 4.48	757,089	$ 4.43
Granted	—	—	10,000	0.50
Exercised	—	—	—	—
Expired	—	—	(252,997)	4.24
Options and warrants outstanding, end of quarter	433,012	$ 4.48	514,092	$ 4.46
Options and warrants exercisable, end of quarter	433,012	$ 4.48	514,092	$ 4.46
Weighted -average fair value peroption and warrants granted during the year		$ —		$ 0.48

The assumptions used to determine the weighted average fair value per option granted are as follows:

	Three Months Ended March 31, 2011	2010
Assumptions:		
Expected volatility	—	123.72%
Expected annual dividend yield	—	0.00%
Risk free rate of return	—	3.31%
Expected option term (years)	—	10

In conjunction with the PIPE Investors debt, the Company issued Class A warrants to purchase 975,000 shares of common stock at an exercise price of $2.85 per share that expire in May 2013. The fair value of the Class A warrants is $1.79 per share. The fair value of the Class A warrants is calculated using the Black-Scholes method. Assumptions for Class A warrants include the stock asset price at $2.55 and a stock option price of $2.85 with a maturity date of 5 years and effective interest rate of 3.40%. The Company also issued Class B warrants to purchase 243,000 shares of common stock at an exercise price of $5.00 per share. The fair value of the Class B warrants is $0.36 per share. The fair value of the Class B warrants is calculated using the Black-Scholes method.

On September 18, 2008, the Company entered into a modification, waiver and acknowledgement agreement with LH Financial for the convertible debt listed above. Under the modified Agreement, the exercise price of the Class A Warrants was reduced from $2.85 to $0.71 per common share, The fair value of the Class A warrants is $0.74 per share. The fair value of the Class A warrants is calculated using the Black-Scholes method. The exercise price of the Class B Warrants was reduced from $5.00 to $1.01 per common share. The fair value of the Class B warrants is $0.13 per share. The fair value of the Class B warrants is calculated using the Black-Scholes method.

Reduction in the exercise price to $0.50 per common share was approved at the 2009 annual meeting of shareholders.

Table of Contents

NOTE 5. LOSS PER SHARE

The Company follows the guidance provided in the ASC Topic 260, which establishes standards for computing and presenting earnings per share and applies to entities with publicly held common stock or potential common stock. Basic earnings (loss) per common share are computed by dividing the net earnings (loss) by the weighted average number of common shares outstanding during the period. Diluted per share amounts assume the conversion, exercise or issuance of all potential common stock instruments such as warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share.

	Three Months Ending March 31,	
	2011	**2010**
Basic and diluted loss per share:		
Loss from continuing operations	**$ (156,651)**	$ (263,378)
Income loss from discontinued operations	**76,091**	8,325
Net loss	**$ (80,560)**	$ (255,053)
Basic and diluted loss per common share from continued operations	**$ (0.01)**	$ (0.03)
Basic and diluted income per common share from discontinued operations	**$ —**	$ —
Basic and diluted loss per common share after discontinued operations	**$ (0.01)**	$ (0.03)
Weighted average share outstanding	**10,873,699**	**9,735,795**

NOTE 6. COMPREHENSIVE LOSS

The components of comprehensive loss, net of tax, for the three months ended March 31, 2011 and 2010 were as follows:

	Three Months Ended March 31,	
	2011	2010
Net Loss	$ (80,560)	$ (255,053)
FX Adjustments	(85)	21,640
Total Comprehensive Loss	$ (80,645)	$ (233,413)

NOTE 7. INCOME TAXES

The Company adopted the provisions of ASC 810-10 effective January 1, 2007. ASC810-10 provides a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. The Company did not have any unrecognized tax benefits and there was no effect on our financial condition or results of operations as a result of implementing ASC 810-10.

The Company files income tax returns in U.S. federal jurisdiction and the Commonwealth of Virginia. The Company is no longer subject to U.S. or state tax examinations for years before 2005. The Company does not believe there will be any material changes in its unrecognized tax positions over the next twelve months.

NOTE 8. ASSETS HELD FOR SALE

The Company has a non-binding sales agreement for the sale of land, office and laboratory space located at 601 Biotech Drive in Chesterfield County, Virginia. The sale is subject to acceptance and approval by the Bankruptcy Court. The net book value of these assets was $3,730,231 and $3,769,712 at March 31, 2011 and December 31, 2010, respectively. The components of net book value are as follows:

	March 31, 2011	December 31, 2010
Land	$ 403,919	$ 403,919
Building	5,230,369	5,230,369
	5,634,288	5,634,288
Accumulated Depreciation	(1,904,057)	(1,864,576)
	$ 3,730,231	$ 3,769,712

NOTE 9. DEBT

PIPE Investors Agreement

On December 31, 2007 the Company issued $1,950,000 of convertible debt in a subscription agreement between the Company and the PIPE Investors. The debt carries an interest rate of 10% annually and matured in July 31, 2009. Quarterly interest payments may be made in the form of either cash or common stock. The debt may be converted into shares of common stock at a conversion price of $2.00 per share. In conjunction with the debt, the Company also issued Class A warrants to purchase 975,000 shares of common stock at an exercise price of $2.85 per share that expire in May 2013.

