

First North announcement no. 17, 2008

Copenhagen, October 31, 2008

Quarterly announcement for the 3rd quarter of 2008

- **Landmine plants sown in Serbia did not show the expected colour change**
- **Investment in mine-affected land is continuing – investment has been made in two areas, four hectares in total**
- **Staff has been reduced as a result of the change in strategy**
- **The company has been granted a patent for the reporting technology (BioSensor) in Australia**
- **As planned, the board of directors is working to raise additional capital**
- **The accounting figures for the first three quarters are in accordance with the expectations**

Sowing tobacco plants

The result of the sowing of transgenic tobacco plants at the test site in Serbia is that no plants changed colour to red. As mentioned in previous announcements, the result reflects the fact that the number of available transgenic plant lines was limited.

In First North announcement no. 13-2008, the company announced that we had estimated that it would take a minimum of a further two to three years to produce an adequate number of plant lines to properly document the technology's applicability and develop landmine plants commercially.

This, together with the declining market potential, was the basis for the decision taken at the extraordinary general meeting to investigate the business opportunities offered by the possibility of changing strategy and investing in and developing mine-affected land in the Balkans.

Investment in mine-affected land in the Balkans

During the quarter, the company's subsidiary in Croatia has invested in mine-affected land as part of ongoing pilot studies, and at the present time, investment has been made in four hectares of land distributed on two geographical areas. Further investments are anticipated during the final quarter, involving partly the purchase of land, and partly mine clearing in the areas purchased.

Adjustment of costs

The board of directors has decided to take the appropriate measures to adjust company costs and create a secure financial base for future operations in the form of a successfully implemented capital increase. This has meant that employees who

worked directly with the development of transgenic tobacco plants were given notice at the end of the quarter.

Patent granted in Australia

The company has been granted a patent for the reporting technology (BioSensor) in Australia, which the management regards as an important step in securing the company's intellectual property. The company's ability to apply the technology in areas other than simply landmine detection is protected by the patent, and this protection therefore has a value in work going forward.

Plans for raising additional capital

At the extraordinary general meeting in September, the board of directors was authorised to raise additional capital to secure the company's continuing activities, as the liquidity in the company secures operations for a few months into 2009, as previously announced in First North announcement no 13-2008.

Preparations for the raising of additional capital are being undertaken in cooperation with the certified advisors, Dahl-Sørensen & Partners A/S.

Financial information – financial statements

The company's unaudited accounting figures for the period 1 January to 30 September 2008 appear in the following pages.

Results

The loss for the period of DKK 10.743m is in accordance with expectations.

The expectations for the full year remain a loss of DKK 16-18m. A possible complete or partial write-down of consolidated goodwill at the end of the year as a result of the reduction in biotechnological activities must be deducted from this. As at 30 September 2008, consolidated goodwill is valued at DKK 13.35m.

The extent of the write-down depends on the content of the plans the board of directors is working on in relation to raising additional capital, and the financial basis that can be created for the continuation of activities.

Liquidity

Cash and cash equivalents amounted to DKK 14.1m at the end of the third quarter of 2008 compared with DKK 23.2m on 31 December 2007.

Capital structure

In the near future, the company expects to submit plans for a capital increase in order to strengthen its capital base.

Miscellaneous information

Share information

Aresa's share capital is listed on Nasdaq/OMX-First North. At the end of the first half, the share price was 4.56 compared with 13.10 at the end of 2007. During the first three quarters of 2008, 254,238 Aresa shares were traded at Nasdaq/OMX-First North, of which the turnover in the third quarter was 153,357.

In accordance with s 29 of the Danish Securities Trading Act, the following shareholders have informed Aresa that they own more than 5% of the company's share capital:

- S-A invest A/S
- Carsten Meier
- Vækstfonden
- Forsknings- og innovationsstyrelsen
- Aps Falkenhøj
- Olav W. Hansen A/S

Own shares

The company owns 2,723 of its own shares, corresponding to 0.1% of the share capital.

Warrant programme

In consequence of a resolution passed at the general meeting in March, the board of directors has issued warrants to the employees and the executive management corresponding to a total nominal amount of DKK 126,000. Part of the issue is conditional on previously issued warrants not being exercised. At the end of the first quarter of 2008, warrants were therefore issued for a total nominal amount of DKK 193,000.

No further warrants were issued in the second or third quarter of 2008.

The current authority granted by the general meeting in March authorises the board of directors to issue warrants for a further nominal amount of DKK 24,000.

Shareholdings of insiders

As at 30 June 2008 the members of the board of directors and the executive management of Aresa hold, directly or indirectly, a total of 402,985 shares in Aresa A/S, which is unchanged from the situation as at 30 June 2008.

The certified advisor and its relevant employees have no shareholdings in the company.

Financial calendar

The announcement for the whole year (2008) is expected to be made on 27 February 2009.

For more information, please contact

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About Aresa

Aresa is a plant biotech company established in 2001 by the company's current SSO, Carsten Meier. It originates from the Institute of Molecular Biology at Copenhagen University.

Aresa focuses on the plant-based technology platform: BioSensor for the detection of substances in soil, including leakage of explosives from landmines.

Aresa was listed on the Nasdaq/OMX-First North in 2006. Aresa is based at Symbion Science Park in Copenhagen and has greenhouse facilities on the outskirts of Copenhagen and test sites in Denmark, Croatia and Serbia. Aresa has 11 employees, 7 in research & development and 2 in landmine operations.

Income statement

(DKK '000)	Q3 2008	Q3 2007	FY 2007
Revenue	0	0	0
Operating result	-11.235	-11.423	-16.414
Net financial	492	845	1.170
Result before tax	-10.743	-10.578	-15.244
Result for the period	-10.743	-10.578	-15.244

Balance sheet

(DKK '000)	Q3 2008	Q3 2007	FY 2007
Assets			
Goodwill	13.352	15.035	13.931
Tangible fixed assets	1.701	2.228	1.970
Receivables	721	597	523
Cash and cash equivalents	14.065	27.008	23.215
Total assets	29.839	44.868	39.639

(DKK '000)	Q3 2008	Q3 2007	FY 2007
Equity and liabilities			
Equity	27.017	42.426	37.760
Long-term debt	0	0	0
Payables	2.822	2.442	1.879
Total equity and liabilities	29.839	44.868	39.639

Cash flow statement

(DKK '000)	Q3 2008	Q3 2007	FY 2007
Cash flow from operating activities	-8.975	-8.920	-12.690
Cash flow from investment activities	-175	-864	-892
Cash flow from financing activities	0	0	0
Free cash flow	-9.150	-9.784	-13.582

Statement of changes in equity

(DKK '000)	Q3 2008	Q3 2007	FY 2007
Equity as of January 1, 2008	37.760	53.004	53.004
Result for the period	-10.743	-10.578	-15.244
Equity as of March 31, 2008	27.017	42.426	37.760

Share related key figures

	Q3 2008	Q3 2007	FY 2007
Net earnings (DKK '000)	-10.743	-10.578	-15.244
Earnings per share (EPS) (DKK)	-4,43	-4,36	-6,28
Earnings per share diluted (EPS) (DKK)	-4,10	-4,22	-6,05
Share price, end of period	4,56	17,40	13,10
Number of shares (excl own shares)	2.425.721	2.425.721	2.425.721
Number of shares, diluted	2.618.721	2.505.721	2.519.721