

For further information contact:
Robert B Harris, Ph.D.
President/CEO
Commonwealth Biotechnologies, Inc.
804-648-3820

Commonwealth Biotechnologies, Inc. and PharmAust, Limited.

Launch Strategic Alliance Agreement

Extends Company's Global Reach to Pacific Rim

RICHMOND, VA., July 17, 2006 — Commonwealth Biotechnologies, Inc. (NASDAQ Capital Market: CBTE) and PharmAust, Ltd (ASX: PAA), an Australia-based biotech services company have signed a Strategic Alliance and Client Referral Agreement to co-market their services to the life sciences industry. The agreement will provide for ready access of customers to the largely complementary combined capabilities of the two organizations, and enable better overall solutions to be developed on the demanding timescales required by clients in the life sciences Industry. The extended geographic reach brought about by this partnership will offer a new solution for multinational companies with global service requirements.

“This is one of those true win-win relationships where each company stands to benefit enormously from the added technology offerings and extended global reach. In particular, CBI will now have access to the large and rapidly growing market in the Pacific Rim while PharmAust will be able to offer its drug discovery services in medicinal chemistry and peptide technologies to the CBI’s large client base,” said Richard J. Freer, Chairman & COO of CBI. “Access to PharmAust’s direct sales force is also a real bonus. They are highly seasoned and, more importantly, are well versed in selling services such as those offered by CBI,” he added.

PharmAust Managing Director, Dr Paul D'Sylva said, "This alliance is in line with PharmAust's strategy to work with high quality partners to enhance the range and depth of our product and service offerings to the global drug discovery industry. "

"The integration and co-marketing of PharmAust and CBI's pre-clinical capabilities offers the industry a single-point of service for early stage drug discovery and development. This agreement represents an important first step in what PharmAust considers to be a strategically important relationship going forward," D.r D'Sylva said.

Commonwealth Biotechnologies, Inc. is a solutions provider to the global biotechnology industry, academic institutions, government agencies, and pharmaceutical companies. It offers broad ranging expertise and a complete array of the most current analytical and synthetic chemistries and biophysical analysis technologies, many of which are not available from other commercial sources. CBI has crafted a stimulating, open environment where scientists collaborate among themselves and with our clients, take on interesting challenges and develop creative solutions. Through its FIL division, CBI offers comprehensive genetic identity testing, including paternity, forensic, and CODIS analyses. CBI is accredited by the American Association of Blood Banks, CLIA, and the National Forensic Science Technology Council, and operates fully accredited BSL-3 laboratory.

About PharmAust Ltd

PharmAust Limited is a vertically integrated pharmaceutical group of companies involved in a range of activities from contract drug discovery and development to manufacturing, sales and marketing of healthcare & pharmaceutical products.

PharmAust wholly owns three operating subsidiary companies:

- **PharmAust Manufacturing Pty Ltd** manufactures and markets therapeutic and non-therapeutic pharmaceutical products for Australian and overseas markets.

- **Epichem Pty Ltd** provides contract chemistry services alongside its own intellectual property generating research activities.
- **Mimotopes Pty Ltd** provides products and services in discovery chemistry to the global pharmaceutical and biotechnology industries.

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Founded in 1992, CBI is located in Gateway Centre, Chesterfield County at 601 Biotech Drive, 23235 (1-800-735-9224). For more information, visit CBI on the web at www.cbi-biotech.com and visit FIL at www.fairfaxidlab.com.

PharmAust is based in Perth, Western Australia. Please visit PharmAust on the web at www.pharmaust.com.au

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