The fair value of the Class A warrants is $1.79 per share. The fair value of the Class A warrants is calculated using the Black-Scholes method. Assumptions for Class A warrants include the stock asset price at $2.55 and a stock option price of $2.85 with a maturity date of 5 years and effective interest rate of 3.40%. The Company also issued Class B warrants to purchase 243,750 shares of common stock at an exercise price of $5.00 per share. The fair value of the Class B warrants is $0.36 per share. The fair value of the Class B warrants is calculated using the Black- Scholes method. The debt carries a beneficial conversion feature, which along with the relative fair value of the warrants, resulted in a debt discount of $1,950,000 which was recorded against the convertible debt and offset in additional paid in capital. This discount was amortized as interest expense over the life of the debt. The Company registered the required minimum number of shares based upon the agreement on April 30, 2008 and will register the remaining shares by as soon as possible as required under the agreement

Modification, Waiver and Acknowledgement Agreement

On September 18, 2008, the Company entered into a modification, waiver and acknowledgement agreement with LH Financial for the convertible debt listed above. Under the modified Agreement, the restructured terms of the

Agreement is that the exercise price of the Class A Warrants was reduced from $2.85 to $0.71 per common share, and the exercise price of the Class B Warrants was reduced from $5.00 to $1.01 per common share, subject to further reduction as described in the Transaction Documents. The restructured terms of the Agreement are as follows:

(1) the conversion price for every 33% of remaining principal amount of each Investor's pro rata portion of the Notes was reduced from $2.00 to $0.50 per common share, subject to further reduction as described in the transaction documents:

(2) all interest accrued through March 31, 2008 on the debt shall be paid at a rate of 10% in shares of the Company's common stock and all interest further accrued between April 1, 2008 and September 30, 2008 on the debt shall be paid at the rate of 12% in shares of the Company's common stock: and

(3) the exercise price of the Class A Warrants was reduced from $2.85 to $0.71 per common share, and the exercise price of the Class B Warrants was reduced from $5.00 to $1.01 per common share, subject to further reduction as described in the Transaction Documents.

As a result of the above modification, the Company reported a loss of $1,202,419 for the extinguishment of debt relative to the original beneficial conversion feature and debt discount.

On June 22, 2009, the registrant completed the issuance of an aggregate principal amount of $369,950 of subordinated notes (the "Notes") convertible into shares of the registrant's common stock, without par value per share ("Common Stock"), to 6 institutional investors (the " PIPE Investors"). The Notes matured on December 31, 2009, and carried an interest rate of 8% per annum. Prior to maturity, a holder of a Note may convert such Note into shares of the registrant's Common Stock at a conversion price of $0.50 per share. The purchase price for the Notes was paid by the partial surrender of certain outstanding promissory notes and deemed payment of interest in connection therewith. According to the registrant's transfer agent, on June 22, 2009, the registrant had issued and outstanding 7,416,896 shares of common stock. The amount of common stock underlying the Notes represents less than 9.99% of the registrant's issued and outstanding common stock on June 22, 2009. All shares were exercised and no additional interest will be accrued for the rest of the year.

On July 22, 2009, the Company reached an agreement with its PIPE investors to extend for 6 months its convertible note facilities of approximately $1.3M that matured on June 30 and has also received consent to suspend the financial covenants under such note facilities through the 4th Quarter. During this period, obligations under the note will continue to accrue.

This note matured on June 30, 2010 and was considered in default on July 1, 2010. Under the terms of the notes, the interest rate increased from 10% to 12% on July 1, 2010.

In October 2010, restricted cash of $200,000 was distributed to the PIPE Investors and accounted for as a reduction of principal outstanding.

As of March 31, 2011, the principal balance outstanding was approximately $533,000.

Second Modification, Waiver and Acknowledgement Agreement

On October 9, 2009, the second Modification Agreement relating to the above mentioned debt was approved at the 2009 Annual Meeting of Shareholders. The restructured agreement calls for the conversion price for the remaining balance of PIPE notes to be lowered from $2.00 per share to $0.50 per share.

Sale of CBI Services and FIL

On November 2, 2009, the Company entered into an Agreement with its PIPE investors in connection with the sale of CBI Services and FIL. As a condition of the Agreement, the Lenders received 250,000 shares of restricted common stock and CBI placed into escrow $200,000 to be released back to the Borrower upon satisfaction of the note. In October 2010 these funds were distributed to the PIPE Investors and accounted for as a reduction in principal outstanding.

Principal and Interest Conversions

During the year ended December 31, 2009, the Company received notices of conversion for $611,381 in principal and $165,593 in interest resulting in the issuance of 1,696,224 shares of common stock.

During January 2010, the Company received notices of conversion for $462,361 in principal and $34,452 in interest resulting in the issuance of 993,626 shares of common stock.

No notices of conversion were received during the three months ended March 31, 2011.

