TYRATECH
PUTTING NATURE TO WORK.™

AR08

Safe, Powerful & Effective Solutions

ANNUAL REPORT AND ACCOUNTS 2008

TyraTech
putting nature to work

>>

We develop and commercialize highly-efficacious proprietary insecticide and parasiticide products.

TyraTech's proprietary Development Platform enables rapid characterization of potent mixtures of plant oil pesticides (insecticides and parasiticides). Natural plant oils are already known to have various degrees of pesticidal activity, but historically have not been as effective as synthetic-chemical based products.

01

Our PARTNERS

We are investing in developing and testing new products independently and by way of agreement with our partners.

KRAFT >

"The TyraTech partnership progress is encouraging and exciting, and is an important example of Kraft's ongoing commitment to innovation; building worldwide brands and helping people live healthier lives."

—Kelly Duffin Maxwell, Senior Vice President of Innovation

TERMINIX >

"Consumers no longer need to turn to harsh off-the-shelf products to eliminate the occasional indoor pest, SafeShield is a new alternative that is designed to work in unison with our quarterly services and gives consumers an environmentally responsible choice that produces immediate results. We promise customers the best protection available, and SafeShield is only the latest enhancement in our Ultimate Protection offering. As a global market leader for pest control, Terminix is in a strong competitive position to offer to our customers the most reliable, safe and environmentally-friendly approaches to control pests. Our partnership with TyraTech reflects Terminix's commitment to innovation in its service offerings and products."

—Thomas G. Brackett, President and Chief Operating Officer

CHEMPLAST >

"The control of insects and fungal disease in the tropical fruit industry has become a major issue driven by the development of resistance to the standard chemical pesticides. The activity that we have seen with TyraTech Naturals against the leading insect pest and fungal disease in this market, along with the unique safety profile that this technology affords, was the stimulus for our entering this exciting joint venture. Our plastics technology and expertise in this marketplace are well-matched for developing and delivering products that should have an immediate impact."

—Clayton W. McNeel, Chief Executive Officer and President

02

Chairman's STATEMENT

TyraTech continues to emerge as a leading cleantech pesticide company, *putting nature to work* through our unique technology, for the development of efficacious proprietary insecticide and parasiticide products made using our proprietary natural plant derived, potent and safe active ingredients.

Our products, the first of which are already on sale in the United States and India, will address a diversity of market opportunities totaling over US$32 billion with products for:

- People and pet friendly control of insects in our homes and businesses
- Safer protection of our food crops and plants from insects, worms and fungal diseases
- Prevention of parasitic infections in people and animals
- Reducing ground water pollution and depletion of our natural peat bogs

There is a worldwide movement toward safe pesticides. The European Union is adopting legislation to ban dangerous pesticides; a reduction of 60% since 1991. The consumer is now demanding safer pesticides for use in the home around children and pets, as well as less harmful pesticide residues on fruit, vegetables and cereals. In addition, both the U.S. and Canada have been legislating to reduce consumers access to hazardous substances.

Against this backdrop, TyraTech has developed powerful natural products for the effective control of insects and parasites that provide a new level of safety for people, animals and the environment. We use a proprietary scientific process that targets sensitive receptors found on invertebrates, but not on humans or animals, to develop potent natural products that are as effective as, or more effective than the existing synthetic chemical options.

TyraTech recently received its first U.S. patent protecting our core technology platform. The technology has produced a pipeline of products with a clear competitive edge and has allowed us to deliver the innovative partnerships such as our exclusive strategic business relationship agreement with Terminix International, the largest professional pest control company in the world, for new TyraTech Naturals pest control products, and our relationship with Kraft Foods Inc., the world's second largest food company with annual revenues of approximately US$40 billion and sales in more than 150 countries, for the development of foods that can aid in the health of people living in areas endemic with intestinal parasites.

We remain focused on developing further new partnerships that can provide the appropriate market access and resources to take our technology to our target customers in high value markets. TyraTech has recently formed a very exciting new joint venture—named TyraChem—that provides an immediate channel to the large banana and pineapple agricultural market, along with bringing in a new technology capability that should lead to a number of new products.

TyraTech has developed powerful natural products for the effective control of insects and parasites that provide a new level of safety for people, animals and the environment. We use a proprietary scientific process that targets sensitive receptors found on invertebrates.

In 2008 we clearly demonstrated the power of our proprietary development platform to develop new TyraTech natural technology for products that are exempt from the U.S. Environmental Protection Agency (EPA) regulations developed for chemical pesticides. With this proven ability to produce products that are either contact insecticides or repellants for the target pests, we will continue to deliver high value applications that disrupt the traditional market, as well as more traditional applications.

Finally, our Sustainable Solutions business has made steady progress with its new product introductions. 2008 served to build the market awareness of this new capability, and build the customer pipeline with a number of recent orders for the WasteSolver™ equipment. The results of this commercial activity will begin to show in the reported revenues for the first half of 2009. We intend to continue to develop this business as a material asset of TyraTech throughout 2009.

The Board of Directors is looking forward to further progress in 2009 and to building shareholder value, as the Company is well positioned for increased revenues resulting from:

- Our first products now being commercialized
- A strong product pipeline to address diverse pesticide markets
- High value partnerships in place with market leaders such as Kraft Foods and Terminix
- Proprietary development platforms ongoing discovery of new compounds
- Our Sustainable Solutions division expanding near-term sales leads

In April 2008 David Szostak, Chief Financial Officer at XLTechGroup, Inc., was appointed to the Board of TyraTech as a Non-executive Director and Rick Brenner, Executive Director and founding CEO of TyraTech, stepped down from the Board. Rick has continued his day-to-day responsibilities at TyraTech, currently as General Manager of the Sustainable Solutions Division. The Board thanks him for his considerable contribution to TyraTech as an Executive Board member.

I would like to thank all of the Company's staff for their significant contribution to the success of our Company and look forward to working with them in 2009.

Geoffrey Vernon / *Chairman*
April 1, 2009

04

Chief Executive Officer's REVIEW

2008 was a year of material advances in terms of TyraTech's technology, products and commercial channels. Firm foundations have been laid to grow TyraTech into a profitable company.

In addition, we have successfully demonstrated that our core technology platform can generate market-changing products: targeted pest control products that are safe for people, animals and the environment.

This year we report our first full operational year results since the IPO in June of 2007. While gross revenue for 2008 was slightly down on 2007, at US$5.9 million (2007: US$6.0 million), our investments into and successes with product development, sales and marketing during the year 2008 resulted in very material value growth events that have positioned the Company for important increases in revenues in 2009.

TYRATECH'S PRODUCTS: During 2008 we expanded the outlets for our first released product, TyraTech Naturals™ Crawling Insect Spray. This product is distributed to the institutional and hospitality industry though our leading distributor SYSCO. Since this relationship commenced at the beginning of 2008, it has been expanded from two regional outlets to 14 by the end of the year. We have also signed distribution agreements with other companies that will expand revenues from these products in other niche markets.

We have made exciting progress with our next generation general purpose insect spray, which has shown great advancements in potency and applications against a broad array of insects that attack homes and businesses. Using TyraTech Naturals active ingredients, this product is also exempt from the EPA's regulations for typical chemical insecticides, allowing rapid market entry. The development of this advanced product demonstrated the power of our technology platform to take new technology from development to finished marketable products quickly. The performance features of this new product provide the stimulus for our new partnership with Terminix, who will bring the product into the commercial marketplace.

Our partnership with Arysta Life Science in the agricultural market in North America has continued to develop well with Arysta completing successful field trials of TyraTech Naturals products. Arysta is now formalizing launch plans for the lead products, and we are in discussions to expand the existing relationship. Given the competitiveness of this market and the stage of the launch plan, we are not able to give more specific detail at this time, but expect this relationship to show important visible progress in 2009.

Stimulated by the successful operations of our lead demonstration farms, the order for the Sustainable Solutions WasteSolver™ product significantly progressed by the end of 2008 with multiple purchase contracts. These units will be shipped in the first half of 2009, with commensurate revenue reported. In addition, two new products, the SandSolver and SolidSolver, have completed development and will be introduced in early 2009. These products are expected to broaden the range of dairy farms, addressing both smaller and more specialized farm's market needs.

>>

Overall during 2008 TyraTech has created and proven the internal structures needed to expand our product line and channels. This momentum will continue into 2009 with plans for new product releases and expansion of channels in the U.S. and overseas.

PARTNERS: With a number of very different categories of markets available for TyraTech Naturals, partnerships are key to proficiently accessing these opportunities. 2008 was a year of significant partnering momentum. The year ended with the continued progress of the Kraft relationship and two new partnerships were signed over the year-end. Subsequent to the year-end we have also initiated negotiations for an expanded relationship with Arysta and we have made the first shipments of our Indian partner's mosquito repellant.

The consumer market represents one of the largest high margin opportunities in pest control. Following our philosophy for innovative approaches to products and markets, we formed a very exciting new alliance with one of the largest pest control companies in the world: Terminix International. This partnership aligns the TyraTech Naturals combination of insecticide potency and safety with Terminix's domestic customer base and the desire for more people and pet friendly control of insects in our homes and businesses.

The Terminix agreement was established to develop and market effective pest control products incorporating TyraTech Naturals technology. Under the Agreement, we will be providing Terminix with a new general purpose insect spray with first shipments taking place at the end of March 2009. This co-branded product will enable Terminix to go to market with additional professional and consumer approaches for inside the home, as well as in office and hospitality industry settings. Terminix provides pest control for over 2.8 million homes and businesses against all types of pests in 48 U.S. states and in 14 countries through its network of 864 service centers worldwide. This collaborative commercialization relationship will combine and leverage Terminix's strong brand and position as a market leader in pest

>>

control with our technology and innovation capabilities, and additional markets will be explored for expansion of the partnership.

Our partnership with Kraft Foods to develop new functional food products for the benefit of people living in areas with endemic parasitic disease continues to progress. This innovative relationship and plan was built around a staged development process that includes participation of both companies working together. The project successfully achieved the first stage completion in 2007 resulting in a multi-million dollar payment to TyraTech. The successful accomplishment of key project objectives in 2008, combined with a mutual desire for some modifications to the original Agreement structure, resulted in the payment of approximately 75% of the second stage milestone to TyraTech at the end of 2008. The companies are working aggressively to complete the second stage, which is expected to occur during 2009.

In January 2009, we announced the creation of a joint venture named TyraChem. The new company was formed with Chemplast (a subsidiary of McNeel International Corporation), which has been consistently recognized for its development of innovative products since it first revolutionized commercial banana cultivation with plastic resins incorporating pesticides. The formation of TyraChem will utilize Chemplast's market presence, as well as its technology expertise in the plastics arena. These strengths, together with our proprietary potent blends of plant derived pesticides, will enable the development of innovative products which have the ability to protect against synthetic chemical resistant insects and fungi in the agriculture and consumer markets worldwide.

TyraChem will also develop markets for TyraTech Naturals products for direct application in the banana and pineapple field. The control of both insects and fungal disease is a major issue in the banana and pineapple industries whereby one popular approach to protecting growing banana bunches is to envelop the growing bananas in a plastic bag that incorporate insecticides, for which McNeel is currently a global market leader. In addition, both insecticides and fungicides can be directly sprayed on plants to protect both the plant itself, as well as the growing fruit from damage. Years of chemical pesticides usage has resulted in the emergence of resistant organisms. Regulatory limitations in bringing new synthetic chemical pesticides into the market and a general movement to safer and more organic pesticides have opened a significant market opportunity. TyraChem will focus directly on this opportunity with specific products ranging from TyraTech Naturals based plastic banana tree bags to crop insecticide and fungicide sprays.

The level of interest across this industry is high as the TyraTech technology has the potential to address a number of key challenges facing fruit exporters. Key benefits to the industry include improved crop yield and quality of fruit, a reduction in the use of synthetic pesticides and progress towards more sustainable and safer production practices. Under the terms of the 50:50 joint venture, Chemplast will provide all the up-front development funding of which 50% will be reimbursed through a preferential distribution from the joint venture's profits.

In 2008 we have focused on exploiting the TyraTech Naturals technology and our proprietary development platform as well as rapidly creating new blends and formulations to satisfy market needs.

