

Regulatory Announcement

Go to market news section

Company	OverNet Data PLC
TIDM	FGN
Headline	Acquisition and Name Change
Released	16:54 14-Jun-04

OverNet Data PLC

Overnet Data Plc Announces Approval of Acquisition and Name Change

Overnet Data plc today announces the approval of the merger agreement to effect the acquisition of the entire issued share capital of FuturaGene, Inc. and change of name to Futuragene plc ('FuturaGene' or the 'Company'). The acquisition will result in the business of the Company becoming the acquisition, development and commercialisation of intellectual property licenced from a number of universities and research institutes, in the field of agricultural bio-technology.

To date FuturaGene has raised over \$600,000 of external capital which as allowed the Company to continue with both its research and commercial activities. Through the merger with OverNet data approved at the EGM on 14 June 2004 the Company has raised £1.9 million (before expenses). Insinger de Beaufort, the Anglo-Dutch bank is the nominated adviser and broker to FuturaGene and carried out the successful merger and flotation on AIM.

FuturaGene holds the patents for a range of gene discoveries, which confer stress tolerance in major crops. FuturaGene has obtained worldwide exclusive licences over patents on genes capable of improving crop yields under a-biotic stress, this being cold, drought, and salt stress and also pathogen attack.

FuturaGene's work on a saline-resistance gene is aimed at transforming salt-rich soils which account for £4bn in lost yields each year in the US. Working prototypes of the salt gene are currently undergoing evaluation in both tomato and rice plants prior to the start of field trials. This work is being conducted at Arizona University and it is planned that the gene will be linseed to a leading seed manufacturer. The implications are remarkable. A salt resistant crop, whether it be tomato, rice or wheat, could be grown in salt-rich soils or, could allow the use of low quality water for irrigation. This throws up obvious and major possibilities, such as the cultivation of crops in the Middle East, for instance, where fresh water is at such a premium.

Other activities include the development of a working prototype of a drought-resistance gene and a cold-tolerant gene.

Leo Knifton, Chairman commented, 'The work currently being conducted seeks to enhance or reawaken genes which, because of the environments in which they have grown, have become dormant. We believe this is very important technology because currently crops in the field are only able to produce approximately 25 per cent. of their genetic potential due to their inability to respond rapidly to stresses. We contend that our work will make for a greener world – one in which plants will need fewer herbicides. This a very exciting stage in the development of FuturaGene and I look forward with great confidence to the future.

It is the view of FuturaGene that these technologies are extremely important because they improve traits that have been lost in the crop species. In fact for centuries crop species have been selected to achieve higher yield and crop quality without consideration for tolerance to environmental stresses. In other words crop breeders thought there would always be fresh soil and clean water to use. Now with global climate changes and increasing pollution the situation has changed completely. Additionally most available arable land is already used for crop production and most countries are facing severe drought and salt stress.

Though we are concentrating now on food crops, FuturaGene will be looking at the implications of our work on cotton, hemp and trees for instance.'

The Company's research partners are the University of Arizona, Illinois, Purdue in Indiana and California (Riverside). The approach to the commercialisation of research output is through licensing agreements with seed and agro companies.

ENDS

For further information please contact:

Insinger De Beaufort Nandita Sahgal/Fiona Fenn Smith Tel: 020 7377 6161

This press announcement has been issued by Insinger de Beaufort on behalf of OverNet Data Plc

Insinger de Beaufort is a subsidiary of Bank Insinger de Beaufort N.V.

Regulated by the FSA

Registered in England and Wales No. 2479169