TyraTech, Inc.

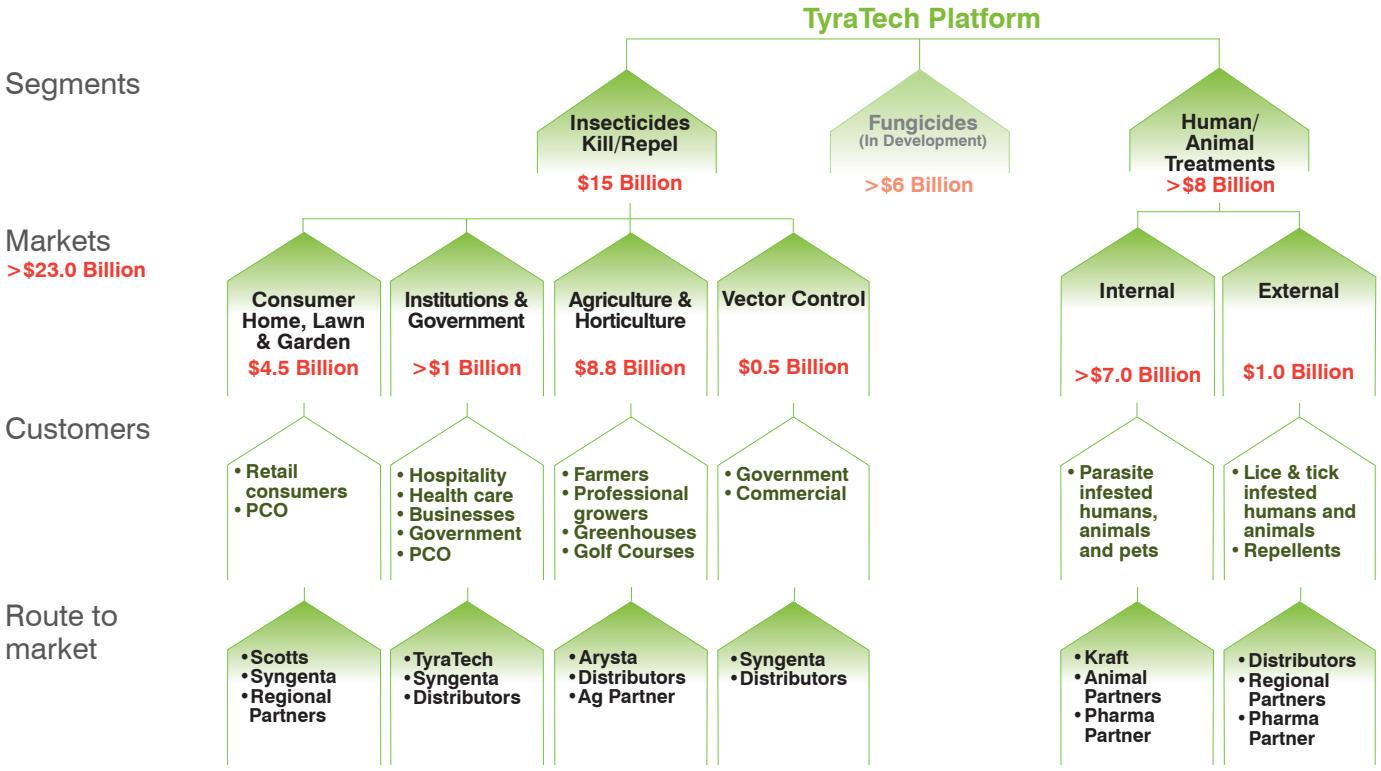
Admission Document

Placing by:

