

Regulatory Announcement

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FuturaGene PLC

FuturaGene plans Chinese Joint Venture

FuturaGene Plc, the agribiotechnology company, plans to form a research centre in a joint arrangement with China Agricultural University (CAU), to develop crops capable of growing in environmentally extreme conditions.

CAU is the leading academic agricultural organization in the People's republic of China.

The research centre, to be known as the CAU-FuturaGene Join Center for Plant Stress Biology (the Center), is to be funded by investments from the Chinese Ministry of Science and Technology and FuturaGene Plc.

By improving the performance of genes which are already present in the plant, FuturaGene has developed high performance varieties of tomatoes and rice. As well as making use of FuturaGene's existing knowledge, the joint venture will also develop its own unique intellectual property.

The impact of cold, salt and drought, known as abiotic stress, costs farmers worldwide billions of dollars and has reduced crop yields by up to 70%. As well as enabling seeds to grow in hostile conditions, FuturaGene's crop varieties may, by increasing the plant's hardiness, both reduce irrigation costs and extend crop seasons.

Bruno Ruggiero, chief Executive of FuturaGene said: 'the Chinese are very serious about developing their skills and knowledge of plant genetics and we are very excited about our partnership with them. Together we have set our goal to become world leaders, with technologies which have the potential to dramatically increase agricultural output in an environmentally friendly way. The new Center will become the world's leading research base for the study of plant stress. As china increasingly becomes one of the global economic powerhouses this leadership will be an important asset for FuturaGene, as well as for humanity.'

Zhangliang Chen, President of CAU and Vice President of Beijing University commented: 'Increasing crop productivity and efficiency especially in extreme environments is an essential goal for China. Our new agreements with Futuragene Plc will be of great mutual benefit that will take advantage of each other's strengths. I am sure that great progress toward the goals of the Join Center for plant stress biology will occur rapidly and as a strong positive force helping Chinese agriculture and FuturaGene.'

Zhizhong Gong, Dean of Agriculture at CAU and Director of the newly formed Center said: 'We believe we can effectively develop a range of new, improved crops which have the potential for making an important contribution to addressing the reduction of crop yields which is being seen as a result of land degradation and water drought'.

FuturaGene develops environmentally friendly solutions which allow crops to grow successfully in challenging environmental conditions. Founded in 2001, FuturaGene was admitted to AIM in June 2004.

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Notes to Editors

1. FuturaGene Plc

FuturaGene is committed to the research and development of environmentally friendly solutions to solve crop production problems.

Futuragene Plc. Is a British company, that sponsors research at a consortium of universities to develop knowledge and create intellectual property that is essential to the development of crop species with enhanced agronomic characteristics including tolerance to a variety of environmental stress such as salt, drought and cold conditions.

FuturaGene has established contracts with several universities for the exclusive global commercial rights on a suite of utility and provisional patents.

The Group's technology comprises of a licensed patented portfolio of genes which enhance the function of genes already present in the plant through over expression of these genes. FuturaGene has identified genes which confer enhanced tolerance and enable plants to withstand extreme environmental stresses such as cold, drought, fungal pathogens and high salt concentrations.

FuturaGene already has laboratory prototypes of rice and tomato plants with resistance to salt, drought and cold. Selected field tests are planned shortly.

The total seed agricultural biotechnology market is estimated to have a value in the region of \$3bn. The demand for transgenic seeds, such as FuturaGene's, is estimated to grow at some 12% through to 2006, while the total seeds market is estimated to be worth between \$12 and \$15bn

FuturaGene was admitted to AIM (London's Alternative Investment Market) in May 2004.

2. China Agricultural University

China Agricultural University (CAU) is a leading agricultural education and research institution in China, offering a wide range of subjects majoring in agriculture, biology, engineering, veterinary medicine, economics, management, humanities and social science, etc.

It is a merger of the former Beijing Agricultural University (BAU) and Beijing Agricultural Engineering University (BAEU) which took place in 1995. Its history traces back to October of 1905, when the College of Agriculture was founded on the former Jing Shi Da Xue tang by the Qing Dynasty.

CAU is a national key university and directly subordinated to the Ministry of Education, P.D. China. Now, CAU is one of the first national key universities qualified for the State 211 Project. The West Campus stands near the Summer Palace and Yuan Ming Gardens, while the East Campus is located in Qinghua Donglu near the famous Hi-tech area of Zhongguancun street.

The University boasts academicians of the Chinese Academy of Sciences, 5 academicians of the Chinese Academy of engineering Sciences, 235 professors and 524 associate professors. CAU consists of 14 colleges with 65 specialties for Master candidates and 40 specialties for Doctoral candidates.

At present, CAU has 10 research areas for post-doctorates. The number of students has kept rising over the past years. Currently, more than 14,000 undergraduate students, 3,000 graduate students (2,000 for Master Degree; 1,000 for Doctoral Degree) are enrolled at the university.