In 2008 we strived to establish new channels with resources provided to take our technology to customers in high value markets. Throughout 2009, we will continue to seek out strategic opportunities with partners with the capability to exploit the features of TyraTech Naturals technology and to give us closer access to the customer, thereby obtaining a greater share of the value chain for the benefit of our investors.

TECHNOLOGY: In 2008 we have focused on exploiting the TyraTech Naturals technology and our proprietary development platform as well as rapidly creating new blends and formulations to satisfy market needs. The power of this platform has been demonstrated with the development of three new TyraTech Naturals blends during 2008 which are in active development for new products during 2009. These new compounds are: a new food-safe EPA exempt blend which we have incorporated into the Terminix product, a new blend for the control of fungi in bananas (currently undergoing field trials) and finally, a new blend that is effective against resistant insect pests in the banana markets.

We have established partnerships with specialist formulators to expand the efficacy of TyraTech Naturals technology for plastics and new EPA exempt formulations. We will continue to develop these relationships with the goal of improving the efficacy of products at a lower cost.

Finally, following the year end, we have received our first approval from the United States Patent Office to protect TyraTech's key technology which screens plant derived natural compounds, such as essential oils, to identify pesticide activity. The technology is incorporated into a platform that is also able to characterize the manner in which these natural compounds interact in a synergistic combination to produce highly potent and non-toxic insecticide and parasiticide products that target specific biological receptors found in invertebrates but not in humans and animals. The technology forms the basis of TyraTech's products for the human health, animal health and pesticide markets which total more than US$32 billion in sales globally. The patent covers the use of TyraTech's screening technology in the U.S. for a period of 20 years from April 24, 2003.

OUTLOOK AND SUMMARY: We believe that TyraTech has reached a major inflection point for growth. In 2009 we will focus on generating revenue from existing partners and products that we have developed during 2008, which we expect to provide additional cash resources for the Company to continue executing its business plan. Furthermore, we expect to announce additional expanded commercial channels and partnerships that will leverage our development work to date and continue to better position TyraTech for higher value return.

Finally, I would like to thank our employees for their incredible effort and significant contribution to the Company's success in 2008 which has positioned us well for 2009 and beyond.

R. Douglas Armstrong, Ph.D. / *Chief Executive Officer*
April 1, 2009

08

FINANCIAL REVIEW from the CFO

Results for the year to December 31, 2008 show a successful year in achieving key milestones, bringing products to market and investing in key resources. Net revenues increased to US$5.9 million from US$5.5 million and the operating expenses increased to US$20.4 million from US$18.9 million.

REVENUES: The Group achieved major milestones during the year principally from Kraft resulting in payments of US$4.1 million (2007: US$5.2 million); the amount recognized for revenue during the year was US$4.9 million (2007: US$5.6 million). During the year we also invoiced and recognized US$1.1 million (2007: US$ 0.1 million) of product revenue and a revenue debit for sustainable solutions of US$(0.1) million (2007: US$0.3 million credit). Revenue in 2007 was also offset by an amount relating to the fair value of warrants issued to a commercial partner and treated as a sales incentive of US$(0.5) million for which there was no adjustment in 2008.

COST OF SALES AND GROSS PROFIT: Cost of sales for the year was US$4.4 million (2007: US$2.4 million). This included research and development costs for collaborative revenue projects of US$2.7 million (2007: US$1.4 million), cost of continued insecticide products in the U.S. institutional markets and Indian markets of US$1.0 million, (2007: US$0.1 million), cost of sales of WasteSolver in 2007 of US$0.7 million and inventory write-offs of US$0.7 million (2007: US$0.2 million).

OPERATING EXPENSES: Overall operating expenses increased to US$20.4 million (2007: US$18.9 million) and include non-cash compensation expense relating to founder share grants and options of US$4.1 million (2007: US$4.0 million) and US$0.9 million of provisions for overdue receivables. The net cash expenditure in operating expenses grew 3.1% to US$15.5 million (2007: US$14.9 million). Overall this reflects a full year of the costs related to expansion in the Company's operations after the IPO in May of 2007 and cost reductions undertaken during the second half of 2008 which brought our cash expenditures back in line with the first half of 2007.

Research and development expenditure increased to US$4.6 million (2007: US$4.5 million) and the cash expenditure grew to US$4.2 million (2007: US$3.9 million) after deducting non-cash compensation

>>

expenses relating to founder share grants and options. General and administrative spending also increased to US$9.4 (2007: US$8.1 million) and the cash expenditure excluding non-cash compensation and provision for overdue receivables grew to US$6.2 million (2007: US$6.0 million), reflecting the full year's costs of being listed on the AIM market of the London Stock Exchange. Business Development expenditure also grew to US$6.4 million (2007: US$6.2 million) and the cash expenditure excluding non-cash compensation grew to US$5.0 million (2007: US$4.9 million).

Subsequent to the year-end the Executive Directors agreed to a reduction in their base salary of 10% for all of 2009.

OTHER INCOME AND COSTS: Finance income decreased to US$0.4 million (2007: US$0.8 million) earned from reduced funds on deposit and declining interest rates in the year which reduced to a weighted average of 3.31% (2007: 4.95%). The interest expense was substantially reduced to US$0.0 million paid on a capitalized equipment lease from an expense of US$1.0 million paid on debt due to XLTechGroup, Inc. which was repaid in 2007 from the proceeds of the IPO.

Changes in the fair value of warrants amounted to US$(1.0) million (2007: US$(0.0) million) and relates to warrants issued to the underwriters of the IPO which were impacted by the significant reduction in the stock price during the year.

In 2007 an arrangement to accelerate payment of the Vanderbilt University licensing agreement resulted in a US$0.5 million loss on extinguishment of the discounted Vanderbilt license liability. Payment of the liability was made through a combination of cash (US$0.5 million) and 65,457 shares of TyraTech, Inc. common stock valued at US$0.7 million.

Results before and after tax for the year were a loss of US$17.4 million compared to a loss before and after tax of US$16.5 million in the previous year.

BALANCE SHEET: Non-current assets reduced by US$0.1 million. We acquired non-current assets of US$0.4 million (2007: US$0.9 million) made up of US$0.3 million (2007: US$0.7 million) for completion of the fit-out of new offices and laboratories to accommodate the expansion of our staff and US$0.1 million (2007: US$0.2 million) for the upgrade of our information technology infrastructure. This was offset by a depreciation charge of US$0.5 million (2007: US$0.2 million) of depreciation.

Current assets show a significant reduction to US$12.2 million (2007: US$29.1 million). Cash and cash equivalents reduced to US$9.2 million (2007: US$27.5 million) from funding the operating loss for the year and increases in working capital. Trade and other receivables increased to US$0.6 million (2007: US$0.5 million) and inventories grew to US$1.7 million (2007: US$0.8 million) with a build of materials to support the growth in revenues for 2009. Prepayments and short-term deposits grew to US$0.8 million (2007: US$0.3 million) due to production inventory prepayments for Sustainable Solutions and prepaid expenses for collaborative revenue projects.

Total liabilities decreased to US$2.9 million (2006: US$6.5 million). The accounts payable and accrued liabilities have reduced to

>>

US$1.7 million (2007: US$3.8 million) with no provisions for bonuses in 2008 (2007: US$1.2 million), reductions in accrued XLTG expenses (US$0.4 million), and reductions in accrued consulting expenses (US$0.3 million). The deferred revenue has reduced by 25% to US$1.2 million (2006: US$1.6 million) due to the timing and size of milestone payments and when they are recognized as revenue. The deferred revenue outstanding at the end of 2008 is expected to be recorded as revenue during the first half of 2009 as costs are incurred on collaborative research and development activities. The warrant liability relating to warrants issued to the underwriters of the IPO has reduced significantly to a negligible amount (2007: US$1.0 million) due to the significant reduction in the Company's stock price during the year.

There were no changes in the Company's issued shares during the year. During the first half year, the Group received treasury stock in settlement of a loan of US$0.5 million, which was made to fund an unanticipated tax liability of Dr. Armstrong resulting from the conversion of units in TyraTech LLC to common shares in TyraTech, Inc.

LIQUIDITY AND CASH FLOW: Net loss before and after tax for the year was US$17.4 million (2007: US$16.5 million) including non-cash expenses such as amortization of employee stock awards of US$4.1 million (2007: US$4.0 million), depreciation and amortization of US$0.5 million (2007: US$0.9 million), write-off of inventory US$0.7 million (2007: US$0.2 million) and changes in the value of existing warrants of US$(1.0) million (2007: US$0.5 million). The increased operational activity towards the end of the year, including sales and product development, has increased accounts receivable, prepaid expenses and inventory by US$3.1 million (2007: US$1.5 million). There was a decrease in payables and accruals of US$2.1 million (2007: increase US$2.5 million) mostly from the payment of 2007 bonuses in 2008 and recognition of deferred revenues US$0.4 million (2007: US$0.4 million). All this together has resulted in a net cash outflow from operating activities in the year of US$17.9 million (2007: US$10.3 million).

Cash invested in property, plant and equipment (PP&E) decreased to US$0.4 million (2007: US$0.9 million). The majority of the work in fitting out new offices occurred in 2007 with only a small amount of cost rolling into 2008. Costs relating to the new IT infrastructure were split equally between the two years. All of these capital projects are substantially complete.

As noted above, during 2007 the Group issued 5,000,000 shares with the admission of the Group to trading on the AIM market of the London Stock Exchange, for net proceeds of US$43.7 million. Part of the proceeds from the issue was used to repay the notes payable to XLTechGroup, Inc.

Cash and cash equivalents were US$9.2 million (2007: US$27.5 million). We invest our cash resources in deposits with banks with the highest credit ratings, putting security before absolute levels of return.

CURRENCY EFFECTS: The Group has no significant overseas currency exposures and does not use financial derivatives to manage currency risk.

Keith Bigsby / *Chief Financial Officer*
April 1, 2009

TYRATECH

FINANCIAL INFORMATION 2008

>>

Directors' Report

The Directors present their report and the audited financial statements of TyraTech, Inc. for the year ended December 31, 2008.

RESULTS AND DIVIDENDS

The net loss for the year, after taxation, amounted to US$17.4 million against a net loss of US$16.5 million in 2007. No dividends have been declared or paid.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the developing and commercializing of proprietary insecticide and parasiticide products which incorporate unique blends of natural, plant oil derived active ingredients.

BUSINESS REVIEW

A review of the Group's operations during the year, and the outlook for the future are given in the Chief Executive Officer's Review on pages 4 to 7.

Where the Directors' report (including the Chairman's Statement, Chief Executive Officer's Review and Financial Review) contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of the approval of this report. Consequently, such statements should be treated with caution due to their inherent uncertainties, including both economic and business risk factors, underlying such forward-looking statements or information.

RESEARCH AND DEVELOPMENT

The Directors believe that research and product development play a vital role in the Group's long-term success. Research and development expenditure is expensed when incurred and for the year was US$7.3 million (2007: US$5.9 million) and net US$4.6 million (2007: US$4.5 million) after transferring US$2.7 million (2007: US$1.4 million) for collaborative revenue projects to cost of sales.

INTELLECTUAL PROPERTY

The Group owns intellectual property and has taken steps to protect this through patent applications, where, as of the date of this report, one patent was issued (2007: nil) and 22 patents are pending (2007: 21). The Group's key intellectual property is built around the screening methods for identifying active ingredients for synergistic receptor activation and the active ingredient combinations. The Directors believe that the intellectual property is of significant value to the business.

SUPPLIER PAYMENT POLICY

The Group's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, or the terms of a continuing trading relationship, ensuring that suppliers are made aware of the terms of payment, and to abide by these terms whenever possible. The creditor days at the year-end were 37 days (2007: 37 days) for the Group.

EQUAL OPPORTUNITY EMPLOYER

The Group is committed to a policy that provides all employees and potential employees with equality of opportunity for selection and development regardless of age, gender, nationality, race, creed, disability or sexual orientation.

POLICY ON EMPLOYEE INVOLVEMENT

Briefing and consultative procedures exist throughout the Group to keep employees informed of general business issues and other matters of concern.

CHARITABLE DONATIONS

The Group has made charitable donations to local charities during the year of US$0.2 million (2007: US$0.2 million) to educational institutions involved in the development of our technology.