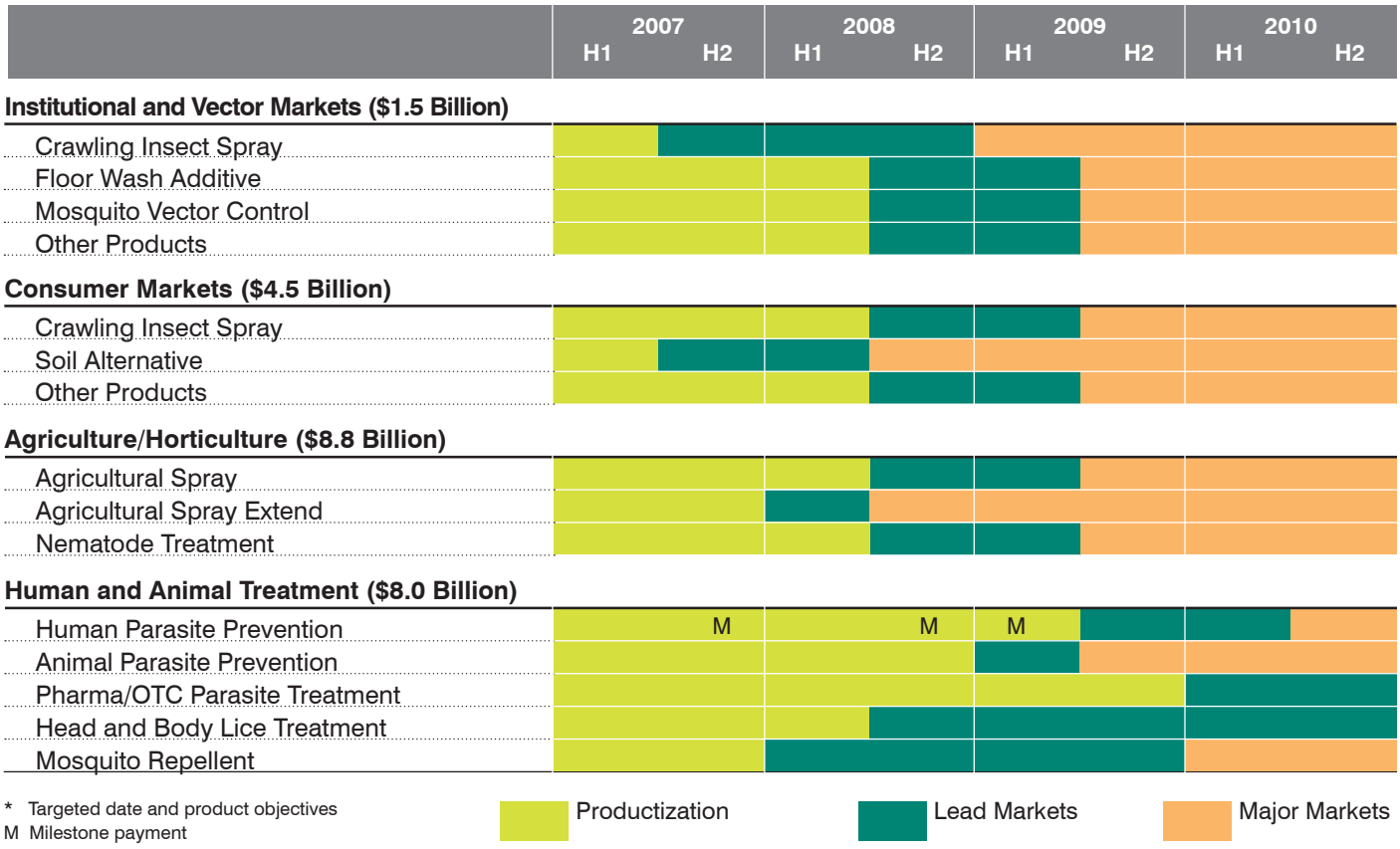
Nomura Code Securities Limited and Jefferies International Limited

Naturals that work™

The business model



Product pipeline*



* Targeted date and product objectives
M Milestone payment

Productization
Lead Markets
Major Markets

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should immediately consult a person authorised under the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities. An investment in TyraTech, Inc (''the Company'') involves a significant degree of risk, may result in the loss of the entire investment and may not be suitable for all recipients of this document.

The Directors of the Company, whose names are set out on page 9 of this document, accept responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document comprises an Admission Document drawn up in accordance with the AIM Rules. This document does not constitute an offer to the public in accordance with the provisions of section 85 of FSMA and is not a prospectus for the purposes of the Prospectus Rules.

It is expected that Admission will become effective and dealings in the Common Shares will commence on 1 June 2007.

Application has been made for the entire issued and to be issued common share capital of the Company to be admitted to trading on AIM, a market operated by the London Stock Exchange, under the symbol ''TYR''. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks involved in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for nominated advisers. The London Stock Exchange has not itself examined or approved the contents of this document.**

The whole of this document should be read. Your attention is drawn to the risk factors set out in Part V: *''Risk Factors''*, which potential investors should take into account in considering whether or not to acquire Common Shares.

TyraTech, Inc.

