

## FUTURAGENE PLC (“FuturaGene” or the “Company”)

FuturaGene’s Wholly Owned Subsidiaries, CBD Technologies LTD and FuturaGene Investment Consulting (Beijing) expand their Collaboration Agreement with the Research Institute of Tropic Forestry of the Chinese Academy of Forestry.

Rehovoth, Israel  
13th July, 2009

FuturaGene, which develops environmentally friendly solutions that enhance yields and improve the processability of plants for forestry, biofuels, biopower and agriculture, is pleased to announce that the company and its wholly owned subsidiaries, CBD Technologies Ltd. and FuturaGene Investment Consulting Co. Ltd. (Beijing) have agreed to extend their September 2007 Collaboration Agreement with the Research Institute of Tropic Forestry (RITF), which is aimed at the development of improved eucalyptus varieties. Under the terms of the amendment to the agreement, CBD Technologies Ltd.

will share new genetic solutions with RITF to impart resistance to Bacterial Wilt, a serious disease of eucalyptus. RITF will utilize this technology to modify Chinese eucalyptus varieties to enhance their resistance to Bacterial Wilt disease. The parties will share equally the commercialization rights to the resistant varieties in the Chinese domestic market.

According to China’s State Forestry Administration, total eucalyptus plantations in China were estimated to cover approximately 2 million hectares in 2008 with a projected growth to 2.5 million hectares by 2010. Eucalyptus trees are planted in 18 provinces in China and major plantation areas are located in the provinces of Guangdong, Guangxi, Hainan, Fujian and Yunnan.

Bacterial Wilt disease is caused by the soil bacteria *Ralstonia solanacearum*. The bacteria invade plants via roots or stem wounds and propagate in stem tissue, resulting in necrosis; the leaves wilt and the roots rot leading to the death of the trees within several weeks, in the case of acute infection or within 3 to 6 months in chronic disease. Bacterial Wilt disease has become widely dispersed in the major plantation provinces of China. Infection rates range from 20% to 40 % of young, disease-sensitive eucalyptus clones. The highest infection rates of up to 88% were reported in forest farms in Guangxi province at the end of 2006. The disease has the potential to infect entire forests or regions, causing enormous economic losses.

Dr. Stanley Hirsch, Group CEO of FuturaGene commented: “We believe that the extension of our relationship with RITF is of critical economic importance to a significant forestry activity in Southern China. As the effects of climate change increasingly manifest themselves, plant diseases are becoming more rampant and effective solutions are desperately needed. We stated in our latest annual report that we were beginning to move into the area of biotic stress, as part of our program for sustainable agriculture and yield protection. With this extension to our joint activities with RITF, we hope to deal both with a rapidly spreading disease and ensure the sustainability of eucalyptus farming and the livelihood it provides to the local communities and farmers.



Dr. Xu Daping, Director and Chief Research Scientist of RITF stated:

“We are pleased to extend our collaboration with the FuturaGene Group, one of the most experienced groups in the field of forest biotechnology today. Based on our ongoing collaboration, we are confident that FuturaGene can make a significant contribution to the development of eucalyptus varieties with enhanced resistance to the Bacterial Wilt disease.

We believe that this project can have a most significant environmental and commercial impact in China”.

### **FuturaGene Plc**

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### **About FuturaGene PLC**

FGN is a leading agricultural biotechnology company focused on research, development, and commercialization of technologies that play key roles in substantially improving agronomic traits of value in plants. In particular the Company is focused on the development and commercialization of genetically modified plants for improving and protecting yields, and enhancing processability and environmental sustainability in the forestry, biofuels, biopower and agricultural sectors. In addition to its in-house discovery program, FuturaGene licenses intellectual property from leading universities in its strategic fields of interest and is exploiting the synergies of these technologies with the cell wall modification platform of its wholly owned subsidiary, CBD Technologies, Inc. (CBD Tech) in forestry, biofuel, biopower, food and feed crops. CBD Tech has pioneered a modality for modifying plant cell walls, resulting in enhanced growth and biomass, increased cellulose, improved fiber properties, improved digestibility and processability, and increased yield properties and has secured broad intellectual property covering plants with modified cell walls showing such altered properties. More information is available at [www.futuragene.com](http://www.futuragene.com)

### **About RITF**

The Research Institute of Tropic Forestry (RITF) is one of the regional scientific research institutes within the Chinese Academy of Forestry (CAF) under the State Forestry Administration (SFA), China. Established some 45 years ago, RITF is one of China’s leading forestry research institutes and aims to become a leading international research institute for tropical forestry in the next 15 years by optimising its resources, increasing its innovative ability and enhancing its scientific and technological operations. The mission of RITF is to conduct research to support the development of forestry in tropical and southern subtropical China. It has a number of research facilities: a national key field scientific experimental station, a SFA key open laboratory, the Hainan Chenlonggou nature reserve administered by the SFA, Jianfengling tropical forestry experimental station and Yangxi experimental base in Guangdong Province.



**FuturaGene**

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### **About the Chinese Academy of Forestry**

Chinese Academy of Forestry (CAF) was founded in 1958 based on the former Central Research Institute of Forestry established in 1953. The academy has over 4,400 staff, including researchers, engineers, and technicians, involved in more than 150 disciplines and is authorized to award advanced academic degrees in a number of fields. Having research offices and satellite institutions in a number of sites around China as well as more than 60,000 hectares of experimental lands, CAF is in the mainstream of tree development and breeding in China