DIRECTORS

The directors who served during the year were as follows:

G.N. Vernon
R.D. Armstrong
R.K. Brenner (resigned April 4, 2008)
K.E. Bigsby
A.J. Reade
B.M. Riley
K.D. Noonan
D.P. Szostak (appointed April 4, 2008)

Biographies of the Directors Follow:

• Geoffrey Vernon (Non-executive Chairman) was appointed on May 25, 2007. He is Chairman of XLTech Group, Inc. and is a former executive director of Rothschild Asset Management Ltd., partner of the venture capital group Advent Limited, and has over 20 years' experience in healthcare and life sciences. Dr. Vernon is chairman and/or non-executive director of a number of quoted and privately owned companies in the UK, Germany, Ireland and Israel. He is also a Fellow of the Institute of Directors and one of the first directors in the UK to be admitted as a Chartered Director. He is member of the Audit Committee and chairman of the Nomination Committee.

• Doug Armstrong (Chief Executive Officer) was appointed on February 2, 2007. He has over twenty years' experience in the assessment and development of biotechnologies, as well as in-depth corporate management experience at public and private biotechnology, medical device and developmental research companies. Prior to his appointment at TyraTech, he was CEO and Chairman of Aastrom Biosciences Inc., which he led from start-up, through development, and a public offering on NASDAQ. He currently serves on the board of VisualSonics Inc. where he earned fees of US$28,600 in 2008 (2007: US$9,650) which he has retained. He has also served on the boards of Nephros Therapeutics Inc., Cytomedix Inc., Zellera AG (Germany), and the Burnham Institute, where he also served as the Executive Vice President. In addition, he has served as a member of the advisory board of Wolverine Venture Fund, and an advisor to Auxol Capital. Dr. Armstrong is a graduate in Chemistry from the University of Richmond, Virginia and he also holds a Ph.D. in Pharmacology & Toxicology from the Medical College of Virginia, at Virginia Commonwealth University.

• Keith Bigsby (Chief Financial Officer) was appointed on April 27, 2007. After qualifying as a Chartered Accountant, Mr. Bigsby has had over 30 years of senior financial management and board room experience in the technology sector. He has held senior finance positions across Europe, the USA and the Far East, a significant proportion of which has been as Chief Financial Officer (including for publicly listed companies) most recently at Geotrupes Energy Plc and Tadpole Technology Plc. Prior to this he was for six years the European Regional CFO for Wang and held Regional Finance Director roles in the UK and France for Sun Microsystems. He has a significant background in complex business environments, strategic planning and process re-engineering.

• Alan Reade (Non-executive Director) was appointed on May 25, 2007. He is owner of Global Strategy Expression Limited, a consulting and advisory services business in the life sciences industry. From 2000 until his retirement in 2005, he served as executive chairman of Merial Limited, a leading animal health company and joint venture between Merck & Co. Inc. and Sanofi-Aventis. Earlier in his career he was head of global integration at Aventis, where he was in charge of merger integration, and Chief Executive Officer and member of the Global Executive Committee at Rhone-Poulenc Inc. He previously has been a director of Sygen International and IFAH, a global animal health association as well as more than 40 Merial subsidiaries. He is chairman of the Remuneration Committee and member of the Nominations Committee.

• Barry Riley (Non-executive Director) was appointed on May 25, 2007. After qualifying as a Chartered Accountant, he joined the Bowater Organization, where he had responsibility for the finance function at several operations. From there he moved to FMC Corporation, the U.S. conglomerate where he had finance and general management responsibilities for a specialty chemical operation, and also oversaw the head office finance function for all UK operations. He joined Proteus International Plc in 1995 as Finance Director and was closely involved in the merger with Therapeutic Antibodies Inc. in 1999, which became Protherics Plc where he was Finance Director until 2007. He is chairman of the Audit Committee and member of the Nominations Committee.

• Ken Noonan (Senior Independent Non-executive Director) was appointed on May 25, 2007. He was a Partner at LEK Consulting LLP based in London, where he led the firm's life sciences practice in the UK and Europe, with responsibility for pharmaceuticals, biotechnology and in vitro diagnostics until he retired in 2008. He is currently a technology partner at Advanced Technology Partners. Other positions held by Dr. Noonan included Senior Vice President of Corporate Development for Applera Corporation and Vice President at Booz-Allen & Hamilton and head of its European Pharmaceutical Practice. He currently serves on the Board of Orchid Biosciences Inc. and Intercept Pharmaceuticals Inc. During his academic career he authored over 50 articles in the cancer biology/cell replication and holds a B.S. from St. Joseph's University and a Ph.D. in Biochemistry from Princeton University. He is a member of the Audit Committee and of the Remuneration Committee.

David Szostak (Non-executive Director) was appointed on April 4, 2008. He is Chief Financial Officer of XLTechGroup, Inc. and PetroAlgae LLC, as well as President of PetroAlgae Inc. He has over 20 years' experience in industry. Other positions held by Mr. Szostak were CFO of Hetra Computer Inc. and Corporate Controller at Extel, Inc. Mr. Szostak has a Bachelor of Science in Finance at Southern Illinois University, with graduate studies at DePaul University in Chicago.

DIRECTORS' INTERESTS

The directors at December 31, 2008 and their beneficial interests in the share capital of the Group, other than with respect to options to acquire ordinary shares (which are detailed in the analysis of options included in the Directors' Remuneration Report) are as follows:

	December 31,2008 (or earlier date of resignation) Common Shares of US$0.001 each	January 1, 2008 (or later date of appointment) Common Shares of US$0.001 each
G.N. Vernon	Nil	Nil
R.D. Armstrong	543,059	602,561
R.K. Brenner	Nil	Nil
K.E. Bigsby	172,161	172,161
A.J. Reade	Nil	Nil
B.M. Riley	Nil	Nil
K.D. Noonan	Nil	Nil
D.P. Szostak	Nil	Nil

There have been no reported changes in the Director's shareholdings in the period from December 31, 2008 to April 1, 2009.

DIRECTORS INDEMNITY INSURANCE

The Group has taken out insurance to indemnify, against third party proceedings, the Directors of the Group whilst serving on the Board of the Group and of any subsidiary, associate or joint venture. This cover indemnifies all employees of the Group who serve on the boards of all subsidiaries. These qualifying third party indemnity policies subsisted throughout the year and remain in place at the date of this report.

CAPITAL STRUCTURE

The capital structure of the Group comprises common shares of US$0.001 each.

There are specific restrictions on the transfer of shares by a key shareholder, Laurus/Valens Group, until June 1, 2009. There are no significant agreements to which the Group is a party that take effect, alter or terminate upon a change in control of the Group following a takeover bid.

SUBSTANTIAL SHAREHOLDINGS

At March 30, 2009, the Group has been advised, in accordance with DTR 5 (Disclosure and Transparency Rules), of the following shareholdings amounting to 3% or more of the ordinary share capital of the Group.

	Number	Percentage
Laurus/Valens Group	10,542,681	47.9%
State Street Nominees	5,123,799	23.3%
Vidacos Nominees	2,341,830	10.6%
Bank of New York	2,176,800	9.9%

AUDITORS

A resolution to reappoint KPMG LLP, a U.S. limited liability partnership, as auditors and to authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving this report are listed on page 12. Having made enquiries of fellow Directors and of the Group's auditors, each of these Directors confirms that:

- To the best of his knowledge and belief, there is no information relevant to the preparation of their report of which the Group's auditors are unaware; and
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board

GEOFFREY VERNON
Chairman
April 1, 2009

Statement of Compliance with Provisions of the Combined Code

The Board supports the principles of good corporate governance and in particular the Combined Code on Corporate Governance which is appended to the Listing Rules of the Financial Services Authority (the Combined Code), issued in June 2006. Though the Group as an AIM listed company is not required to fully comply with the current version of the Combined Code on Corporate Governance, the Board is committed to a level of compliance appropriate for a smaller public company. This report is presented in accordance with the relevant provisions of the Combined Code on Corporate Governance (the Combined Code).

The Group now considers that the Chairman, Dr. G.N. Vernon does meet the independence criteria and the Company is now in compliance with Code A.2.2.

As such, the Board considers that it has maintained an appropriate level of compliance with the provisions set out in Section 1 of the Combined Code for the year to December 31, 2008.

BOARD OF DIRECTORS

During the year to December 31, 2008, the Board consisted of a Non-executive Chairman, two Executive Directors and three Non-executive Directors. On April 7, 2008 Mr. Brenner resigned as an Executive Director and David Szostak was appointed as a Non-executive Director.

On joining the Board, all directors received a full induction and have the opportunity to meet with shareholders at the Annual General Meeting.

Biographies of the Board members appear on pages 12 to 14 of this report. These indicate the high level and range of experience, which enables the Group to be managed effectively.

The Board has established three committees in relation to Directors' remuneration and audit matters and nominations to the Board.

The membership of all Board Committees has remained unchanged for the year and is set out below:

- Remuneration Committee: Mr. Reade (Chairman) and Dr. Noonan.
- Audit Committee: Mr. Riley (Chairman), Dr. Noonan and Dr. Vernon.
- Nomination Committee: Dr. Vernon (Chairman), Mr. Riley and Mr. Reade.

The Board is responsible to the shareholders for the proper management of the Group. The Board has adopted a formal schedule of matters specifically reserved for the Board's decision that covers key areas of the Group's affairs including overall responsibility for the business and commercial strategy of the Group, policy on corporate governance issues, review of trading performance and forecasts, the approval of major transactions and the approval of the interim management and financial statements, Annual Report and financial statements and operating and capital expenditure budgets.

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organizing the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman has no involvement in the day-to-day business of the Group. The Chairman facilitates the effective contribution of Non-executive Directors and constructive relations between Executive and Non-executive Directors, ensuring Directors receive accurate, timely and clear information. The Chairman gives feedback to the Board on issues raised by major shareholders.

The Board evaluates its own effectiveness on an annual basis by measuring performance against a standard set of objectives assessed by each member of the Board.

The Board delegates the day-to-day responsibility for managing the Group to the Chief Executive Officer who is accountable to the Board for the financial and operational performance of the Group.

The Group regards A.J. Reade, B.M. Riley and K.D. Noonan as independent Non-executive Directors and these Directors constructively challenge and help develop proposals on strategy, and bring strong independent judgment, knowledge and experience to the Board's deliberations. The Independent Directors are of sufficient calibre and number that their views carry significant weight in the Board's decision making. K.D. Noonan is the Senior Independent Director. As Senior Independent Director, he is available to shareholders if they have concerns where contact through the normal channels of Chairman, Chief Executive or Finance Director has failed to resolve matters or for which such contact would be inappropriate.

The Board has 5 regularly scheduled meetings annually with additional meetings to discuss strategy and other pertinent issues organized as necessary during the year.

Statement of Compliance with Provisions of the Combined Code

(continued)

Prior to each meeting the Board members receive copies of the management accounts and are furnished with information in a form and quality appropriate for it to discharge its duties concerning the state of the business and performance compared to plan. All directors have access to the services of the Group Secretary and may take independent professional advice at the Group's expense in the furtherance of their duties.

The Non-executive Directors meet after each Board meeting without the Executive Directors being present.

The attendance of individual directors at Board meetings during the year is set out in the table below:

	Number of meetings	Meetings attended
G.N. Vernon	11	8
R.D. Armstrong	11	10
R.K. Brenner	2	2
K.E. Bigsby	11	11
A.J. Reade	11	11
B.M. Riley	11	11
K.D. Noonan	11	11
D.P. Szostak	9	6

Dr. G.N. Vernon and Mr. D.P. Szostak did not attend three meetings and Dr. R.D. Armstrong did not attend one meeting for which conflicts existed with the agenda items.

In accordance with bylaws of the Group, one third of the directors must resign and may offer themselves for re-election. At the forthcoming Annual General Meeting Dr. K.D. Noonan and Mr. B.M. Riley will offer themselves for re-election.

BOARD COMMITTEES

The Remuneration Committee is responsible for establishing and monitoring appropriate levels of remuneration and individual remuneration packages for Executive Directors. No director is involved in deciding his own remuneration. The report of the Remuneration Committee is set out on pages 19 to 23.