Fornova Agreement

On September 4, 2008, the Company completed the issuance of a $500,000 convertible promissory note ("the Note") payable to Fornova Pharmaworld Inc. ("the Holder"). The Note has an interest rate of 10% per annum compounded monthly. The Company will pay interest on a monthly basis beginning on September 28, 2008. At any time between October 27, 2008 and August 21, 2009, the Holder may convert the Notes into shares of the Company's common stock at a conversion price of $1.01 per share. Additionally, the Note features a call date beginning January 29, 2009, if exercised the holder can call the note in the amount of the outstanding principal balance plus accrued interest. If the holder's call feature is exercised, the Company would most likely satisfy the debt and accrued interest with common stock.

As of December 31, 2009, this note has matured.

Mortgage with Financial Institution

The Company's mortgage includes certain restrictive covenants, which require the Company to maintain minimum levels of the current ratio, debt to net worth and cash flow ratios. At March 31, 2011, the Company was in violation of covenants; however, the Company was granted a waiver of the covenants by the bank through December 31, 2011.

This loan is classified in the consolidated balance sheets as follows:

	March 31, 2011	December 31, 2010
Current maturities of long term debt	$ 292,500	$ 292,500
Long term debt less current maturities	2,115,174	2,164,134
	$2,407,674	$2,456,634

NOTE 10. RELATED PARTY LOAN

On March 9, 2011, the Company's current Chief Executive Officer loaned the Company $23,904 to purchase D&O and Workman's Compensation Insurance. This transaction was approved by the Bankruptcy Court. The loan has an interest rate of 5%. Monthly payments of principal and interest began on April 9, 2011. This loan matures on January 9, 2012.

NOTE 11. DISCONTINUED OPERATIONS

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") seeking relief under the provisions of Chapter 11 of Title 11 of the

United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a gross sales price of $875,000. The sale closed on April 29, 2011. Mimotopes is shown as a discontinued operation in the Consolidated Balance Sheets as of March 31, 2011 and December 31, 2010 and in the Consolidated Statement of Operations for the three-month periods ended March 31, 2011 and 2010.

Table of Contents

Mimotopes Assets and Liabilities of Discontinued Operations:

	March 31, 2011	December 31, 2010
Assets		
Cash	$ 330,972	$ 91,825
Accounts receivable (1)	301,132	414,211
Other assets	1,181	1,163
Restricted cash	113,045	111,178
	746,330	618,377
Building	1,965,151	1,932,699
Furniture and Fixtures	271,091	266,614
Office equipment	192,788	189,605
Lab equipment	965,932	949,981
Other	17,322	17,339
	3,412,284	3,356,238
Accumulated depreciation	(1,758,013)	(1,706,544)
	1,654,271	1,649,694
Total assets of discontinued operations	$ 2,400,601	$ 2,268,071
Liabilities		
Accounts payable	$ 411,572	$ 443,283
Accrued payroll liabilities	335,861	281,534
Other liabilities	304,362	271,057
Total liabilities of discontinued operations	$ 1,051,795	$ 995,874

(1) **Related Party Transaction**: Includes a receivable of approximately $41,000 that is due from the Chairman of the Board of Mimotopes.

Mimotopes - Income from Operating Discontinued Operations:

	Three Months Ended March 31, 2011	2010
Revenues	$ 707,790	$ 825,101
Cost of services	430,546	534,485
Gross profit	277,244	290,616
Sales, general and administrative	296,909	422,219
Operating loss	(19,665)	(131,603)
Other Income, net	95,756	139,928
Income (loss) from operating discontinued operations	$ 76,091	$ 8,325

NOTE 12. DELISTING AND REINSTATEMENT FROM NASDAQ

On July 24, 2009, The NASDAQ Stock Market notified CBI that CBI was to be delisted from the NASDAQ Capital Market as a result of (i) a failure to comply with NASDAQ Listing Rule 5550(b) due to a failure to maintain minimum stockholders' equity of $2.5 million and a failure to file a Form 8-K affirming compliance with Rule 5550(b), (ii) a failure to comply with NASDAQ Listing Rule 5635(a) due to a failure to obtain shareholder approval of an issuance of stock in excess of 20% of the pre-transaction shares outstanding in connection with the structure of a prior agreement with Biosignal, Ltd, an Australian company, and (iii) a failure to comply with NASDAQ Listing Rule 5250(e)(2)(D) due to a failure to timely file a Form LAS for that Biosignal issuance.

After receiving the July 24, 2009 notice, CBI and Biosignal agreed to terminate the earlier agreement and, subsequently, CBI filed a Form LAS in connection with a proposed amended and re-stated Biosignal Transaction thus bringing the company back into compliance with NASDAQ Rules 5635(a) and 5250(e)(2)(D). However, NASDAQ has determined that the Company has not met the requirements of Rule 5550(b). The Company appealed this decision under NASDAQ Rule 5800. The hearing was convened on September 3, 2009. On October 20, 2009, CBI was notified that the Hearing Panel granted the request of CBI to remain listed on The NASDAQ Stock Market through January 20, 2010, subject to the condition that, on or before January 20, 2010, CBI evidence shareholders' equity of at least $2.5 million or demonstrate compliance with one of the alternative listing criteria of NASDAQ Listing Rule 5550(b). Failure to meet the Listing Rule 5550(b) may result in CBI's delisting after such date.