(incorporated in the State of Delaware, USA under the Delaware General Corporation Law)

Placing of 5,000,000 Common Shares, par value of $0.001 per share, at the Placing Price of 500p per Common Share and admission to trading on AIM

Nominated Adviser
NOMURA CODE SECURITIES LIMITED

Joint Bookrunners, Joint Lead Managers and Joint Underwriters
NOMURA CODE SECURITIES LIMITED
JEFFERIES INTERNATIONAL LIMITED

COMMON SHARE CAPITAL IMMEDIATELY FOLLOWING THE PLACING AND ADMISSION

Authorised Number		*Issued Number*
100,000,000	*Common Shares $ 0.001 par value per share*	*22,000,022*

The Common Shares have not been and will not be approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offer or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Common Shares have not been, and will not be, registered under the Securities Act, the Exchange Act, or under any US state securities laws, or qualified for distribution under any applicable securities laws in Canada, Mexico, Australia, Japan, the Republic of South Africa or the Republic of Ireland. Subject to certain exceptions, the Common Shares may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as defined in Regulation S promulgated under the Securities Act) except to qualified institutional buyers (''QIBs'') as defined in, and in reliance on, Rule 144A under the Securities Act and to certain directors and executive officers of the Company, in transactions exempt from the registration requirements of the Securities Act. The Common Shares are being offered only to non-US persons resident outside the United States in transactions exempt from the registration requirements of the Securities Act in reliance on Regulation S, to XLTG in reliance on Regulation D and to QIBs in transactions exempt from such requirements. Purchasers of the Common Shares may not re-offer, re-sell, pledge or otherwise transfer the Common Shares except in accordance with the transfer restrictions described in Part XVI: ''*Notice to Investors*''.

The Common Shares may not be offered or sold in Canada, Mexico, Australia, Japan, the Republic of South Africa or the Republic of Ireland, or to, or for the account or benefit of, any national, resident or citizen of the United States (except in the limited circumstances described herein), Canada, Mexico, Australia, Japan, the Republic of South Africa or the Republic of Ireland.

All the Common Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared, made or paid in respect of Common Shares after Admission. This document does not constitute an offer to sell or the solicitation of an offer to buy Common Shares to any person in any jurisdiction to whom or in which such offer is unlawful. In particular, this document is not for distribution in or into the United States (except in the limited circumstances described herein), Canada, Mexico, Australia, Japan, the Republic of South Africa or the Republic of Ireland. Further information regarding the significant restrictions on resale and/or transfer that are applicable to the Common Shares is set out in Part XVI: ''*Notice to Investors*''. Hedging transactions involving the Common Shares may not be conducted, directly or indirectly, unless in compliance with the Securities Act and the Company's bylaws. The Company does not currently plan to register the Common Shares under the Securities Act or the Exchange Act. In making any investment decision in respect of the Placing, no information or representation should be relied upon in relation to the Placing or in relation to the Common Shares other than as contained in this document.

Nomura Code has been appointed as nominated adviser and as broker to the Company. Nomura Code and Jefferies have been appointed as joint Underwriters, Joint Lead Managers and joint bookrunners to the Company in connection with the proposed Placing and Admission. In accordance with the AIM Rules, Nomura Code has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, to the best of its knowledge and belief, all relevant requirements of the AIM Rules have been complied with. Neither Normura Code nor Jefferies is making any representation or warranty, express or implied, as to the contents of this document. No liability whatsoever is accepted by Nomura Code or Jefferies for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible. Nomura Code and Jefferies are authorised and regulated in the United Kingdom by the Financial Services Authority. Nomura Code and Jefferies will not regard any other person as their customer or be responsible to any other person for providing the protections afforded to customers of Nomura Code and Jefferies nor for providing advice in relation to the transactions and arrangements detailed in this document.

Prospective investors should not construe the contents of this document as legal, business, financial or tax advice. Each prospective investor must rely on its own examination of the Company and the terms of the Placing, including the merits and risks involved in making an investment decision regarding the securities. A prospective investor should consult his, her or its own legal adviser, independent financial adviser, accountant or tax adviser as to legal, business, financial or tax matters and advice concerning this Placing.

Nomura Code and Jefferies will receive commissions for placing the Common Shares to investors as set out in paragraph 16.4 of Part XV ''*Additional Information*''. In addition, Nomura Code has been granted warrants in respect of 99,001 Common Shares at the Placing Price by the Company

on 25 May 2007 and Jefferies has been granted warrants in respect of 99,001 Common Shares at the Placing Price by the Company on 25 May 2007. Each of the warrants has a term of 4 years from the date of Admission. The Common Shares into which the warrants are exercisable are subject to a lock-in period of twelve months from Admission.