The attendance of individual directors at Remuneration Committee meetings during the year is set out in the table below:

	Number of meetings	Meetings attended
A.J. Reade	5	5
K.D. Noonan	5	5
By invitation:		
G.N. Vernon	5	5
R.D. Armstrong	3	3
R.K. Brenner	1	1
K.E. Bigsby	3	3
B.M. Riley	5	5
D.P. Szostak	2	2

The Group has an Audit Committee, whose responsibilities include reviewing the scope of the audit and audit procedures, the format and content of the audited financial statements and interim reports, including the notes and the accounting principles applied. The Audit Committee also reviews internal control, including internal financial control, in conjunction with the Board. The Audit Committee will also review any proposed change in accounting policies and any recommendations from the Group's auditors regarding improvements to internal controls and the adequacy of resources within the Group's finance function. The Audit Committee advises the Board on the appointment of external auditors and on their remuneration both for audit and non-audit work, and discusses the nature, scope and results of the external audit with the external auditors. The Audit Committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors.

All directors may attend meetings and at least twice a year representatives of the Group's auditors have an opportunity to meet the Audit Committee at which time they also have the opportunity to discuss matters without any Executive Director being present.

The Audit Committee monitors fees paid to the auditors for non-audit work and evaluates on a case by case basis whether it should put the requirement for non-audit services out to tender. The Group's auditors, KPMG LLP, have been instructed to carry out non-audit work during the year. The non-audit work this year was comprised of tax advisory services. The Audit Committee believes that it is more effective for the auditors to carry out these services and the nature of such work does not impair the independence and objectivity of the auditors. Prior approval is required before such work is contracted. Other firms of advisors were employed during the year for tax compliance services.

A "whistle blowing" policy has been implemented whereby employees may contact the Chairman of the Audit Committee on a confidential basis.

The attendance of individual directors at Audit Committee meetings during the year is set out in the table below:

	Number of meetings	Meetings attended
B.M. Riley	3	3
G.N. Vernon	3	3
K.D. Noonan	3	3
By invitation:		
R.D. Armstrong	3	3
R.K. Brenner	1	1
K.E. Bigsby	3	3
A.J. Reade	3	3
D.P. Szostak	2	2

The Nomination Committee is responsible for considering and making recommendations concerning the composition of the Board, including proposed appointees to the Board, whether to fill vacancies that may arise or to change the number of Board members. The appointments during the year did not involve open advertising.

The attendance of individual directors at Nomination Committee meetings during the year is set out in the table below:

	Number of meetings	Meetings attended
G.N. Vernon	1	1
A.J. Reade	1	1
B.M. Riley	1	1
By invitation:		
R.D. Armstrong	1	1
K.E. Bigsby	1	1
K.D. Noonan	1	1

INTERNAL CONTROL AND RISK MANAGEMENT

The Directors acknowledge that they are responsible for establishing and maintaining the Group's system of internal control and reviewing its effectiveness. The Group is small and the Directors are closely involved in the management of the business. At the beginning of the financial year we identified the key risks that the Group faced during the financial year. The Board has since reviewed these risks as part of the strategic planning exercise, considering the likelihood of the risk occurring and the potential impact on the business. The Board will continue to review and update the risk management process on an ongoing basis. No significant weaknesses or failings were identified; however, the internal controls are designed to manage rather than eliminate the risk of failure to achieve business objectives and the Board recognizes that any system can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group operating procedures include a comprehensive system for reporting financial and non-financial information to the Directors.

The planning system produces rolling three-year strategic plans annually. The first year of the three-year plan is a proposed operating budget, phased monthly. These are approved by the Board and forecast updates are carried out quarterly. The financial projections include income statement, balance sheet and cash flows.

At each Board meeting, the Board reviews the actual financial results versus budget and forecast together with other management reports containing non-financial information.

Schedules of financial authority limits detailing management authority limits for commitments in respect of sales orders, capital and operating expenditures are circulated to relevant employees and updated at least annually.

The Board considers that there have been no weaknesses in internal financial controls that have resulted in any material losses, contingencies or uncertainties requiring disclosure in the financial statements.

The Chairman ensures that Directors take independent professional advice as required at the Group's expense in appropriate circumstances and all members of the Board have access to the advice of the Group Secretary.

GOING CONCERN

The Company believes that with existing cash on hand, cash expected to be received through existing contracts and the ability to control costs as a result of the Company's cost minimization program implemented in the second half of 2008 that the Company will have sufficient cash to meet its working capital needs through 2009. For this reason the Company continues to adopt the going concern basis.

INTERNAL AUDIT

The Group does not have an internal audit function. However, the Audit Committee reviews annually the need for such a function and has done so during the year. The current conclusion of the Board is that it is not necessary given the modest scale and lack of complexity of the Group's activities.

SHAREHOLDER COMMUNICATION

It is the Group's policy to involve its shareholders in the affairs of the Group and to give them the opportunity at the Annual General Meeting to ask questions about the Group's activities. This process enables the views of shareholders to be communicated to the Board. In addition, any direct enquiries are dealt with by the Group Secretary and communicated as appropriate to the Board. Other than in exceptional circumstances, all directors, including those newly appointed, attend the Annual General Meeting of the Group, and make themselves available for introductions and answering shareholders' questions. Established procedures ensure the timely release of price sensitive information and the publication of financial results and regulatory financial statements. The Group also maintains a website, www.tyratech.com, which incorporates corporate, financial, product information and news.

Directors' Remuneration Report

This report sets out the Group's policy on the remuneration of Executive and Non-executive Directors and details Executive Directors' remuneration packages and service contracts.

REMUNERATION COMMITTEE

The Remuneration Committee has the responsibility for determining the Group's overall policy on executive remuneration and for deciding the specific remuneration, benefits and terms of employment for Executive Directors. Fees paid to Non-executive Directors and to the Chairman are determined by the Board as a whole and no director is responsible for approving his own remuneration. The Remuneration Committee, in its deliberations on the remuneration policy for the Group's Directors, seeks to give full consideration to the Combined Code. No external advisors were engaged to provide independent professional advice to the Remuneration Committee in 2008 and no changes to Directors' remuneration occurred during 2008. Subsequent to the year-end the Executive Directors agreed to a reduction in their base salary of 10% for all of 2009.

REMUNERATION POLICY

The policies set by the Remuneration Committee are intended to attract, retain and motivate high calibre executives capable of achieving the Group's objectives, and to ensure that Executive Directors receive remuneration appropriate to their experience, responsibility, geographic location and performance. The Committee's policies aim to align business strategy and corporate objectives with executive remuneration and seek to ensure the appropriate mix between fixed and performance based elements, and between long and short-term goals and rewards.

Executive Directors' remuneration packages are comprised of a basic salary and an annual performance related bonus plan and stock appreciation rights. The Group also provides health care, disability and life assurance and 401(k) matching contribution benefits consistent with all employees of the Group. Total compensation levels for executives are designed to be at least the median level reflecting the levels of performance, experience and responsibility held by each of the External Directors.

BASIC SALARY

The basic salary of Executive Directors is determined by the Remuneration Committee taking into account individual performance and aims to ensure that remuneration remains competitive with similar companies in terms of size and complexity.

ANNUAL PERFORMANCE RELATED BONUS

Each Executive Director is eligible for a discretionary annual bonus based upon the achievement of specific performance targets for the year, determined by the Remuneration Committee. In determining the performance targets and related bonus levels, the Remuneration Committee seeks to align the interests of executives with those of shareholders. Performance related remuneration forms a significant amount of Executive Directors' total remuneration. On target bonus amounts for 2008 were set at 100% of basic salary for Dr. Armstrong and at 50% of basic salary for Mr. Bigsby. No Executive Directors earned bonuses during the year.

STOCK APPRECIATION RIGHTS

Dr. Armstrong and Mr. Bigsby have been granted founder shares in the Group. Since this initial grant of founder's shares, neither has received any additional incentive equity by the end of the year. All Executive Directors and employees are eligible for grants of stock appreciation rights. Stock appreciation rights are granted at the closing mid market price of the Group's ordinary shares on the day prior to grant and vest over 4 equal annual increments. Currently the exercise of stock appreciation rights granted is not dependent upon performance criteria.

PENSION AND OTHER BENEFITS

Executive Directors' basic salaries are set at levels which are deemed to include adequate provision for pension contributions. Each Executive Director is free to determine the amount of pension contribution payable from salary, given the age of the relevant director and other personal circumstances. Executive Directors are entitled to make contributions from salary into the Group's 401(k) (see Directors' Pension Arrangements below). The Group funds the provision of private medical insurance cover for Executive Directors and their immediate family and Executive Directors participate in the Group's life insurance scheme, which has a lump sum payment in the event of death in service.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Dr. Armstrong has entered into a service agreement with the Group, the principal terms of which are that if the Group terminates his employment, other than for good cause, the Group shall pay to him the amount outstanding up to the date of the termination. In addition, if Dr. Armstrong's employment is terminated by the Group without good cause or if he resigns with good reason, the Group shall pay an amount equal to the eighteen months' base salary and bonus, as well as accelerating the vesting of shares which become free of re-purchase obligations in the current and subsequent year after the date of termination. If Dr. Armstrong had been terminated, other than for good cause, at December 31, 2008, the Group would have owed Dr. Armstrong US$1,095,000 (US$1,095,000 at December 31, 2007) (plus unit grants as outlined above) pursuant to his service agreement.

Kerdos Corporate Finance Limited (KCFL) has entered into a consultant agreement for the services of Mr. Bigsby as the Chief Financial Officer of the Group. Mr. Bigsby is entitled to participate in the 2008 Bonus Plan while engaged by the Group. The contract can be terminated without notice by the Group and with three months notice from KCFL.

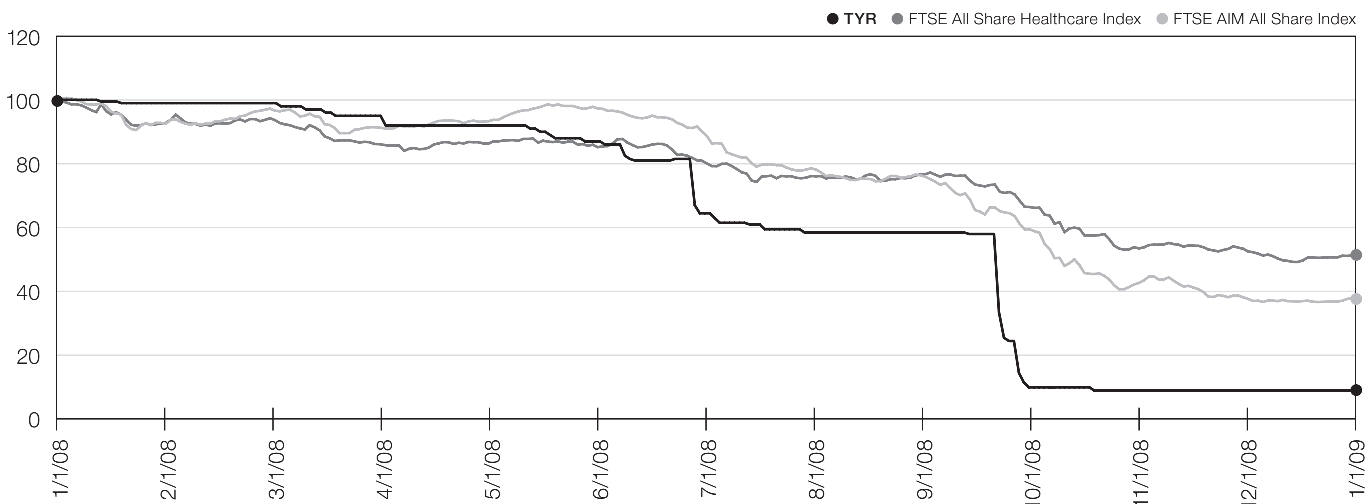
NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

Dr. Vernon, Mr. Reade, Mr. Riley and Dr. Noonan entered into agreements with the Group on May 25, 2007, which govern the terms and conditions of their appointment as Non-executive Directors of the Group. Each appointment is for an initial term expiring upon conclusion of the next annual general meeting of the Group unless renewed at the end of that period for a further 12-month period. Dr. Vernon was entitled to fees totaling £47,500 for the year payable to Ziggus Holding Limited, of which Dr. Vernon is an employee. Mr. Reade was entitled to fees totaling £35,000 for the year payable to Global Strategy Expression Limited of which Mr. Reade is an employee. Dr. Noonan was entitled to fees totaling £32,500 for the year payable to T. K. Advisory Limited of which Dr. Noonan is an employee. Mr. Riley was entitled to fees of £35,000 for the year payable directly. Mr. Szostak was appointed as a representative of XLTechGroup and received no fees during the year.