Effective January 25, 2010, the Company's stock was delisted from the NASDAQ Capital Market

The Company's common stock currently trades on the Pink Sheets under the symbol CBTEQ.PK.

NOTE 13. ISSUANCE OF RESTRICTED STOCK

In January 2011, bonuses, in the form of restricted stock, were issued to three current employees and a consultant. Total shares issued were 500,000. The market value of these shares was approximately $35,000. These transactions were approved by the Company's Board of Directors.

In December 2010, the Board of Directors approved a resolution allowing officers of the Company to receive restricted stock in lieu of cash compensation. In March 2011, 1,687,500 restricted shares were issued to the Company's CEO under this arrangement. The market value of these shares was approximately $51,000. The issuance of these shares resulted in a $51,000 reduction in accrued payroll liabilities that were included in the consolidated balance sheet at December 31, 2010.

NOTE 14. SUBSEQUENT EVENTS

In December 2010, the Board of Directors approved a resolution allowing Directors and Officers of the Company to receive restricted stock in lieu of cash compensation. In April 2011, 566,666 restricted shares were issued to two independent directors under this arrangement. The market value of these shares was approximately $17,000. The issuance of these shares resulted in a $17,000 reduction in other current liabilities that were included in the consolidated balance sheet at March 31, 2011.

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a gross sales price of $850,000. The sale closed on April 29, 2011.

Estimated net proceeds to be received by the Company are as follows:

Proceeds escrowed at closing	$ 850,000
Estimated Payoff PIPE Investor Notes	(675,000)
Break fee to losing bidder	(24,000)
Estimated Expenses	(25,000)
Estimated net proceeds	$ 126,000

Estimated loss on sale is as follows:

Net Sales Price	$ 850,000
Estimated Selling Expenses	(49,000)
Investment in Mimotopes Common Stock	(4,981,000)
Receivable due from Mimotopes (written off per the terms of the share purchase agreement)	(625,000)
Estimated loss on sale of Mimotopes Common Stock	$(4,805,000)

The Company has a non-binding sales agreement for the sale of land, office and laboratory space located at 601 Biotech Drive in Chesterfield County, Virginia. The sale is subject to acceptance and approval by the Bankruptcy Court.

The Company has evaluated subsequent events for potential recognition and/or disclosure and determined that there were none, other than those described above, that required accrual or disclosure.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following should be read in conjunction with the Company's Financial Statements and Notes included herein.

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 Peptide-based discovery chemistry and biology products and services through Mimotopes Pty Limited ("Mimotopes"), a wholly-owned subsidiary of CBI. Through November 2, 2009, CBI also provided services through CBI Services and Fairfax Identity Laboratories ("FIL"), two divisions that were sold to Bostwick Laboratories, Inc. ("Bostwick") effective November 2, 2009.

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a gross sales price of $875,000. The sale closed on April 29, 2011.

In addition, the Company has a non-binding sales agreement for the purchase of land, office and laboratory space located at 601 Biotech Drive in Chesterfield County, Virginia. The sale is subject to acceptance and approval by the Bankruptcy Court. Management believes that this offer will be accepted as the "Stalking Horse" bid by the Bankruptcy Court. The Company plans to use the net proceeds from these asset sales to pay off all secured and unsecured creditors and to fund operations. Once the Company is a debt-free public shell, a merger with a private Company seeking access to the public financial markets will be pursued. This process is currently underway.

Mimotopes is shown in the Consolidated Balance Sheet and Consolidated Statement of Operations as discontinued operations.

Change in Operating Structure

Through November 2, 2009, revenues from all business units were 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 were derived from services rather than from the successful commercialization of a new biotechnology product. CBI believes that Mimotopes, CBI Services and FIL have all developed a strong reputation as leading providers in their respective markets.

At its Richmond, Virginia location, CBI Services' core competencies were in the area of genomics and proteomics, principally serving the early stage research and development needs of its clients. These support true drug discovery at the most fundamental stage but also support many of the pre-clinical needs of our clients and, most recently, several clinical trials are being supported. Through CBI Services, the Company provided these services under the FDA's Good Laboratory Practices (GLP) Guidelines (21CFR Part 58). CBI Services was also able to provide clinical trial support under Good Clinical Practices (GCP) Guidelines by virtue of its Clinical Laboratory Improvement Act (CLIA) certification. A unique feature of the Richmond location is its Bio-Safety Level 3 (BSL-3) laboratory and its CDC Registration for Select Agents. The Company had capabilities in the area of bacterial and viral organisms and a very strong program in bio-threat toxin analysis. This capability had been at the core of the Company's government-based contracts.

Also at the Richmond location is FIL. FIL has been at the forefront of DNA technology of profiling for identity since it opened its doors in 1990. FIL's rigorous standards were 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 was accredited by the American Association of Blood Banks, the National Forensic Science Technology Center, and the Department of Health, State of New York. All testing was done under CLIA guidelines. Its employees have extensive laboratory and courtroom experience.

