

First North announcement no. 13, 2008

Copenhagen, September 2, 2008

## **Aresa intends to raise new capital for development of mine-affected land**

- **At an extraordinary general meeting on September 17, 2008, the board of directors will ask for authorization to increase the share capital of the company with up to nominal DKK 8.000.000 by issuance of new shares with pre-emptive subscription rights for existing shareholders.**
- **The capital increase will primarily be used to develop mine-affected land and a new strategy will be presented at the general meeting.**
- **The costs of the company will be adjusted until a viable financial basis has been created for future operations.**

The board of directors of Aresa A/S has decided to call an extraordinary general meeting to take place on Wednesday 17 September, 2008, with an agenda containing a proposal to change the scope of the company to include the possibility to invest in and reclaiming mine-affected land into productive land. The agenda also contains a proposal to authorize the board of directors to increase the share capital of the company with up to nominal DKK 8.000.000 by issuance of new shares with pre-emptive subscription rights for existing shareholders. A separate notice will be issued shortly.

The reason for convening this extraordinary general meeting is the requirement to raise further capital for the continued activities of the company, since its liquidity ensures the present activity level only for a few months into 2009, which is in accordance with previous First North announcements nos. 17-2007 and 3-2008. During the past year the company has focused on documenting the application of RedDetect technology in tobacco plants and has accumulated further knowledge within conventional mine clearance as well as gaining experience in the acquisition of mine-affected land for use as a marketing platform for RedDetect.

It is still too early to draw any conclusions on the advertised sowing trials in Serbia, since the plants are still at sprouting level, which is in accordance with previous information to report the results by Q4, 2008. It is however certain that the scope of the trials has been hampered by the limited number of transgenic plant lines available, and the development work proceeds more slowly than we had hoped. The company estimates that it will take at least another two to three years to produce a sufficient number of plant lines in order to document the use of the technology as well as develop the land-mine plant commercially.

At the same time, the company estimates the commercial potential of the land-mine plant to be declining, as the mine-clearance sector undergoes structural changes in which the use of mine-clearance machines gradually gains a foothold and has now been granted official status as the preferred mine-clearance method. Mine-clearance

machines are able to clear larger areas more efficiently, which has led to falling prices in mine clearance.

However, falling prices in mine clearance have, at the same time, resulted in that the operational know-how in the Balkans within conventional mine clearance, built up by the company over a number of years, and this newly gained experience in the acquisition of mine-affected land can be developed into a sound business. Aresa's scientific and innovative approach to the mine-clearance problem has created a high degree of respect and a substantial interest in cooperation among the many stakeholders within this sector, including decision-makers from ministries, state organisations, donors, commercial partners and the local communities.

It is therefore the intention of the board of directors to continue the action against land mines, so that the new capital injection is to be used primarily for continued activities within the marketing possibilities provided by an optimization of the clearance of mine-affected areas. The board of directors therefore intends to present a reassessed strategy for the continuation of the company at the extraordinary general meeting, where at the same time a proposal will be made for authorizing the board of directors to implement the capital increase as previously announced in First North announcement no. 12.

Around the time of the general meeting the results of the sowing trials in Serbia will give an indication of the value of the biotechnological assets present in the company. A positive result means that the future activities will include the assets with the intention to develop the technology further. The board of directors has, however, decided to implement the relevant measures to adjust the company's costs until the approval of the general meeting of the new strategy, and until a viable financial basis has been created for future operations.

Depending on the actual results of the sowing trials in Serbia, the contents of this announcement may have the financial effect of a complete or a part write-down of consolidated goodwill, valued at DKK 13.5m as at 30.6.08, and the limited effect of an extraordinary provision of approx. DKK 1m.

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.*