In addition to fees, the Company reimburses the independent Non-executive Directors for all reasonable out-of-pocket expenses incurred.

PERFORMANCE GRAPH

The following graph shows the Group's performance, measured by total shareholder return, compared with the performance of the FTSE All Share Healthcare Index and the FTSE AIM All Share Index.



The Directors consider the FTSE AIM All Share Index and FTSE All Share Healthcare Index to be an appropriate choice as the indices include the Group.

AGGREGATE DIRECTORS' REMUNERATION

DIRECTORS' EMOLUMENTS IN US$

	Year	Salary and fees[1]	Benefits[1]	Bonus[1, 5]	Total
Executives:					
R.D. Armstrong	**2008**	**365,000**	**27,464**	**—**	**392,464**
	2007	365,000	22,719	365,000	752,719
R.K. Brenner	**2008**	**65,838**	**9,864**	**—**	**75,702**
	2007	213,846	22,532	213,846	450,224
K.E. Bigsby	**2008**	**265,000**	**—**	**—**	**265,000**
	2007	209,096	—	104,548	313,644
Chairman[6]					
G.N. Vernon[2]	**2008**	**84,734**	**—**	**—**	**84,734**
	2007	64,169	—	—	64,169
Non-executive[6]					
A.J. Reade[4]	**2008**	**64,920**	**—**	**—**	**64,920**
	2007	47,940	—	—	47,940
B.M. Riley	**2008**	**59,931**	**—**	**—**	**59,931**
	2007	46,674	—	—	46,674
K.D. Noonan[3]	**2008**	**56,333**	**—**	**—**	**56,333**
	2007	43,008	—	—	43,008
D.P. Szostak	**2008**	**—**	**—**	**—**	**—**
	2007	—	—	—	—
Total	**2008**	**$961,756**	**$37,328**	**$ —**	**$ 999,084**
	2007	$989,733	$45,251	$683,394	$1,718,378

(1) Remuneration amounts are for the 2008 and 2007 period served.
(2) Includes beneficial payments to Ziggus Holding Ltd.
(3) Includes beneficial payments to T. K. Advisory Ltd.
(4) Includes beneficial payments to Global Strategy Expression Ltd.
(5) Bonuses were paid in 2008.
(6) Payments made in pounds sterling, at exchange rates to the U.S. dollar ranging from 1.4769 to 2.0705 in 2008.

The benefits in kind represent contributions to medical insurance schemes and the 401(k) pension plan. The share-based payment charge for directors' founder shares was US$1,893,663 (2007: US$1,794,894). These amounts have been included within administrative costs. The total directors' compensation is US$2,892,747 (2007: US$3,513,372).

DIRECTORS' PENSION ARRANGEMENTS

The Executive Directors can participate in the Group's 401(k) plan and the Group will match any contributions into the plan up to 4% of salary not to exceed US$9,200 in 2008 with a tax deferral limit of US$15,500 and additional tax deferral provisions for employees over 50 years old.

DIRECTORS' SHARE OPTIONS

The aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Group granted to or held by the directors. On the December 31, 2008, the Directors held no options in the Group. Subsequent to the year-end on January 16, 2009, Dr. Armstrong was granted 85,883 shares and Mr. Bigsby was granted 63,553 shares at an exercise price of 42.5p and they all vest on the first anniversary of the grant. A further grant of 50,000 shares was awarded to Mr. Bigsby on January 16, 2009 at an exercise price of 42.5p and they vest in four equal annual installments starting on the first anniversary of the grant.

In addition, the shares held by Dr. Armstrong and Mr. Bigsby were granted as founder shares, the shares are restricted and subject to re-purchase at the Group's option at par for a period of 4 years subject to 25% of the shares becoming fully vested on the first anniversary of the grant date and for the following three anniversaries thereafter.

	Date Granted	Number of Shares
Directors:		
R.D. Armstrong	December 12, 2006	602,561
K.E. Bigsby	April 20, 2007	172,161

The market price of the shares at December 31, 2008 was £0.425 (2007: £4.975) and the range during the year was £0.425 to £4.975.

APPROVAL

The report was approved by the Board of Directors on April 1, 2009 and signed on its behalf by:

ALAN READE

Chairman, Remuneration Committee

April 1, 2009

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group financial statements. The Directors are required to prepare Group financial statements for each financial year which present fairly the financial position of the Group and the financial performance and cash flows of the Group for that period. In preparing those Group financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable U.S. GAAP have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- Provide additional disclosures to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group. They have a general responsibility for safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

ANNUAL GENERAL MEETING

The AGM will be held at the office of Buchanan Communications, 45 Moorfields, London, EC2Y 9AE UK on May 21, 2009 at 12 noon UK time. The Group will convey the results of the proxy votes cast at the AGM.

KEITH BIGSBY
Group Secretary
April 1, 2009

Independent Auditors' Report

The Board of Directors
TyraTech, Inc.:

We have audited the accompanying consolidated balance sheets of TyraTech, Inc. and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TyraTech, Inc. and subsidiaries as of December 31, 2008 and 2007, and the results of their operations and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP
Orlando, Florida
April 1, 2009

Certified Public Accountants

Consolidated Balance Sheets

December 31, 2008 and 2007

	2008	2007
Assets		
Current assets		
Cash and cash equivalents	**$ 9,175,712**	$ 27,521,625
Accounts receivable	**559,788**	485,590
Inventory	**1,696,252**	765,107
Prepaid expenses	**796,453**	283,028
Total current assets	**12,228,205**	29,055,350
Property and equipment, net of accumulated depreciation	**1,254,571**	1,329,563
Total assets	**$ 13,482,776**	$ 30,384,913
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	**$ 741,659**	$ 974,952
Accrued liabilities	**935,797**	2,830,017
Deferred revenue	**1,198,992**	1,605,666
Current installments of obligation under a capital lease	**20,339**	18,462
Liability for warrants	**618**	997,930
Total current liabilities	**2,897,405**	6,427,027
Capital lease obligation, excluding current installments	**16,601**	36,940
Total liabilities	**2,914,006**	6,463,967
Shareholders' equity		
Common stock, $0.001 par, authorised and issued and outstanding 22 million	**22,000**	22,000
Additional paid-in capital	**59,874,782**	55,818,617
Retained deficit	**(49,323,817)**	(31,919,006)
Treasury stock of 321,937 (2007: 79,120) common stock $0.001 par	**(4,195)**	(665)
Total shareholders' equity	**10,568,770**	23,920,946
Total liabilities and shareholders' equity	**$ 13,482,776**	$ 30,384,913

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations

Years Ended December 31, 2008 and 2007

	2008	2007
Revenues:		
Product sales	**$ 1,048,583**	$ 404,979
License and royalty revenue	**—**	100,000
Collaborative revenue	**4,890,288**	5,525,037
Gross revenues	**5,938,871**	6,030,016
Contra revenues from sales incentives provided in warrants	**—**	(482,919)
Net revenue	**5,938,871**	5,547,097
Costs and expenses related to product sales and collaboration revenue	**4,409,089**	2,439,558
Gross profit	**1,529,782**	3,107,539
Costs and expenses:		
General and administrative	**9,433,492**	8,139,193
Business and development	**6,360,795**	6,206,324
Research and technical development	**4,575,338**	4,517,300
Total cost and expenses	**20,369,625**	18,862,817
Loss from operations	**(18,839,843)**	(15,755,278)
Other (income) expense:		
Interest income	**(442,299)**	(758,004)
Interest/other expense	**4,579**	1,032,859
Change in fair value of warrant liabilities	**(997,312)**	(10,971)
Loss on extinguishment of liability	**—**	518,692
Total other (income) expense	**(1,435,032)**	782,576
Loss before income taxes	**(17,404,811)**	(16,537,854)
Income taxes	**—**	—
Net loss	**$(17,404,811)**	$(16,537,854)
Net loss per common share:		
Basic and diluted	**$ (0.84)**	$ (0.84)
Weighted average number of common shares:		
Basic and diluted	**20,702,527**	19,756,955

See accompanying notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

Years Ended December 31, 2008 and 2007

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity
Balances as of December 31, 2006	$16,256	$ 3,383,194	$(15,381,152)	$ —	$(11,981,702)
Issuance of shares to settle license liability	65	650,935	—	—	651,000
Issuance of shares, net of offering costs of $7,266,519 of which $1,390,556 represent non-cash warrants issued to underwriters	5,000	42,292,805	—	—	42,297,805
Reclassification of warrants from liability to equity	—	5,037,000	—	—	5,037,000
Issuance of warrants	—	482,919	—	—	482,919
Purchase of treasury stock	—	—	—	(665)	(665)
Stock-based compensation	679	3,971,764	—	—	3,972,443
Net loss	—	—	(16,537,854)	—	(16,537,854)
Balances as of December 31, 2007	22,000	55,818,617	(31,919,006)	(665)	23,920,946
Exchange of note for treasury stock	—	—	—	(497,297)	(497,297)
Proceeds from sale of treasury stock	—	(34,666)	—	493,767	459,101
Stock-based compensation	—	4,090,831	—	—	4,090,831
Net loss	—	—	(17,404,811)	—	(17,404,811)
Balances as of December 31, 2008	**$22,000**	**$59,874,782**	**$(49,323,817)**	**$ (4,195)**	**$ 10,568,770**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years Ended December 31, 2008 and 2007

	2008	2007
Cash flows from operating activities:	**$(17,404,811)**	$(16,537,854)
Net Loss		
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortisation	**479,618**	870,931
Write-off of inventory	**712,293**	219,180
Provision for doubtful receivable	**878,697**	—
License maintenance fee	**—**	100,528
Change in fair value of warrants	**(997,312)**	471,948
Amortisation of stock awards	**4,090,831**	3,972,443
Loss on extinguishment of liability	**—**	518,692
Changes in operating assets and liabilities		
Accounts receivable	**(952,895)**	(448,990)
Inventory	**(1,643,438)**	(765,107)
Prepaid expenses	**(513,425)**	(263,032)
Accounts payable and accrued liabilities	**(2,127,515)**	2,463,765
Accrued license fee	**—**	(470,000)
Deferred revenues	**(406,674)**	(423,500)
Net cash used in operating activities	**(17,884,631)**	(10,290,996)
Cash flows used for investing activities:		
Purchase of property and equipment	**(404,626)**	(851,802)
Loan to director	**(497,297)**	—
Net cash used for investing activities	**(901,923)**	(851,802)
Cash flows from financing activities:		
Net payments on notes payable to affiliate	**—**	(6,663,181)
Payments made under a capital lease	**(18,460)**	(16,758)
Proceeds from sale of treasury stock	**459,101**	43,688,361
Treasury stock purchased from employees	**—**	(665)
Net cash provided by financing activities	**440,641**	37,007,757
Net (decrease) increase in cash	**(18,345,913)**	25,864,959
Cash, beginning of year	**27,521,625**	1,656,666
Cash, end of year	**$ 9,175,712**	$ 27,521,625
Supplemental disclosures:		
Cash paid for interest	**$ 4,579**	$ 1,032,859
Cash paid for income taxes	**$ —**	$ —

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years Ended December 31, 2008 and 2007

(continued)

		2008		2007
Non-cash investing and financing activities				
The Company received treasury stock in settlement of a loan with an employee	$	**497,297**	$	—
The Company issued shares in connection with the settlement of a license liability	$	—	$	651,000
The Company issued warrants in connection with a research and development agreement	$	—	$	482,919
The Company reclassified warrants issued to a vendor and an affiliate to equity	$	—	$	5,037,000
The Company issued warrants in satisfaction of costs incurred to advisors	$	—	$	1,390,556

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(a) Description of Business

TyraTech, Inc., a corporation (the Company) is engaged in the development, manufacture, marketing and sale of proprietary insecticide and parasiticide products, through the utilization of a proprietary development platform that enables rapid characterization of potent blends of plant oil derived pesticides. TyraTech is focused on developing safer natural products with plant essential oils to be used in a wide variety of pesticidal and parasitic applications. These new synergistic formulations target specific receptors unique to invertebrates.

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, development by its competitors of new technological innovations, dependence on key personnel, and its ability to protect proprietary technology.

(b) Basis of Presentation

The consolidated financial statements of the Company in U.S. dollars (US$) have been prepared in accordance with United States generally accepted accounting policies (U.S. GAAP). The consolidated financial statements include the accounts of TyraTech, Inc. and subsidiaries listed below.