The sale of assets relating to CBI Services and FIL was approved at the 2009 Annual Meeting of Shareholders. This transaction was completed effective November 2, 2009 resulting in net proceeds to the Company of $343,780.

Melbourne-based Mimotopes was acquired by CBI in 2007. It provides world class research grade peptide synthesis and analysis. Mimotopes also has several proprietary technologies for the preparation of peptide and small molecule libraries for drug discovery and for epitope analysis in support of its clients' vaccine development programs. Mimotopes also has a formal peptide alliance with Genzyme Pharmaceuticals, a world class provider of GMP pharmaceutical grade peptides and also enjoys a strong relationship with GL Biochem, a Shanghai-based peptide synthesis and reagent company.

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the “Bankruptcy Court”) seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a gross sales price of $875,000. The sale closed on April 29, 2011. With the sale of Mimotopes complete, the Company does not have any operating units or subsidiaries.

Going Concern

The accompanying financial statements have been prepared on a going concern basis which contemplates realization of assets and satisfaction of liabilities in the normal course of business. If the Company is unable to improve operating results and meet its debt obligations, it may have to cease operations. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Total losses for the Company were $80,560 and $255,053 for the quarters ended March 31, 2011 (the “2011 Quarter) and 2010 (the “2010 Quarter”), respectively. Recent operating losses may continue into future periods and there can be no assurance by management that the Company’s financial outlook will improve. For the 2011 Quarter and 2010 Quarter, losses from continuing operations were $156,651 and $263,378, respectively. Income resulting from the discontinued operations in the 2011 Quarter and 2010 Quarter was $76,091 and $8,325, respectively.

The Company generated negative cash flows of $43,846 and $270,264 in the 2011 Quarter and 2010 Quarter, respectively. Net working capital as of March 31, 2011 and December 31, 2010 was ($1,069,109) and ($1,065,096), respectively. The negative working capital is primarily due to continuing losses and debt obligations due within one year.

As of March 31, 2011, the Company had $56,066 in cash and cash equivalents, which was a 43.9% decrease over the cash balance at December 31, 2010. This decrease was primarily due to continued operating losses.

Cash provided by (used in) operating activities was $5,115 and (199,268) in the 2011 Quarter and 2010 Quarter, respectively. This change was primarily a result of continued losses and reduced accounts receivable resulting from the sale of CBI Services and FIL.

The Company did not engage in any investing activities during the 2011 Quarter or the 2010 Quarter.

Cash used by financing activities for the 2011 Quarter and the 2010 Quarter was $48,961 and $70,996, respectively. This change was primarily the result of reduced principal payments on the Company’s mortgage.

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the “Bankruptcy Court”) seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a gross sales price of $850,000. The sale closed on April 29, 2011. Estimated net proceeds to be received by the Company are as follows:

Proceeds escrowed at closing	$ 850,000
Estimated Payoff PIPE Investor Notes	(675,000)
Break fee to losing bidder	(24,000)
Estimated Expenses	(25,000)
Estimated net proceeds	$ 126,000

In addition, the Company has a non-binding sales agreement for the sale of land, office and laboratory space located at 601 Biotech Drive in Chesterfield County, Virginia. The sale is subject to acceptance and approval by the Bankruptcy Court. Management believes that this offer will be accepted as the “Stalking Horse” bid by the Bankruptcy Court. The Company plans to use the net proceeds from these asset sales to pay off all secured and unsecured creditors and to fund operations. Once the Company is a debt-free public shell, a merger with a private Company seeking access to the public financial markets will be pursued. This process is currently underway.

A continued lack of adequate cash resulting from the Company's inability to generate cash flow from operations or to raise capital from external sources would force the Company to substantially curtail or cease operations and would, therefore, have a material adverse effect on its business.

There can be no assurance that any funds required during the next twelve months or thereafter can be generated from operations. Nor can there be any assurance that funds will be available from external sources, such as debt or equity financing or other potential sources, if they cannot be generated internally. Lastly, there can be no assurance that the Company will be able to secure a suitable merger partner.

During the last year, the Company's business has undergone substantial changes in relation to size, scale and scope of activities. Now that the sale of Mimotopes is complete, the Company has no operating units or subsidiaries.

As a result of the foregoing circumstances, there is substantial doubt about the Company's ability to continue as a going concern. The financial statements included herein do not include any adjustments relating to the recoverability or classification of asset carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

The Company's independent auditors have included a paragraph emphasizing "going concern" in their report on the 2010 financial statements. The financial statements included herein do not include any adjustments relating to the recoverability or classification of asset carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

Results of Operations

Three Months Ended March 31, 2011 (the "2011 Quarter) Compared with Three Months Ended March 31, 2010 (the "2010 Quarter).

Revenues

Total revenues were $148,495 and $144,873 during the 2011 Quarter and 2010 Quarter, respectively. Revenues consist solely of rental income received from Bostwick for the lease of office and laboratory space located at 601 Biotech Drive in Chesterfield County, Virginia. This lease commenced in November 2009. The small increase in rental revenues during the 2011 Quarter is due to escalation in the monthly rents commencing November 2010.

Chapter 11 Expenses

Chapter 11 expenses relate solely to the retainer paid to the Company's bankruptcy attorneys prior to filing the Chapter 11 petition.