Except as otherwise indicated, this document speaks as of the date hereof. Investors should rely only on the information contained in this document. No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the Placing and, if given or made, such information or representations must not be relied upon as having been so authorised by or on behalf of the Company or the Joint Lead Managers. Without prejudice to any obligation of the Company to publish a supplementary admission document pursuant to the AIM Rules, neither the delivery of this document at any time nor any issue, subscription or sale made of Common Shares under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Company since the date of this document, or that the information contained herein is correct as of any time subsequent to its date.

In connection with the Placing, the Joint Lead Managers and any of their respective affiliates, acting as investors for its or their own accounts, may subscribe for and/or acquire Common Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Common Shares, any other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Common Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by the Joint Lead Managers and any of their respective affiliates acting as an investor for its or their own accounts. The Joint Lead Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The distribution of this document and the offer and sale of Common Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Joint Lead Managers that would permit a public offering of the Common Shares or to permit the possession or distribution of this document (or any other offering or publicity materials or application forms relating to Common Shares) in the UK or any other jurisdiction where action for that purpose may be required. Accordingly, neither this document, nor any advertisement or any other offering or publicity materials may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer of, or an invitation to subscribe for or purchase, any Common Shares in any jurisdiction in which such offer or invitation would be unlawful.

Further information with regard to restrictions on offers and sales of the Common Shares and the distribution of this document is set out in Part IV: ''*Details of the Placing*''; Part XIV: ''*Important Information about the Placing*'' and Part XVI: ''*Notice to Investors*''.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company or the Joint Lead Managers that any recipient of this document should purchase the Common Shares. **Each potential investor in Common Shares should determine for himself, herself or itself the relevance of the information contained in this document and any investment in Common Shares should be based upon such investigation as it deems necessary.**

Nomura Code and Jefferies may arrange for the offer and resale of Common Shares in the United States only to accredited investors in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation D and to persons reasonably believed to be QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A. Any offer or sale of shares in reliance on Rule 144A will be made by broker-dealers who are registered as such under the Exchange Act. Prospective purchasers are hereby notified that the Company may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Regulation D or Rule 144A or another exemption from the registration requirements of the Securities Act. For a description of these and certain further restrictions on the

offer, sale and transfer of the Common Shares and distributions of this document, see Part XVI: ''*Notice to Investors*''. Please note that by receiving this document, purchasers shall be deemed to have made certain representations, acknowledgements and agreements set forth herein including, without limitation, those set out in Part XIV: ''*Important Information about the Placing*'' and Part XVI: ''*Notice to Investors*''.

The Company has agreed that, so long as any of the Common Shares are ''restricted securities'' within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which the Company is neither subject to section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, furnish, upon written request, to any holder or beneficial holder of Common Shares offered hereby, or any prospective purchaser designated by such holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

IMPORTANT INFORMATION ABOUT THIS ADMISSION DOCUMENT

This document is being furnished by the Company in connection with an offering exempt from the registration requirements of the Securities Act, and is being furnished on a confidential basis to persons in the United States. The information in this document is confidential and proprietary to the Company and is being submitted to prospective investors in the Company solely for such investors' confidential use with the express understanding that, without the prior express written permission of the Company, such persons will not release this document or discuss the information contained herein, except as specifically provided below with respect to the tax treatment and tax structure of this placing, or make reproductions of or use this document for any purpose other than evaluating a potential investment in the Common Shares. Any reproduction or distribution of this document in the United States, in whole or in part, and any disclosure of its contents or use of any information herein in the United States for any purpose other than considering an investment in the Common Shares offered hereby is prohibited, except to the extent such information is otherwise publicly available. Each prospective investor, by accepting delivery of this document, agrees to the foregoing and further agrees promptly to return to the Company this document and any other documents or information furnished if the prospective investor elects not to purchase the Common Shares offered hereby. Each purchaser of Common Shares offered hereby in making its subscription will be deemed to have made certain acknowledgements, representations and agreements as set out in Part XIV: ''*Important information about the Placing*'' and Part XVI: ''*Notice to Investors*''.

