



31 March, 2008

The Manager
Company Announcements
Australian Stock Exchange Limited
Via Electronic Lodgement

Dear Sir/Madam

SALE OF CBTE SHAREHOLDING

PharmAust Limited ("PAA") would like to announce that it has executed documentation for the sale of its entire shareholding in Commonwealth Biotechnologies Inc ("CBTE").

As you will be aware from previous announcements the CBTE investment has made no contribution to the Group fiscally since its acquisition and CBTE has recently reported an increased loss for the last full financial year.

As already disclosed PAA's shareholding was unregistered, though PAA had a contractual right to require CBTE to proceed with the registration process. This process was expected to take some time and was not expected to be straight forward as, since the resignation of Paul D'Sylva, relations with the Board of CBTE have not proved cooperative. This was primarily the basis upon which PAA reviewed and discounted the carrying value of the asset in its December Financial Report.



Under the terms of the agreement, PAA has agreed to sell its entire CBTE shareholding to Venturepharm Laboratories Limited ("VPI") for US\$3,117,500.00. The sale is subject to the satisfaction of the following conditions:

- regulatory approval from each parties respective Exchange;
- shareholder approval of each party; and
- execution of a Registration Agreement and Voting and Lock Up Agreement between CBTE and VPI.

Neither party anticipates any significant issues with regard to regulatory approval. Both parties will move to seek shareholder approval as soon as practicable.

The consideration will be paid into escrow within 7 days of the date of execution of the agreement and held by an independent escrow agent pending completion.

Any further queries may be directed to Simon Owen on 9380 6550 or simon@pharmaust.com

Yours Sincerely

A handwritten signature in black ink, appearing to read "Simon Owen".

Simon Owen
Chairman