General and Administrative Expenses

General and administrative expenses ("GA") consist primarily of compensation and related costs for corporate administrative staff, facility expenditures, professional fees, consulting, taxes, and depreciation. Total GA costs decreased $139,003, or 39.0%, from $356,513 in the 2010 Quarter to $217,510 in 2011 Quarter. This decrease is primarily a result of decreased operations and the elimination of corporate overhead costs subsequent to the sale of CBI Services and FIL in November 2009. Currently, the corporate administrative staff consists of the CEO, Staff Accountant and a consultant who serves as the acting principal financial officer.

Interest Expense

Interest expense was fairly consistent at $67,636 and $65,065 for the 2011 Quarter and 2010 Quarter, respectively. During the first two weeks and January 2010, the PIPE investors converted $462,631 in principal and $34,452 in accrued interest into 993,626 shares of the Company's common stock.

Discontinued Operations

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a gross sales price of $875,000. The sale closed on April 29, 2011. Estimated net proceeds to be received by the Company are as follows:

Proceeds escrowed at closing	$ 850,000
Estimated Payoff PIPE Investor Notes	(675,000)
Break fee to losing bidder	(24,000)
Estimated Expenses	(25,000)
Estimated net proceeds	$ 126,000

Mimotopes is shown in the Consolidated Balance Sheet and Consolidated Statement of Operations as a discontinued operation.

Liquidity and Capital Resources

Operating, Investing and Financing Activities

The accompanying financial statements have been prepared on a going concern basis which contemplates realization of assets and satisfaction of liabilities in the normal course of business. If the Company is unable to improve operating results and meet its debt obligations, it may have to cease operations. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Total losses for the Company were $80,560 and $255,053 for the quarters ended March 31, 2011 (the "2011 Quarter) and 2010 (the "2010 Quarter"), respectively. Recent operating losses may continue into future periods and there can be no assurance by management that the Company's financial outlook will improve. For the 2011 Quarter and 2010 Quarter, losses from continuing operations were $156,651 and $263,378, respectively. Income resulting from the discontinued operations in the 2011 Quarter and 2010 Quarter was $76,091 and $8,325, respectively.

The Company generated negative cash flows of $43,846 and $270,264 in the 2011 Quarter and 2010 Quarter, respectively. Net working capital as of March 31, 2011 and December 31, 2010 was ($1,069,109) and ($1,065,096), respectively. The negative working capital is primarily due to continuing losses and debt obligations due within one year.

As of March 31, 2011, the Company had $56,066 in cash and cash equivalents, which was a 43.9% decrease over the cash balance at December 31, 2010. This decrease was primarily due to continued operating losses.

Cash provided by (used in) operating activities was $5,115 and (199,268) in the 2011 Quarter and 2010 Quarter, respectively. This change was primarily a result of continued losses and reduced accounts receivable resulting from the sale of CBI Services and FIL.

The Company did not engage in any investing activities during the 2011 Quarter or the 2010 Quarter.

Cash used by financing activities for the 2011 Quarter and the 2010 Quarter was $48,961 and $70,996, respectively. This change was primarily the result of reduced principal payments on the Company's mortgage.

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code. On April 7, 2011, the Bankruptcy Court approved the private sale of Mimotopes for a gross sales price of $850,000. The sale closed on April 29, 2011. Estimated net proceeds to be received by the Company are as follows:

Proceeds escrowed at closing	$ 850,000
Estimated Payoff PIPE Investor Notes	(675,000)
Break fee to losing bidder	(24,000)
Estimated Expenses	(25,000)
Estimated net proceeds	$ 126,000

In addition, the Company has a non-binding sales agreement for the sale of land, office and laboratory space located at 601 Biotech Drive in Chesterfield County, Virginia. The sale is subject to acceptance and approval by the Bankruptcy Court. Management believes that this offer will be accepted as the “Stalking Horse” bid by the Bankruptcy Court. The Company plans to use the net proceeds from these asset sales to pay off all secured and unsecured creditors and to fund operations. Once the Company is a debt-free public shell, a merger with a private Company seeking access to the public financial markets will be pursued. This process is currently underway.

A continued lack of adequate cash resulting from the Company’s inability to generate cash flow from operations or to raise capital from external sources would force the Company to substantially curtail or cease operations and would, therefore, have a material adverse effect on its business.

There can be no assurance that any funds required during the next twelve months or thereafter can be generated from operations. Nor can there be any assurance that funds will be available from external sources, such as debt or equity financing or other potential sources, if they cannot be generated internally. Lastly, there can be no assurance that the Company will be able to secure a suitable merger partner.

During the last year, the Company’s business has undergone substantial changes in relation to size, scale and scope of activities. Now that the sale of Mimotopes is complete, the Company has no operating units or subsidiaries.

Overall Liquidity

There can be no assurance that any funds required during the next twelve months or thereafter can be generated from operations or that if such required funds are not internally generated that funds will be available from external sources, such as debt or equity financing or other potential sources.