This document is based on information provided by the Company and other sources that the Directors believe are reliable. Nothing in this document is, or may be relied upon as, a promise or representation by the Joint Lead Managers as to the Company's past or future performance. The information in this document is current only as of the date hereof. For any time after the date hereof, the information contained herein, including information regarding the Company's business, prospects, financial condition or results of operations, may have changed.

The Company and the Joint Lead Managers reserve the right to reject all or part of any offer to purchase the Common Shares for any reason. The Company and the Joint Lead Managers also reserve the right to sell fewer than all of the Common Shares offered by this document or to sell to any purchaser less than all of the Common Shares a purchaser has offered to purchase. This document is directed only to each person who receives it, and is not an offer to any other person or to the public generally.

Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

If you purchase the Common Shares, you agree that your purchase will constitute your representation, warranty, acknowledgment and agreement to all of the statements about purchasers in Part XIV: ''*Important information about the Placing*'' and Part XVI: ''*Notice to Investors*''.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B (''RSA 421-B'') OF THE NEW HAMPSHIRE REVISED STATUTES, ANNOTATED, 1955, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY

THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

FORWARD-LOOKING STATEMENTS

This document includes ''forward-looking statements''. All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development and rationalisation plans and objectives relating to the Company's products), or any statements preceded by, followed by or that include the words ''targets'', ''believes'', ''expects'', ''aims'', ''intends'', ''plans'', ''will'', ''may'', ''anticipates'', ''would'', ''could'' or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions, which may or may not prove accurate, regarding the Company's present and future business strategies and the environment in which the Company will operate in the future as well as the exercise of a substantial degree of judgment by management as to the scope and presentation of such information. No representations or warranties are made as to the accuracy of such forward-looking statements or estimates of future performance. Actual results achieved during projection periods may differ substantially from those projected. Among the important factors that could cause the Company's actual results, performance or achievements to differ materially from those in forward-looking statements include those factors described in Part V: ''*Risk Factors*'', Part VI: ''*Information on TyraTech*'', Part VIII: ''*Operating and Financial Review*'' and elsewhere in this document. These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by the AIM Rules.

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PART I PLACING STATISTICS AND EXPECTED TIMETABLE

PLACING STATISTICS

Placing Price (per New Common Share)	500p
Number of New Common Shares to be issued by the Company in the Placing	5,000,000
New Common Shares as a percentage of the Enlarged Issued Share Capital	22.73 per cent
Number of Common Shares in issue immediately following Admission	22,000,022
Market capitalisation at the Placing Price	£110 million ($219 million)
Gross proceeds of the Placing receivable by the Company	£25 million ($49.7 million)
Estimated net proceeds of the Placing receivable by the Company	£22.2 million ($44.1 million)
Trading Symbol for the Company	"TYR"
CUSIP	U89058108
ISIN	USU890581080
SEDOL	B1WT4G5

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	25 May 2007
Admission and commencement of dealings in the Common Shares on AIM	8:00 am on 1 June 2007
Despatch of definitive share certificates	by 8 June 2007

All references to times in this timetable are to London times. Each of the times and dates in the above timetable is subject to change.

CURRENCY CONVERSION

For the convenience of investors, and except as otherwise stated, this document contains translations of certain $ amounts into £ at a conversion rate of $1 to £0.5027, which was the rate published by the Financial Times on 24 May 2007 (being the latest practicable date prior to publication of this document). No representation is made that the £ or $ amounts referred to herein could have been or could be converted into £ or $, as the case may be, at these rates, at any particular rate or at all.

PART II DIRECTORS, SECRETARY, PRINCIPAL AND REGISTERED OFFICE AND ADVISERS

Directors

Dr Geoffrey Nicholas Vernon	Non-Executive Chairman
Dr R. Douglas Armstrong	Executive Director and Chief Executive Officer
Mr Keith Edward Bigsby	Executive Director and Chief Financial Officer
Mr Richard Keith Brenner	Executive Director
Mr Alan John Reade	Non-Executive Director
Mr Barrington Marshall Riley	Non-Executive Director
Dr Kenneth Daniel Noonan	Non-Executive Director

Company Secretary

Mr Keith Bigsby

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PART III SUMMARY INFORMATION

The following summary information does not purport to be complete and should be read as an introduction to this document. Any decision by a prospective investor to invest in Common Shares should be based on consideration of the document as a whole and not solely on this summarised information. In particular your attention is drawn to the risk factors set out in Part V: "Risk Factors".

