

First North announcement #16, October 29<sup>th</sup>, 2007

Copenhagen, October 29<sup>th</sup>, 2007

**Summary: Quarterly announcement Q3 2007.**

Aresa has had a very busy and intense 3<sup>rd</sup> quarter of this fiscal year. The company has focussed largely on transferring the RedDetect® functionality from *Arabidopsis thaliana* (the model organism used up until now) to *Petit Havana*, a Tobacco species. The purpose of this was to achieve a more robust growth and to have full control over the desired change of plant colour from green to red when exposed to explosives.

During the summer of 2007, growth tests were conducted on *Arabidopsis thaliana* ecotypes from all over the globe. The tests indicated that it would be advantageous to transfer the entire system to a stronger organism. A year ago, Tobacco was identified as being a plant with several advantages to optimize the functionality of RedDetect®.

During the 3<sup>rd</sup> quarter of this fiscal year, Aresa has worked intensively to optimize the sensibility of the plant and has identified increasingly efficient promoters to detect explosives. Aresa has successfully identified 3 different genes that react to TNT-based explosives. Now the company is investigating further opportunities to achieve optimal gene selection.

Aresa expects to complete the transfer of RedDetect® to Tobacco during the 1<sup>st</sup> quarter of 2008. Furthermore, it is expected that the optimized functionality—with the optimal promoter in the plant—will be ready by the 3<sup>rd</sup> quarter of 2008. Aresa expects that RedDetect® will then be ready to use in practical mine clearance immediately afterwards.

As stated in the First North announcement #12, 2007, Aresa has been awarded funding from DANIDA<sup>1</sup> to research TNT leakage from landmines under various circumstances. The funding of half a million DKK has enabled Aresa to map TNT leakage from landmines in different situations, including Scandinavia, the Balkans, and several locations in Africa. The research has been conducted in cooperation with military units, universities, local governments, and mine action centres in the

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<sup>1</sup> Danish International Development Aid  
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different areas. The project is expected to be finalized in January 2008, when Aresa will arrange for an international seminar on the subject.

Aresa has, during the last quarter, significantly strengthened its relationships with potential customers and partners. In a unique agreement, the Serbian authorities have approved Aresa's application to conduct open air GMO tests at Aresa's test sites in Novi Sad, Serbia. The company is also running active test sites in Croatia and in Jægerspris in Denmark.

Aresa's financial result for the 3<sup>rd</sup> quarter of 2007 is in line with previously communicated expectations and is considered by the management to be satisfactory. The result year-to-date is a deficit of 10.6 million DKK. Aresa expects the deficit for the entire year of 2007 to be in the range of 14–17 million DKK.

Aresa A/S		
Amounts in DKK 1,000	Year-to-date 3 <sup>rd</sup> quarter 2007	Year-to-date 3 <sup>rd</sup> quarter 2006
Net revenue	0	0
EBIT	-11,223	-8,023
Net financial	645	774
EBT	-10,578	-7,246
Total assets	44,868	58,722
Total equity	42,426	57,532
Equity primo	53,004	
YTD net result	-10,578	
Equity ultimo	42,426	

Aresa has chosen to focus an even larger portion of its overall resources on the commercialization of RedDetect® in order to achieve results with the product as soon as possible.

On November 1<sup>st</sup>, 2007, the new CEO of Aresa, Steen Thaarup, will begin his new position. With his unique military background combined with a research education, his professional experience, and a strong commercial track record, Steen Thaarup will be able to contribute the right competencies for Aresa's next phase of development (see the First North announcement #15, 2007).

At the boardmeeting held today, it was decided to make a warrant program available to Mr. Steen Thaarup. Within the framework of the current warrant program 40.000 pcs has been allocated. The warrants are to be exercised with one third for each of the coming three years at a price corresponding to the average

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market price of the share during the last 10 trading days prior to the commencement of Mr. Steen Thaarup's term.

The first task of the new CEO will be to streamline Aresa's strategy to bring RedDetect® and other Aresa products onto the market as soon as possible.

The company expects to announce the year end result for 2007 on February 28<sup>th</sup> 2008.

Best regards,  
Aresa A/S

Ole Andersen  
Chairman of the Board

For more information, contact Ole Andersen, Chairman for Aresa A/S, tel: +45 7022 7747 or +45 4058 0214. The company's financial advisor is HSH Corporate Finance A/S, Morten Kjærulff, Director, tel: +45 3344 9431.

**About Aresa**

*Aresa is a plant biotech company established in 2001 by the company's current CSO, Carsten Meier. Its origins come from the Institute of Molecular Biology at Copenhagen University.*

*Aresa has developed two plant-based technology platforms: BioSensor for the detection of substances in soil, including leakage of explosives from landmines; and BioPharma, a tool for the optimisation and production of antibodies and proteins in plants.*

*Aresa was listed on the Copenhagen OMX-First North market place in 2006. Aresa is based at Symbion Science Park in Copenhagen and has greenhouse facilities on the outskirts of Copenhagen and test areas in Denmark, Croatia, and Serbia. Aresa has 16 employees, 8 in research & development and 5 in landmine operations.*

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