As a result of the above, there is substantial doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability or classification of asset carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

The Company’s independent auditors have included a paragraph emphasizing “going concern” in their report on the 2010 financial statements. The financial statements included in this report do not include any adjustments relating to the recoverability or classification of asset carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

Critical Accounting Policies

A summary of the Company’s critical accounting policies follows:

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue upon the completion of laboratory service projects, or upon the delivery of biologically relevant materials that have been synthesized in accordance with project terms. Laboratory service projects are generally administered under fee-for-service contracts or purchase orders. Any revenues from research and development arrangements, including corporate contracts and research grants, are recognized pursuant to the terms of the related agreements as work is performed, or as scientific milestones, if any, are achieved. Product sales are recognized when shipped. Amounts received in advance of the performance of services or acceptance of a milestone, are recorded as deferred revenue and recognized when completed.

Rental Income is recognized when earned under the terms of the lease agreement.

Impairment of Long-Lived Assets

The Company reviews and accounts for the impairment of long-lived assets other than goodwill, including property and equipment and certain other non-current assets in accordance with ASC 360-35, “Accounting for the Impairment or Disposal of Long-Lived Assets”. Long-lived assets besides goodwill are reviewed for impairment when events or changes in circumstances indicate the carrying value of an asset may not be recoverable. For long-lived assets other than goodwill that are to be held and used in operations, an impairment is indicated when the estimated total undiscounted cash flow associated with the asset or group of assets is less than carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value.

Corporate Guidance

As a consequence of the Sarbanes-Oxley Act and rules approved by The Securities and Exchange Commission (SEC), CBI implemented the following: to

- CBI’s Board is composed of four independent and three Insider directors.
- Only independent directors serve on the three principal committees: Audit, Compensation and Nominating.
- All the independent directors, Mr. Samuel P. Sears, Mr. James Causey, and Mr. Eric V. Tao who serve on the Audit Committee, meet all of the requirements as defined by the SEC for being a “financial expert.”
- CBI has adopted a formal Corporate Code of Conduct. Copies are available on request from the Company or on the Company’s website at www.cbi-biotech.com.

On March 11, 2011, the Board voted to remove Mr. William X. Guo as Chairman of the Board. In addition, the Board voted to remove Mr. William X. Guo from the Board. However, removal from the Board requires approval by the Company’s stockholders.

Forward Looking Statements

Management has included herein certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used, statements that are not historical in nature, including the words “anticipated”, “estimate”, “should”, “expect”, “believe”, “intend”, and similar expressions are intended to identify forward-looking statements. Such statements are, by their nature, subject to certain risks and uncertainties.

Among the factors that could cause the actual results to differ materially from those projected are the following:

- business conditions and the general economy,
- the development and implementation of the Company’s long-term business goals,
- federal, state, and local regulatory environment,
- lack of demand for the Company’s services,
- the ability of the Company’s customers to perform services similar to those offered by the Company “in-house,”
- potential cost containment by the Company’s customers resulting in fewer research and development projects,
- the Company’s ability to receive accreditation to provide various services, including, but not limited to paternity testing
- the Company’s ability to hire and retain highly skilled employees,
- the Company’s ability to raise additional equity financing, and
- the Company’s inability to pay debt obligations.

Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected are detailed from time to time in reports filed by the Company with the Securities and Exchange Commission, including Forms 8-K, 10-Q, and 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4/4T. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Chief Operating Officer and Acting Principal Financial Officer (principal executive officer and principal financial officer, respectively) have concluded based on their evaluation as of March 31, 2011 that the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15c) under the Securities Act of 1934, as amended ("Exchange Act") were not effective to ensure that information required to be disclosed by the Company in the reports filed or submitted by the Company under the Exchange Act is accumulated, recorded, processed, summarized and reported to management, including the Company's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding whether or not disclosure is required.

Changes in Internal Control over Financial Reporting

In connection with the preparation of this Form 10-Q, management identified deficiencies in the design or operation of its internal controls that resulted in a material weakness. The material weakness was due to insufficient resources in the accounting and finance department resulting in ineffective review and preparation of its condensed consolidated financial statements including an inability to account properly for complex transactions.

A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

The Company's management and Audit Committee are assessing the necessary resources required to properly prepare and review the financial statements. The resources being reviewed include additional staffing and/or identifying outside consultants to assist management in the preparation of the condensed consolidated financial statements.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

On January 20, 2011, the Registrant filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the “Bankruptcy Court”) seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code.

Item 1A. Risk Factors

Not applicable.

Item 2. Unregistered Sales of Equity in Securities and Use of Proceeds

Not applicable. All sales of securities of the company during the period covered by this report have been previously reported on Form 8-K.

Item 3. Defaults upon Senior Securities

Not applicable. The company has not been notified of any material default that remained uncured within 30 days after notification, other than as may have been disclosed on a report on Form 8-K.

