

# ASX Release

28 November 2006



## PharmAust Signs Share Purchase Agreement for the Sale of Mimotopes

**PharmAust Limited (ASX: PAA) is pleased to announce it has executed a Share Purchase Agreement for the Sale of wholly owned subsidiary, Mimotopes Pty Ltd, to US-based Commonwealth Biotechnologies Inc. (NASDAQ: CBTE) for a scrip consideration of 2.15 million CBTE shares valued at AU\$7.2 million.**

Following the signing of a Terms Sheet with Commonwealth Biotechnologies (CBTE) in July 2006, the two Companies today signed a definitive Sale Agreement that on completion will see PharmAust sell its Mimotopes subsidiary in return for 2,150,000 CBTE shares, representing a 39.5% stake.

Virginia-based CBTE is a solutions provider to the global biotechnology and pharmaceutical industry providing an array of analytical and synthetic chemistries and biophysical analysis technologies to over 2000 customers worldwide. A 50-day CBTE share price average of US\$2.50 per share values the deal at AU\$7.2 million.

The Agreement, which is subject to CBTE shareholder approval, will also see PharmAust nominate a director to the CBTE Board. The consideration shares will be unregistered and be in escrow for a period of 12 months.

Melbourne-based Mimotopes manufactures specialty custom peptides for the global drug discovery and development industries.

PharmAust Managing Director, Dr Paul D'Sylva said: "The sale of Mimotopes to CBTE will bring Mimotopes closer to its key clients and partners and facilitate its continued expansion in the USA.

"Mimotopes and CBTE offer complimentary drug discovery products and services, which combined will deliver measurable revenue and cost synergies and create a stronger, more profitable business, which means better value for PharmAust and CBTE shareholders.

"In addition, the CBTE shareholding offers PharmAust exposure to the larger and more mature pharmaceutical and biotechnology investment market in the United States. PharmAust shareholders should be pleased to note that this deal adds a further \$4.18m in Net Tangible Assets to PharmAust's balance sheet raising the NTA per share by 48% to 11.6c per share. Moreover, it offers the potential for continued strong asset growth into the future," Dr D'Sylva said.

Dr Richard Freer, Chairman and Chief Operating Officer of CBTE, said that "While enhanced revenue, an expanded sales force, and new market opportunities are easy to understand as fundamental reasons to consummate this acquisition, there are a number of less obvious but highly compelling reasons why this is an outstanding opportunity for CBTE. We will be acquiring a solid company, highly regarded in the industry, and led by an outstanding executive team. As importantly, this transaction puts in place the fundamental infrastructure to serve the strategic goals of CBTE; the ultimate goal being the development of a vertically-integrated biotech services company to support all aspects of the drug discovery and drug development process."

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### **About Commonwealth Biotechnologies Inc**

Founded in 1992, Virginia-based Commonwealth Biotechnologies Incorporated (CBI) provides a complete array of leading analytical and synthetic chemistry analysis technologies. CBI serves 2,000 customers worldwide, including biotechnology and pharmaceutical companies, government agencies and academic institutions. CBI's services include DNA analyses, Biochemical Analysis, Mass Spec Analysis, Microbiological Services, Pathogen Testing, Food Microbiology, Peptide Services and Protein Sequencing and Drug Discovery. The company also has a DNA reference laboratory that specializes in forensic genetic identity, molecular diagnostics and paternity testing.

### **About PharmAust Limited**

PharmAust Limited is a chemistry based drug discovery, development and manufacturing company involved in a range of activities from contract drug discovery and development to manufacturing, sales and marketing of healthcare & pharmaceutical products. Subject to the completion of a Definitive Share Purchase Agreement, PharmAust will hold a 39.5% stake in US-based company Commonwealth Biotechnologies Inc. (NASDAQ: CBTE). In addition, PharmAust wholly owns two 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.

**Further Comments:**  
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