Company name	Country of incorporation	Percentage holding
TyraTech Holdings India, LLC	USA	100%
TyraTech Sustainable Solutions, LLC	USA	100%
TyraTech India Pvt. Ltd.	India	100%
TyraTech International Ltd.	Bermuda	100%
TyraTech International LP	Cayman	100%
TyraTech International BV	Holland	100%
TyraTech International Coop	Holland	100%

All significant intercompany balances and transactions have been eliminated.

On May 23, 2007, the Company was recapitalized from a limited liability company to a corporation in preparation of an initial public offering (IPO) on the London Stock Exchange's Alternative Investment Market (AIM). Member units of the limited liability company were exchanged for common shares of the corporation on the basis of 1 unit to 0.8606 common share. On June 1, 2007, the Company completed an IPO of its common stock under the symbol TYR and raised approximately US$43.7 million, net of cash offering costs of US$5.9 million. Employees, consultants, and investors of the Company own the balance of the common stock.

The consolidated financial statements of equity have been presented as if the recapitalization occurred on December 31, 2005.

In the opinion of the Company directors, the financial information for these periods presents fairly the financial position, results of operations and cash flows for the periods in conformity with U.S. GAAP.

(c) Cash and Cash Equivalents

The Company considered all highly liquid securities with maturities of three months or less when acquired to be cash equivalents.

(d) Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows. The Company does not have any off-balance-sheet credit exposure related to its customers.

(e) Inventory

Inventory is stated at the lower of cost or market. Cost is determined using the first-in, first-out method (FIFO).

(f) Property and Equipment

Purchased property and equipment is recorded at cost. Depreciation and amortization are provided on the straight line method over the estimated useful lives of the related assets as follows:

Leasehold improvements	3 years
Furniture, fixtures and equipment	4–7 years
Computer equipment and software	5 years

The Company accounts for long-lived assets in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets.* This Statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

(g) Revenue Recognition

The Company's business strategy includes entering into collaborative license and development agreements with agricultural and food companies for the development and commercialization of the Company's product candidates. The terms of the agreements typically include nonrefundable license fees, funding of research and development, payments based upon achievement of development milestones and royalties on product sales. The Company follows the provisions of the Securities and Exchange Commission's Staff Accounting Bulletin (SAB) No. 104 (SAB No. 104), *Revenue Recognition,* Emerging Issues Task Force (EITF) Issue No. 00-21 (EITF 00-21), *Accounting for Revenue Arrangements with Multiple Deliverables,* EITF Issue No. 99-19 (EITF 99-19), *Reporting Revenue Gross as a Principal Versus Net as an Agent,* and EITF Issue No. 01-9 (EITF 01-9), *Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products).*

Product Sales

Revenue is recognized for product sales when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the risks and rewards of ownership have been transferred to the customer, the amount of revenue can be measured reliably, and collection of the related receivable is reasonably assured. If product sales are subject to customer acceptance, revenues are not recognized until customer acceptance occurs. The Company records sales net of applicable sales and use taxes. Sales/use tax, when required, is included in sales invoices, recorded as sales tax payable, and remitted monthly to the appropriate state revenue departments.

License Fees and Multiple Element Arrangements

Nonrefundable license fees are recognized as revenue when the Company has a contractual right to receive such payment, the contract price is fixed or determinable, the collection of the resulting receivable is reasonably assured and the Company has no further performance obligations under the license agreement. Multiple element arrangements, such as license and development arrangements are analyzed to determine whether the deliverables, which often include a license and performance obligations such as research and steering committee services, can be separated or whether they must be accounted for as a single unit of accounting in accordance with EITF 00-21. The Company recognizes up-front license payments as revenue upon delivery of the license only if the license has stand-alone value and the fair value of the undelivered performance obligations, typically including research and/or steering committee services, can be determined. If the fair value of the undelivered performance obligations can be determined, such obligations would then be accounted for separately as performed. If the license is considered to either (i) not have stand-alone value or (ii) have stand-alone value but the fair value of any of the undelivered performance obligations cannot be determined, the arrangement would then be accounted for as a single unit of accounting and the license payments and payments for performance obligations are recognized as revenue over the estimated period of when the performance obligations are performed.

Whenever the Company determines that an arrangement should be accounted for as a single unit of accounting, it must determine the period over which the performance obligations will be performed and revenue will be recognized. Revenue will be recognized using a relative method. The Company recognizes revenue using the relative performance method provided that the Company can reasonably estimate the level of effort required to complete its performance obligations under an arrangement and such performance obligations are provided on a best-efforts basis. Revenue recognized under the relative performance method would be determined by multiplying the total payments under the contract by the ratio of level of effort incurred to date to estimated total level of effort required to complete the Company's performance obligations under the arrangement. Revenue is limited to the lesser of the cumulative amount of nonrefundable payments received or the cumulative amount of revenue earned, as determined using the relative performance method, as of each reporting period.

If the Company cannot reasonably estimate the estimated level of effort required to complete its performance obligation, then revenue is deferred until the Company can reasonably estimate its level of effort or the performance obligation ceases or becomes inconsequential.

Significant management judgment is required in determining the level of effort required under an arrangement and the period over which the Company is expected to complete its performance obligations under an arrangement. In addition, if the Company is involved in a steering committee as part of a multiple element arrangement that is accounted for as a single unit of accounting, the Company assesses whether its involvement constitutes a performance obligation or a right to participate. Steering committee services that are not inconsequential or perfunctory and that are determined to be performance obligations are combined with other research services or performance obligations required under an arrangement, if any, in determining the level of effort required in an arrangement and the period over which the Company expects to complete its aggregate performance obligations.

Royalty Revenue

Royalty revenue is recognized upon the sale of the related products, provided that the royalty amounts are fixed or determinable, collection of the related receivable is reasonably assured and the Company has no remaining performance obligations under the arrangement. If royalties are received when the Company has remaining performance obligations, the royalty payments would be attributed to the services being provided under the arrangement and therefore would be recognized as such performance obligations are performed under either the relative performance or straight line methods, as applicable, and in accordance with these policies as described above.

Deferred Revenue

Amounts received prior to satisfying the above revenue recognition criteria are recorded as deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognized during the year ending December 31, 2009 are classified as long-term deferred revenue. As of December 31, 2008, the Company has short-term deferred revenue of US$1,198,992 (2007: US$1,605,666) related to its collaborations.

Summary

The Company has one customer in the pesticides and insecticides segment in 2008 that represents 82% of total revenue (2007: one customer represents 91%).

(h) Equity Based Compensation

Effective July 1, 2005, the Company adopted SFAS No. 123 (revised 2004), *Share-Based Payment* (SFAS 123R), which is a revision of SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS 123). SFAS 123R requires all share-based payments, including grants of employee stock options, to be recognized in the statement of operations based on their fair values.

(i) Research and Technical Development

Research and technical development costs are expensed as incurred. Research and technical development costs for the years ended December 31, 2008 amounts to US$4,575,338 (2007: US$4,517,300) after charging US$2,780,224 (2007: US$1,413,518) to cost of sales.

(j) Income Taxes

Prior to its recapitalization as discussed below, under provisions of the Internal Revenue Code and applicable state laws, the Company was not directly subject to income taxes; the result of its operations was includable in the tax returns of its members. Therefore, no provision for income taxes was included in the accompanying financial statements, prior to May 23, 2007.

After being recapitalized from a limited liability company to a corporation on May 23, 2007, income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(k) Foreign Currency Translation
The assets and liabilities of consolidated foreign entities are translated into U.S. dollars at the exchange rate as of the balance sheet date and revenues and expenses are translated at the average exchange rate during the period. Any resulting translation adjustment is recorded as a separate component of shareholder's equity.

(l) Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results ultimately may differ from the estimates.

(m) Segment Information
The Company operates in two primary business segments which are (1) pesticides and (2) sustainable solutions.

(n) Recently Issued Accounting Standards
The FASB issued FASB Statement No. 160, *Non-controlling interests in Consolidated Financial Statements* (Statement 160) in December 2007. Statement 160 will require non-controlling interests (previously referred to as minority interests) to be treated as a separate component of equity. The Statement applies to the accounting for non-controlling interest holders in consolidated financial statements. Statement 160 is effective for periods beginning on or after December 15, 2008. Earlier application is prohibited. Statement 160 will be applied prospectively to all non-controlling interests, including any that arose before the effective date except that comparative period information must be recast to classify non-controlling interests to equity, attribute net income and other comprehensive income to non-controlling interests, and provide other disclosures required by Statement 160. This has no effect for 2008 but will impact the accounting for the Company's new Joint Venture, named TyraChem which has been created in 2009.

(2) LIQUIDITY AND CAPITAL RESOURCES
As of December 31, 2008, the Company had US$9,175,712 (2007: US$27,521,625) in cash and no indebtedness.

The Company has had significant negative cash flows from operating activities since inception. The Company believes that with existing cash on hand, cash expected to be received through existing contracts and the ability to control costs as a result of the Company's cost minimization program implemented in the second half of 2008 that the Company will have sufficient cash to meet its working capital needs through 2009.

(3) ACCOUNTS RECEIVABLE
Accounts receivable as of December 31, 2008 and 2007 consist of:

	2008	2007
Trade receivables, net of allowance of US$878,697 (2007: US$—)	**$ 551,562**	$393,340
Interest receivables	**6,931**	92,250
Other receivables	**1,295**	—
	$ 559,788	$485,590

(4) INVENTORIES
Inventories as of December 31, 2008 and 2007 consist of:

	2008	2007
Raw materials	**$ 792,050**	$380,405
Work in progress	**544,940**	298,351
Finished goods	**359,262**	86,351
	$1,696,252	$765,107

(5) PROPERTY AND EQUIPMENT

Property and equipment, net as of December 31, 2008 and 2007 consist of:

	2008	2007
Leasehold improvements	**$ 914,015**	$ 746,683
Furniture, fixtures and equipment	**707,592**	618,982
Computer equipment and software	**410,247**	261,563
	2,031,854	1,627,228
Less accumulated depreciation	**(777,283)**	(297,665)
	$1,254,571	$1,329,563

(6) ACCRUED LIABILITIES

Accrued liabilities as of December 31, 2008 and 2007 consist of:

	2008	2007
Accrued compensation	**$ 327,908**	$1,395,842
Professional fees	**593,687**	971,098
Other	**14,202**	463,077
	$ 935,797	$2,830,017

(7) LEASES

During the year ended December 31, 2006, the Company entered into a capital lease for certain equipment that expires in September 2010. At December 31, 2008, the gross amount and related gross amortization of the equipment recorded under capital lease amounted to US$36,940 (2007: US$55,402) and US$18,462 (2007: US$16,758), respectively. Amortization of assets under the capital lease is included with depreciation expense.

The Company has non-cancelable operating leases for office space and equipment that expires during April 2012. Rental expense for operating leases during the years ended December 2008 was US$111,348 (2007: US$10,020).

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) and future minimum capital lease payments as of December 31, 2008 are:

	Capital leases	Operating leases
Year ending December 31		
2009	$23,040	$111,348
2010	17,279	89,148
2011	—	66,948
2012	—	16,737
Total minimum lease payments	40,319	$284,181
Less estimated executor costs	—	
Net minimum lease payments	40,319	
Less amount representing interest at 9.72%	3,379	
Present value of net minimum capital lease payments	36,940	
Less current installments of obligations under capital leases	20,339	
Obligations under capital lease excluding current installments	$16,601	

(8) RELATED PARTY TRANSACTIONS

(a) Research and Development Services from Vanderbilt University

During the year ended December 31, 2008, the Company paid US$496,000 (2007: US$564,000) to Vanderbilt University (Vanderbilt), a shareholder, for the dedicated use of a laboratory and staff which houses the Company's proprietary development platform. Such amounts are included in research and development costs in the consolidated statements of operations.

As of December 31, 2008, US$0 (2007: US$60,000) was payable to Vanderbilt under this arrangement. Such amounts are included in accrued liabilities.

(b) License Fee

On June 4, 2004, the Company entered into an agreement with Vanderbilt, a member of the Company, to acquire an exclusive license to undertake the development of business, technical, regulatory, and market strategies in order to make, have made, use, sell, offer to sell, license and improve and to grant sublicenses of

Licensed Products. In consideration for this license, the Company agreed to pay a license maintenance fee in the amount of US$50,000 per year effective on the first anniversary of the agreement date and increasing by US$50,000 per year in each successive year for a period of ten years.