1. Information on the Company

TyraTech is developing and commercialising proprietary insecticide and parasiticide products which incorporate unique blends of natural, plant oil derived active ingredients. TyraTech's product pipeline addresses a diversity of pesticide market opportunities in human and animal treatment, domestic homes, commercial and hospitality facilities, and farms. TyraTech is well positioned to bring these products to the market through agreements with market leaders such as Syngenta, Scotts, Arysta and Kraft, and through its own direct sales programme.

TyraTech's proprietary development platform enables rapid characterisation of potent mixtures of plant oil derived pesticides. Natural plant oils are known to have various degrees of pesticidal activity, but historically have not been as effective as synthetic-chemical based products. TyraTech's biotechnology based development platform overcomes this performance limitation with its proprietary blends of oil compounds that are specifically selected for their synergistic ability to activate multiple insect neurological and olfactory receptors that are not found in vertebrates. Using its powerful development platform, TyraTech is developing natural pesticide products to be directly used in, on and around humans and animals, as well as in the food chain. The Company has filed numerous patent applications to protect both its development platform and the effective blends of plant oils generated by that platform.

TyraTech's products are designed to target multi-billion dollar pesticide markets that include agricultural and horticultural, consumer, professional pest control, vector control (e.g. mosquitos) and human and animal healthcare applications. TyraTech's products are intended to address increasing consumer, industry and governmental demand for naturally derived insecticide and parasiticide products that are safer but work as effectively as many of the toxic chemicals that have been historically used in this industry.

TyraTech intends to generate revenues through its own product sales, partnership milestone payments, fees, and royalties, as well as through the sales of proprietary active ingredients to its partners. Currently, all revenue is substantially derived from the US and is split between exclusivity fees and negative warrant costs. TyraTech is currently preparing for the release of lead products through its partners and for its own direct sales activity. With the breadth of market segments, TyraTech has developed multiple routes to market for its products through major multinational partners, its own direct sales and regional distributors.

Based in Melbourne, Florida, TyraTech was founded by XLTG as a product of the XLTG business model to create and grow new innovative businesses. TyraTech's core intellectual property has been developed over a seven year period by TyraTech's Chief Scientific Officer, Dr Essam Enan, initially while he was at Vanderbilt University. The intellectual property for this technology, which includes the Company's development platform as well as the product composition blends generated by the development platform, has either been exclusively licensed to, or is owned by, TyraTech on a worldwide basis. Prior to Admission, XLTG and Vanderbilt own approximately 59 per cent. and 30 per cent. of the Company respectively, with employees and consultants owning the balance of approximately 11 per cent. of the Company.

2. Summary Financial Information

The following table sets out summary financial information for the Group, prepared in accordance with US GAAP for the period ended 31 December 2004, for the years ended 31 December 2005 and 2006 and the two month period ended 28 February 2007, comprising a consolidated income statement and balance sheet which have been extracted without adjustment from the financial information set out in Part X: ''*Financial Information*''.

CONSOLIDATED INCOME STATEMENTS

	Period ended 31 December 2004	Year ended 31 December 2005	Year ended 31 December 2006	Two month period ended 28 February 2007
Revenues	—	—	(265,055)	9,838
Operating expenses	594,695	3,588,700	7,103,153	2,164,616
Other expenses	—	6,995	3,822,554	455,870
Net loss	594,695	3,595,695	11,190,762	2,610,648

CONSOLIDATED BALANCE SHEETS

	At 31 December 2004	At 31 December 2005	At 31 December 2006	At 28 February 2007
Cash	—	30,609	1,656,666	655,810
Other assets	—	79,504	1,138,761	1,157,384
Total assets	—	110,113	2,795,427	1,813,194
Total liabilities	594,695	1,298,267	14,777,129	15,927,408
Members' deficit	(594,695)	(1,188,154)	(11,981,702)	(14,114,214)
Total liabilities and members' equity	—	110,113	2,795,427	1,813,194

3. TyraTech's Markets and Products

TyraTech plans to produce proprietary products that will target certain insecticide and parasiticide markets of $23 billion in annual worldwide sales. TyraTech currently has over 24 products in active development and plans to launch, or make available to its partners for launch, 6 of these within approximately the next 12 months. Through its technology, the Company is able to formulate products for use in separate market segments by exploiting relatively few potent blends of essential oils. In this way, the Company expects to efficiently and rapidly launch multiple new products into very significant markets. For example, the majority of its current insecticide product portfolio has been developed from three potent blends of essential oils.