Item 4. (Removed and Reserved)

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
3.1	Articles of Incorporation (1)
3.2	Articles of Amendment (2)
3.3	Third Amended and Restated Bylaws (3)
4.1	Form of Common Stock Certificate (1)
10.1	First Amended and Restated Employment Agreement for Richard J. Freer, Ph.D. (4)
10.2	First Amendment to First Amended and Restated Employment Agreement between the Company and Richard J. Freer, Ph.D. (5)
10.3	Second Amendment to First Amended and Restated Employment Agreement for Richard J. Freer, Ph.D. (6)
10.4	Subscription Agreement, dated as of December 31, 2007, by and between the Company and LH Financial (7)
10.5	Ancillary Agreement, dated as of March 28, 2008, by and between the Company and Venturepharm Laboratories Limited (8)
10.6	Convertible Promissory Note, dated as of August 29, 2008, from the Company to Fornova Pharmaworld Inc. (9)
10.7	Modification, Waiver and Acknowledgement Agreement, dated September 18, 2008, by and between the Company and LH Financial (10)
10.8	Convertible Promissory Note, dated as of June 22, 2009, from the Company to LH Financial (11)
10.9	Subscription Agreement, dated as of June 22, 2009, between the Company and LH Financial (11)
10.10	Second Modification, Waiver and Acknowledgement Agreement, dated as of July 9, 2009, between the Company and LH Financial (12)
10.11	Asset Purchase Agreement, dated as of July 16, 2009, between the Company and Bostwick Laboratories, Inc. (13)
10.12	Lease Agreement, dated as of July 16, 2009, between the Company and Bostwick Laboratories, Inc. (13)
10.13	Non-Competition Agreement, dated as of July 16, 2009, between the Company and Bostwick Laboratories, Inc. (13)
10.14	First Modification, Waiver and Acknowledgement Agreement, between the Company and Fornova, dated as of August 29, 2009 (14)
10.15	Share Exchange Agreement, between the Company and GL Biochem (Shanghai) Ltd and the shareholders thereof, dated as of September 1, 2009 (15)
31.1	Certification of Richard J. Freer, Ph.D. (16)
31.2	Certification of Vincent McNelley (16)
32.1	Section 906 Certification of Richard J. Freer, Ph.D. (16)
32.2	Section 906 Certification of Vincent McNelley (16)

(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 29, 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 June 28, 2005, File No. 001-13467.
(5) Incorporated by reference to the Company’s Current Report on Form 8-K, dated August 15, 2005, File No. 001-13467.
(6) Incorporated by reference to the Company’s Current Report on Form 8-K, dated March 31, 2006, File No. 001-13467.
(7) Incorporated by reference to the Company’s Current Report on Form 8-K, dated January 8, 2008, File No. 001-13467.
(8) Incorporated by reference to the Company’s Current Report on Form 8-K, dated April 2, 2008, File No. 001-13467.
(9) Incorporated by reference to the Company’s Current Report on Form 8-K, dated September 10, 2008, File No. 001-13467.
(10) Incorporated by reference to the Company’s Current Report of Form 8-K, dated September 24, 2008, File No. 001-13467.
(11) Incorporated by reference to the Company’s Current Report of Form 8-K, dated June 22, 2009, File No. 001-13467.
(12) Incorporated by reference to the Company’s Current Report of Form 8-K, dated July 14, 2009, File No. 001-13467.
(13) Incorporated by reference to the Company’s Current Report of Form 8-K, dated July 16, 2009, File No. 001-13467.
(14) Incorporated by reference to the Company’s Current Report of Form 8-K, dated September 2, 2009, File No. 001-13467.
(15) Incorporated by reference to the Company’s Current Report of Form 8-K, dated September 1, 2009, File No. 001-13467.
(16) Filed herewith.

COMMONWEALTH BIOTECHNOLOGIES, INC.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMMONWEALTH BIOTECHNOLOGIES, INC.

By: /s/ Vincent McNelley
Vincent McNelley
Acting Principal Financial Officer

Exhibit 31.1

CERTIFICATION

I, Richard J. Freer, Ph.D., certify that:

(1) I have reviewed this Quarterly report on Form 10-Q 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 included 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 quarter (the small business issuer's fourth fiscal quarter in the case of an 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: May 23, 2010

/s/ Richard J. Freer, Ph.D.
Richard J. Freer, Ph.D.
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Vincent B. McNelley, certify that:

(1) I have reviewed this Quarterly report on Form 10-Q 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 included 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 quarter (the small business issuer's fourth fiscal quarter in the case of an 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: May 23, 2010

/s/ Vincent B. McNelley
Vincent B. McNelley
Acting Principal Financial Officer

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 Quarterly Report of Commonwealth Biotechnologies, Inc. (the “Company”) on Form 10-Q for the quarter ending March 31, 2011 as filed with the Securities and Exchange Commission on May 23, 2011 (the “Report”), I, Richard J. Freer, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 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.

May 23, 2011

/s/ Richard J. Freer, Ph.D.
Richard J. Freer, 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 Annual Report of Commonwealth Biotechnologies, Inc. (the “Company”) on Form 10-Q for the Quarter ending March 31, 2011 as filed with the Securities and Exchange Commission on May 23, 2011 (the “Report”), I, Vincent McNelley, Acting Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 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.

May 23, 2010

/s/ Vincent McNelley
Vincent McNelley
Acting Principal Financial Officer and Acting
Principal Accounting Officer