On June 5, 2005, the Company amended and restated its Operating Agreement to ratify the issuance of the 33% interest in the Company to Vanderbilt for the contributed licensed intellectual property (IP) noted above into the Company. The IP was valued at US$1,404,051 and has been recorded as a US$1.0 million capital contribution and US$404,051 of license maintenance fees payable, representing the present value of the remaining future payments due under the license maintenance fee agreement. The present value of the future payments due under the license maintenance fee agreement has been included in in-process research and development expenses in the statement of operations and was determined using a risk adjusted discount rate of 55%, which corresponded with the stage of development of the Company at that time.

The present value will be re-stated at each period end, as the discount unwinds and further payments are made in accordance with the agreement. As of December 31, 2006, the license maintenance fee liability on the balance sheet was US$501,780.

On April 23, 2007, an arrangement to accelerate payment of the Vanderbilt licensing agreement was executed between the Company and Vanderbilt for cash of US$470,000 and 65,457 shares of the Company's common stock valued at US$651,000. Related to this settlement of the license agreement, the Company recognized US$518,692 loss on the early extinguishment of the liability during the year ended December 31, 2007.

(9) WARRANTS

(a) XLTech Group, Inc. Warrants

In connection with the US$10.0 million secured note payable to XLTech Group, Inc. (XLTG) the Company's former parent, the Company entered into a purchase option agreement by which XLTG was granted an option to purchase equity in the Company. Under the purchase option, the Company granted XLTG the right to purchase a variable number of shares based upon the amount of the note payable drawn down by the Company at the qualified public offering and the qualified public offering initial share price. The warrants are for a term of 5 years. At the date of grant the warrants were recorded at fair value as a warrant liability and as a discount in obtaining financing. The fair value of the warrant at the grant was US$1.9 million. The warrant is re-measured at fair value at each reporting date with subsequent changes in fair value recorded in the statement of operations. Upon the qualified public offering of the shares in June 1, 2007, the warrant qualified for equity classification within the balance sheet and as such the warrant liability was reclassified to equity at fair value on June 1, 2007. The warrant is not subsequently re-measured to fair value after this date as it qualifies for equity classification. The fair value of the warrant as of June 1, 2007 upon the qualified public offering was US$4.5 million. The XLTG warrants were transferred to PetroTech Holdings Corporation a Laurus/Valens group company as part of the transfer of XLTG's 45.69% shareholding in the Company.

The fair value of this purchase option was estimated by using the Black-Scholes option-pricing model with the following assumptions: no dividends, risk-free rate of 4.8%–4.9%, the remaining contractual life of the purchase option and a volatility of 100%.

(b) Collaborative Warrants

In connection with research and development collaborations, the Company granted warrants to purchase a variable number of common shares of Company's common shares equal to US$2.0 million divided by the per share price to the public in an initial public offering or the price paid in a private placement for each common share of the Company. The US$2.0 million of warrants were divided into two parts: US$1.0 million of the warrants are exercisable upon the closing of a qualified equity investment offering and the remaining US$1.0 million of warrants are exercisable upon successful completion of prescribed co-development activities in accordance with the technology sublicensing agreement. The warrants have a term of three years from the time of the qualified equity offering. With the IPO in June 2007, the warrants have a term until June 1, 2010. At the date of grant, the first US$1.0 million of warrants were recorded at fair value to a warrant liability and included as a reduction to revenue as a sales incentive to the unrelated third party. The fair value of the first US$1.0 million of warrants as of December 31, 2006 was US$0.5 million. The remaining US$1.0 million of warrants are recorded at fair value upon successful completion of the first milestone related to the technology and sublicensing agreement as a reduction to the revenue as a sales incentive. The first US$1.0 million of warrants were initially re-measured at fair value at each reporting date with subsequent changes in fair value recorded in the statement of operations. Upon the qualified public offering of the shares in June 2007, the first US$1.0 million of warrants qualified for equity classification within the balance sheet and as such the warrant liability was reclassified to equity at fair value. With equity classification of the warrants, the warrants are not subsequently re-measured to fair value after this date. The fair value of the first US$1.0 million of warrants upon the qualified public offering in June 2007 was US$0.5 million. The fair value of the second US$1.0 million of warrants upon the achievement of the first milestone in December 2007 was US$0.5 million with the warrant being equity classified. The US$2.0 million of warrants are for 202,941 common shares of the Company at an exercise prices of US$9.80 to US$9.89 per share.

The fair value of the warrants was determined by using the Black-Scholes option-pricing model with the following assumptions: no dividends, risk-free rate of 4.6% to 4.8%, 3-year life of the warrants from the time of a qualified equity investment offering, volatility of 68% to 80% and a discount factor related to the probability of a qualified offering not occurring of 0%.

(c) IPO Underwriter Warrants

In connection with the IPO, the Company granted warrants to underwriters of the IPO to purchase 198,002 common shares of the Company at £5 per common share. The warrants are for a term of 5 years. At the date of grant, the warrants were recorded at fair value to a warrant liability with the expense offset against the IPO proceeds in equity. The warrant is re-measured at fair value at each reporting date with subsequent changes in fair value recorded in the statement of operations. The fair value of the warrants as of December 31, 2008 and December 31, 2007 were US$618 and US$1.0 million, respectively.

The fair value of these warrants was determined by using the Black-Scholes option-pricing model with the following assumptions: no dividends, risk-free rate of 4.4%, the remaining contractual life of the warrants, and a volatility of 68%.

(10) STOCK-BASED COMPENSATION

(a) Unit Grants

From inception until recapitalized from a limited liability company to a corporation on May 23, 2007, the Company has granted a total of 2.0 million net member units to various employees through unit grant agreements. The unit grants generally vest over four years of continual service and have initial cost to the unit holder of US$0.01. The fair value of these grants was determined by the Company at the grant date and was equal to the fair market value of the units at the date of grant. The fair value is amortized to compensation expense on a straight line basis over the vesting period.

Employees

As of December 31, 2008 the total unrecognized compensation cost for these unit grants was US$5.5 million (2007: US$10.0 million), which is being amortized over the remaining weighted average vesting period of 1.8 years (2007: 2.9 years). The compensation recognized in operating expenses for unit grants for the year ended December 31, 2008 was US$2.6 million (2007: US$3.0 million). Since inception to December 31, 2008, 705,426 units granted have vested. The initial cost of the unit grants to the employees was forgiven by the Company and is treated as additional compensation to the employee. The weighted average grant date fair value for all unit grants during the year ended December 31, 2008 was US$0.0 million (2007: US$6.2 million).

Nonemployees

In 2008, the Company granted zero units (2007: 60,000 units) to several nonemployees through unit grant agreements. The unit grants vest based on achieving performance terms of the contract and have an initial cost to the unit holder of US$0.01 per unit. The fair values of these grants are recognized as the performance terms of the contract have been met. The compensation recognized for unit grants for the year ended December 31, 2008 totaled US$0.0 million (2007: US$0.5 million) and is included in operating expenses.

During the year ended December 31, 2008, 19,368 units (2007: 35,000 units) vested under the terms of the unit grant agreements. The initial cost of the units to the holder was forgiven by the Company and treated as additional compensation to the nonemployee.

Summary Unit Grant Information

The Company determined the estimated unit price of the Company at the measurement date by using a combination of an independent valuation of the Company's units and internal analysis of milestones of the Company throughout the year.

Effective with the recapitalization from a limited liability company to a corporation on May 23, 2007 and the IPO the units granted to employees and nonemployees were converted to shares based upon the IPO conversion of 1 unit to 0.8606 shares.

A summary of unit grant activity under the unit grant plan is summarized as follows:

	Number of shares*
Outstanding at December 31, 2006	1,187,628
Granted	626,517
Forfeited	(55,939)
Outstanding at December 31, 2007	1,758,206
Granted	—
Forfeited	(242,315)
Outstanding at December 31, 2008	**1,515,891**

**Units granted under the plan converted to shares*

The total shares granted under unit grant agreements included in the statement of shareholders' equity include both vested and non-vested shares.

(b) 2007 Equity Compensation Plan

On May 23, 2007, the Board of Directors approved the TyraTech, Inc. 2007 Equity Compensation Plan which authorizes up to a maximum of 10% of the shares outstanding after the IPO (2,200,002 shares based upon the IPO) be made available for granting of awards to all employees and nonemployee directors. These share awards can be in the form of options to purchase capital stock, stock appreciation rights (SARs), restricted shares, and other option stock-based awards the Board of Directors Remuneration Committee shall determine. The Remuneration Committee of our Board of Directors, which is comprised of all independent Directors, determines the number of shares, the term, the frequency and date, the type, the exercise periods, any performance criteria pursuant to which awards may be granted and the restrictions and other terms of each grant of restricted shares in accordance with terms of our Plan.

Stock Appreciation Rights

During the year, the Company granted 415,000 (2007: 737,000) stock appreciation rights (SARs) to employees and zero (2007: 40,000) SARs to consultants of the Company. SARs can be granted with an exercise price less than, equal to or greater than the stock's fair market value at the date of grant and require the Company to issue stock to the employee upon exercise of the SAR. The SARs have ten-year terms and vest and become fully exercisable four years from the date of grant.

The fair value of each SAR was estimated on the date of grant using the Black-Scholes option-pricing model that used the weighted average assumption in the following table. The fair value is amortised to compensation expense on a straight line basis over the vesting period. The Company estimated the expected term of the SARs using an approach that approximated the "simplified approach", as outlined in Staff Accounting Bulletin (SAB) No. 107, *Share-Based Payments.* Using this approach, the Company assigned an expected term of 7 years for grants with four-year graded vesting. The expected stock price volatility was determined by examining the historical volatilities for industry peers and using the Company's common stock. Industry peers consist of several public companies in the biotechnology industry similar in size, stage of life cycle and financial leverage. The Company will continue to analyze the historical stock price volatility and expected term assumption as more historical data for the Company's common stock becomes available. The risk-free interest rate assumption is based on the U.S. Treasury instruments at grant date whose term was consistent with the expected term of the Company's SARs. The expected dividend assumption is based on the Company's history and expectation of dividend payouts.

	2008	2007
Valuation assumptions		
Expected dividend yield	**0%**	0%
Expected volatility	**78%–83%**	86%
Expected term (years)	**7**	7
Risk-free interest rate	**2.4%–4.3%**	4.6%–4.8%

SAR activity during the period indicated as follows:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Balance at May 23, 2007	—	$ —		
Granted	777,000	9.74		
Exercised	—	—		
Expired	—	—		
Balance at December 31, 2007	777,000	9.74	9.70	$141,760
Granted	415,000	6.74		
Exercised	—	—		
Expired	(129,250)	9.73		
Forfeited	(387,750)	9.73		
Balance at December 31, 2008	**675,000**	**$7.90**	**9.20**	**$ —**
Exercisable at December 31, 2008	**65,000**	**$9.75**	**7.97**	**$ —**

The weighted average grant date fair value of SARs granted during the year was US$2.1 million (2007: US$5.8 million). During the year 194,250 (2007: none) SARs vested and none were exercised (2007: none) with a fair value of US$1.4 million (2007: none).

A summary of the status of the Company's non-vested SARs as of December 31, 2008, and changes during the year, is presented below:

	Number of shares	Weighted average grant-date fair value
Balance at May 23, 2007	—	$ —
Granted	777,000	8.48
Exercised	—	—
Expired	—	—
Balance at December 31, 2007	777,000	8.48
Granted	415,000	5.06
Exercised	—	—
Expired	(129,250)	7.47
Forfeited	(387,750)	7.44
Balance at December 31, 2008	**675,000**	**$6.04**

As of December 31, 2008, there was US$3.2 million (2007: US$5.6 million) of total unrecognized compensation cost related to non-vested SARs arrangements granted under the plan. That cost is expected to be recognized over a weighted average period of 3.2 years. The total fair value of shares vested during the year was US$1.4 million (2007: US$0). The compensation recognized in operating expenses for SARS for the year ended December 31, 2008 was US$1.3 million (2007: US$0.5 million).

The Company plans to use authorized and un-issued shares to satisfy SAR exercises.

