

Plant Health Care PLC
04 December 2006

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PLANT HEALTH CARE PLC

ACQUISITION

MYCONATE UPDATE

Plant Health Care plc ('Plant Health Care' or 'the Group'), one of the leading providers of natural products to the agriculture and landscaping industries, announces that it is to acquire the majority of the assets of NASDAQ listed, Eden Bioscience Corporation ('Eden') for a total consideration of \$2.5 million (approximately £1.32 million) plus assumption of certain liabilities associated with these assets. The \$2.5 million is payable in two tranches (\$1.5 million on completion and \$1.0 million on 1 January 2008). The initial consideration of \$1.5 million will be paid in cash to be satisfied out of Plant Health Care's existing resources. The deferred consideration is to be satisfied by the issue by Plant Health Care, on completion, of a secured promissory note bearing interest at a rate of 5% per annum.

The principal assets to be acquired are intellectual property, licences, stock, plant and machinery. Eden will retain the retail Home and Garden business that sells Harpin based products through both retail and Internet outlets. In the unaudited accounts of Eden to 30 September 2006 the inventory is valued at \$2,691,050 and the plant and machinery is valued at \$803,062. No value is attributed to the IP and licences. In addition, Plant Health Care is assuming the liabilities associated with the licensing of the Harpin technology from Cornell University and the lease for an Eden facility. The Cornell payment is the greater of 2% of sales or \$200,000 per annum, although the payment is net of Plant Health Care's field trial expenditure. Under the terms of the lease the rental payment for the facility is \$230,000 per annum. Plant Health Care expects to rent out this facility during 2007 once the inventory being acquired has been sold or moved.

The acquisition is expected to generate revenues of approximately \$3.5 million during 2007 creating critical mass and a greater profile for the division.

The assets being acquired from Eden include a fundamentally new and patented technology based on naturally occurring proteins called 'Harpins' which activate natural plant growth and stress-defence responses. Harpin is an ingredient within Plant Health Care's Pre-Tect, which extends the shelf life of lettuce and other leaf produce. Harpin is an EPA registered plant health regulator and forms the basis for a number of Eden products addressing the agricultural market.

The Harpin product range includes N-Hibit, which promotes resistance to soil borne pathogens and ProAct, which activates a plant's defence system and increases growth and vigour, is an excellent complement to Plant Health Care's Myconate product and is sold to the same customers. While Myconate is sold as a seed coating, farmers apply ProAct as a foliar spray several weeks after the plant has emerged from the ground. Plant Health Care believes the combination of Myconate and the Harpin product line acquired from Eden will result in significant yield increases. The Eden products being acquired have testing agreements currently in place with the same large partners as Myconate. ProAct has gained excellent acceptance in the cotton market as a

foliar overspray and N-Hibit has shown good potential in the soybean and cotton market as a nematode resistance product.

The acquisition is subject to the approval of Eden' shareholders, among other customary closing conditions.

The product range being acquired from Eden is distributed throughout North America, Mexico and Europe. The acquisition significantly strengthens Plant Health Care's presence in the US agricultural market, its principal focus.

Myconate Update

Plant Health Care continues to hold discussions with several major agri-chemical and seed companies regarding the commercialisation of Myconate. Myconate trials conducted by a number of interested parties are continuing and further results are expected to be announced by early January 2007. Plant Health Care remains confident of signing its first licensing agreement with a major agri-chemical company during 2007.

Commenting on the acquisition, John Brady, CEO of Plant Health Care said: 'This is an excellent and highly synergistic acquisition for Plant Health Care and an important part of our strategy to build a significant agricultural division both organically and through acquisitions, extending throughout the US into Mexico and across Europe.'

'We are acquiring the benefit of key technology developed at significant cost, which is complementary to our own product range.'

He added: 'In terms of Myconate, we remain extremely excited by the potential opportunities. Advanced discussions continue with some of the World's largest agri-chemical and seed companies and we hope to be able to announce major developments in the due course.'

For further information:

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