Restricted Stock Grant

During the period from May 23, 2007 to December 31, 2007, the Company granted 50,000 shares of restricted stock to one employee of the Company at zero cost at the date of grant and requires the Company to issue common stock to the employee upon exercise of the restricted stock grant and 50% vests and becomes fully exercisable after one year and the balance after two years from the date of grant.

The fair value of these grants was determined by the Company at the grant date and was equal to the fair market value of the common stock at the date of grant. The fair value is amortised to compensation expense on a straight line basis over the vesting period.

Restricted stock grant activity during the period indicated as follows:

	Number of shares	Aggregate intrinsic value
Balance at May 23, 2007	—	
Granted	50,000	
Vested	—	
Expired	—	
Balance at December 31, 2007	50,000	$491,500
Granted	—	
Vested	25,000	
Expired	—	
Balance at December 31, 2008	**25,000**	**$ 15,500**
Exercisable at December 31, 2008	**25,000**	**$ 15,500**

The grant date fair value of restricted stock granted during from May 23, 2007 to December 31, 2007 was US$0.5 million.

A summary of the status of the Company's non-vested restricted stock grant as of December 31, 2008, and changes during the year, is presented below:

	Number of shares	Weighted average grant-date fair value
Balance at May 23, 2007	—	$ —
Granted	50,000	9.83
Vested	—	—
Expired	—	—
Balance at December 31, 2007	50,000	9.83
Granted	—	—
Vested	25,000	9.83
Expired	—	—
Balance at December 31, 2008	**25,000**	**$9.83**

At December 31, 2008, there was US$0.2 million (2007: US$0.4 million) of total unrecognized compensation cost related to non-vested restricted stock granted under the plan. That cost is expected to be recognized over a weighted average period of nine months. The total fair value of shares vesting during the year to December 31, 2008 was US$0.2 million (2007: US$0). The compensation recognized in operating expenses for restricted stock granted for the year ended December 31, 2008 was US$0.2 million (2007: US$0.06 million).

The Company plans to use authorized and unissued shares as well as any treasury shares to satisfy restricted stock grant exercises.

(11) RESEARCH AND DEVELOPMENT COLLABORATIONS

The Company has the following significant research and development collaborative agreement outstanding at December 31, 2008 and 2007:

Kraft

Agreement Summary

On December 5, 2006, the Company entered into a technology sublicense agreement with Kraft. Pursuant to this agreement Kraft is granted limited exclusive sublicense to use the Company's know-how and related license and patents relating to the production of "functional foods" which treat and prevent parasites in humans through additives to foods, beverages and dietary supplements. Kraft is required to use commercially reasonable efforts to pursue the achievement of milestones set out in the agreement. The project for the development of licensed products is divided into four development stages. Within each stage certain designated milestones are to be accomplished in accordance with the development and implementation priorities agreed by the parties. The Company has the obligation to fund product development with a portion of the product development funded through an upfront payment and milestone payments. The Company and Kraft agreed to negotiate a supply agreement in "good faith" after commercial launch. In addition, Kraft has agreed to pay the Company royalties for any product sales related to the "functional foods" with the Company's technology.

Accounting Summary

The Company considers its arrangement with Kraft to be a revenue arrangement with multiple deliverables. The Company's deliverables under this collaboration include an exclusive license to its parasitic technologies, research and development services, and participation on a steering committee. The Company applied the provisions of EITF 00-21 to determine whether the performance obligations under this collaboration could be accounted for separately or should be accounted for as a single unit of accounting. The Company determined that the deliverables, specifically, the license, research and development services and steering committee participation, represented a single unit of accounting because the Company believes that the license, although delivered at the inception of the arrangement, does not have stand-alone value to Kraft without the Company's research and development services and steering committee participation and because objective and reliable evidence of the fair value of the Company's research and development services and steering committee participation could not be determined.

(12) INCOME TAXES

Beginning on May 24, 2007 the Company is subject to both federal and state income taxes. For the period prior to May 24, 2007, the Company operated as a pass through entity for tax purposes and tax liability was the responsibility of its members.

The difference between the "expected" tax benefit (computed by applying the federal corporate income tax rate of 34% to the loss before income taxes) and the actual tax benefit is primarily due to the effect of the valuation allowance described below.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts utilized for income tax purposes. The tax effects of temporary differences that give rise to significant portions of deferred taxes at December 31, 2008 are presented below:

	2008	2007
Deferred tax assets:		
Accrued compensation	**$ 107,970**	$ 184,024
Deferred revenue	**—**	10,229
Provisions for book	**483,614**	—
Net operating loss and charitable contribution carry forward	**9,435,408**	3,466,894
Basis in intangibles	**4,476,372**	4,810,014
Property and equipment	**5,626**	34,409
Warrants	**—**	1,535,893
Stock compensation	**1,824,178**	762,385
Total gross deferred tax assets	**16,333,168**	10,803,848
Less valuation allowance	**(16,232,168)**	(10,771,804)
Net deferred tax assets	**101,000**	32,044
Deferred tax liabilities		
Prepaid expenses	**(101,000)**	(32,044)
Net deferred tax liability	**$ —**	$ —

At December 31, 2008, the Company had federal and state net operating loss carry forwards of US$9.4 million (2007: US$3.5 million). The federal net operating loss carry forwards begin to expire in 2027 and state net operating loss carry forwards begin to expire in 2027, if not utilized.

Management establishes a valuation allowance for those deductible temporary differences when it is more likely than not that the benefit of such deferred tax assets will not be recognized. The ultimate realization of deferred tax assets is dependent upon the Company's ability to generate taxable income during the periods in which the temporary differences become deductible. Management considers the historical level of taxable income, projections for future taxable income, and tax planning strategies in making this assessment. Management's assessment in the near term is subject to change if estimates of future taxable income during the carry forward period are reduced.

The Company is subject to the "ownership change" rules of Section 382 of the Internal Revenue Code. Under these rules, our use of NOLs could be limited in tax periods following the date of an ownership change. The Company had an ownership change during 2008 that triggered these limitations and will have a US$5.5 million limitation on NOL utilization for the next three tax years.

Given the Company does not have a history of taxable income or a basis on which to assess its likelihood of the generation of future taxable income, management has determined that it is most appropriate to reflect a valuation allowance equal to its net deferred tax assets. The total valuation allowance at December 31, 2008 was US$15.7 million (2007: US$10.8 million).

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FAS 109* (FIN 48). This statement clarifies the criteria that an individual tax position must satisfy for some or all of the benefits of that position to be recognized in a company's financial statements. The Company adopted FIN 48 on January 1, 2007. The implementation of FIN 48 had no impact on the Company's consolidated financial statements, results of operations or cash flows.

The Company recognizes both accrued interest and penalties related to unrecognized benefits in income tax expense. The Company has not recorded any interest and penalties on any unrecognized tax benefits since its inception.

(13) EARNINGS PER SHARE

Basic earnings per common share were computed by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share were determined based on the assumption of the conversion of stock options using the treasury stock method at average market prices for the periods.

	2008	2007
Loss available to common shareholders		
Net loss	**$(17,404,811)**	$(16,537,854)
Weighted average shares outstanding	**20,702,527**	19,756,955
Per share information:		
Basic and diluted loss per share	**$ 0.84**	$ 0.84

Diluted shares outstanding do not assume the conversion of stock appreciation rights or warrants outstanding of 1,670,249 (2007: 103,939) common shares as it would have an anti-dilutive effect on earnings per share.

(14) REPORTABLE SEGMENT INFORMATION

The Company's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different knowledge, skills and marketing strategies.

Information concerning the various segments of the Company for the years December 31, 2008 and 2007 is summarized as follows:

	2008	2007
Net revenues		
Pesticides	**$ 6,069,731**	$ 5,257,097
Sustainable solutions	**(130,860)**	290,000
	$ 5,938,871	$ 5,547,097
Loss		
Pesticides	**$(15,306,603)**	$(15,909,209)
Sustainable solutions	**(2,098,208)**	(628,645)
	$(17,404,811)	$(16,537,854)
Identifiable assets		
Pesticides	**$ 11,856,606**	$ 30,065,841
Sustainable solutions	**1,626,170**	319,072
	$ 13,482,776	$ 30,384,913
Depreciation and amortisation		
Pesticides	**$ 479,618**	$ 870,931
Sustainable solutions	**—**	—
	$ 479,618	$ 870,931
Capital expenditures		
Pesticides	**$ 404,626**	$ 851,802
Sustainable solutions	**—**	—
	$ 404,626	$ 851,802
Interest income		
Pesticides	**$ 442,299**	$ 758,004
Sustainable solutions	**—**	—
	$ 442,299	$ 758,004
Stock compensation		
Pesticides	**$ 3,778,525**	$ 3,754,412
Sustainable solutions	**312,306**	218,031
	$ 4,090,831	$ 3,972,443

All significant revenue and identifiable assets of the Company are currently in the United States of America.

(15) CONTINGENCIES

Litigation

In November, Molecular Securities, Inc. (“Molecular”) filed a Complaint against TyraTech, Inc. (“Company”) asserting claims for breach of contract and quantum meruit. Molecular alleges that it is owed US$2,760,470 for services it allegedly provided to TyraTech plus interest, attorneys’ fees, and costs. TyraTech strongly refutes this claim and is vigorously defending itself in the lawsuit. The Company has not recorded any liability for this lawsuit.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM) of TyraTech, Inc., (the Company) will be held on May 21, 2009 at 12.00 noon UK time at the office of Buchanan Communications, 45 Moorfields, London EC2Y 9AE. You will be asked to consider and vote on the resolutions below. All of the resolutions will be proposed as ordinary resolutions.

ORDINARY BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

1. To receive and adopt the accounts for the period ended December 31, 2008 and the reports of the Directors and auditors on them.
2. To re-elect Dr. K. Noonan as a Director serving for a term of three years.
3. To re-elect Mr. B. Riley as a Director serving for a term of three years.
4. To receive and approve the Remuneration Committee Report.
5. To re-appoint KPMG LLP as auditors of the Company until the conclusion of the next annual general meeting at which accounts are laid before the Company and to authorize the Directors to determine the remuneration of the auditors.

Stockholders of record of the Company at the close of business on April 22, 2009 are entitled to vote at the AGM and any postponements or adjournments of the meeting. A list of these stockholders is available at the offices of the Company at the following address: 1901 S. Harbor City Blvd., Suite 300, Melbourne, Florida 32901, USA.

By order of the Board

KEITH E. BIGSBY
Company Secretary
April 1, 2009

NOTES

1. Any member entitled to attend and vote at the AGM is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and, on a poll, vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he/she subsequently decide to do so.
2. In order to be valid, any form of proxy, power of attorney or other authority under which it is signed, or notarially certified office copy of such power or authority, must reach the Company's Registrars, Proxy Department, Computershare, Investor Services (Channel Islands) Limited, PO Box 83, Ordnance House, 31 Pier Road, St. Helier, Jersey JE4 8PW, not less than 48 hours before the time of the AGM or of any adjournment of the AGM.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear on the Company's register of stockholders in respect of the joint holding.
4. Copies of the letters of appointment of each of the Directors, and the register of Directors' interest in shares of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and Public holidays excluded) from the date of this notice until the date of the AGM and at the place of the AGM from at least 15 minutes prior to and until the conclusion of the AGM.

Advisors

Independent Auditors

KPMG LLP
Suite 1600
111 N. Orange Avenue
Orlando, FL 32802
USA

Legal Counsel

REED SMITH RICHARD BUTLER LLP
The Broadgate Tower
20 Primrose Street
London EC2A 2RS

Nominated Advisor, Financial Advisor and Broker

NOMURA CODE SECURITIES LIMITED
1 Carey Lane
London EC2V 8AE

Commercial Bankers

BANK OF AMERICA NA
390 N. Orange Avenue
Suite 900
Orlando, FL 32802
USA

Registrars

COMPUTERSHARE INVESTOR SERVICES (CHANNEL ISLANDS) LIMITED
PO Box 83
31 Pier Road
St. Helier
Jersey JE4 8PW
Channel Islands

Financial PR Advisor

BUCHANAN COMMUNICATIONS LIMITED
45 Moorfields
London EC2Y 9AE

Designed by Curran & Connors, Inc. / www.curran-connors.com

TyraTech, Inc.
1901 South Harbour City Blvd.
Melbourne, FL 32901

www.tyratech.com