Synthetic chemical products are currently the primary means for the abatement of invertebrate pests in the home or industry, as well as human and animal health, but use of these products is compromised by the development of insect resistance, environmental concerns, and adverse health effects in humans and animals. TyraTech's planned products are intended to overcome these issues, and through this capability, TyraTech believes that it can gain a significant market share of these existing markets as well as to create new markets.

The insecticide and parasiticide markets are predominantly served by large multi-national companies selling chemical based agents into several sub-markets including:

- consumer (home, lawn and garden);
- agriculture and horticulture;
- institutional (such as, hospitality and food service businesses and governmental facilities);
- vector control (such as malaria-bearing mosquitos);
- human and animal health and well-being.

In each of these market segments, TyraTech believes there is a recognised need for safer and efficacious pesticides that lack the toxicity profile and incidence for resistance development that are characteristic of the synthetic chemical pesticides in current use. These include organophosphates, pyrethroids, carbamates, and neonicitinoids.

TyraTech has development activities for products that will target certain fungicide markets that currently generate over $6 billion in annual worldwide sales.

TyraTech intends to sell products through its commercialisation partners as well as its own direct sales force and third party distributors. It also intends to sell the active blends to be incorporated into final products by its partners.

TyraTech's products currently fit into two categories: TyraTech Natural Products and TyraTech EXTEND Products.

4. Core Technology

TyraTech's technology originates from research to identify molecular components required for insect behavior and survival, which generated molecular targets for the development of products that may replace traditional insecticides. Insects have a highly developed olfactory system with sensitivity to substances including certain essential oils. TyraTech's proprietary technology is based on its unique development platform for the identification of both individual and combinations of compounds that can bind to sensitive G-protein coupled neurological and olfactory receptors of invertebrates (for example, insects and certain parasites). Compounds that bind to and activate these receptors have been shown to be powerful insecticides by triggering a disruption of the intra-cellular cAMP and ''calcium cascade'' pathway, that is necessary for insect function and survival. This effect results in the repelling or killing of the invertebrate.

TyraTech's technology enables a high-throughput assay that can rapidly screen many candidates a day and enables prototype active formulations to be established within several days. A particularly important capability of the technology is that it can identify compounds that not only bind to the target receptor, but also measure the level of the intracellular calcium induced by the compound, thereby providing a measure of potency.

With this capability, combinations of compounds that can interact to produce a synergistic activity are able to be rapidly identified. This involves the combination of two or more different compounds that can bind to two or more different receptors on the insect or parasite cells. The Company is seeking intellectual property protection over methods for discovery of the compounds through its development platform as well as over the composition of matter of the Company's products.

Because the selected G-protein coupled receptor targets are only found in invertebrates, mammalian toxicity is less likely to be an issue, thereby allowing TyraTech to develop products that are safer than traditional synthetic chemical pesticides.

5. Risk factors

Prior to investing in the Common Shares, prospective investors should consider the risks associated therewith. Your attention is drawn to the risk factors set out in Part V: *''Risk Factors''.*

6. The Placing

On 19 April 2007, the Company announced its intention to seek admission to AIM which is a market operated by the London Stock Exchange and which is specifically tailored to smaller, growing companies.

Pursuant to the Placing, the Company will issue 5,000,000 Common Shares at 500p per Common Share raising proceeds of approximately £22.2 million ($44.1 million), net of expenses. No Common Shares have been marketed to, nor are any available for purchase in whole or in part by, the public in the United Kingdom or elsewhere prior to Admission.

Under the Placing, which is conditional on Admission becoming effective and on the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms, 4,500,000 of the New Common Shares will be issued at the Placing Price to investors procured by the Joint Lead Managers subject only to Admission taking place. The Joint Lead Managers will subscribe for any such New Common Shares for which they are unable to procure investors. The balance of 500,000 New Common Shares to be issued pursuant to the Placing will be subscribed for by XLTG in accordance with the terms of the Subscription Agreement.

Admission is expected to take place and dealings in the Common Shares are expected to commence on AIM at 08:00 am (London time) on 1 June 2007.

7. Reasons for the Placing and Use of Proceeds

7.1 Reasons for the Placing

The Directors anticipate that the Placing will:

- raise new capital to facilitate product development and commercialisation;
- increase TyraTech's profile;
- enhance TyraTech's reputation with suppliers and customers; and
- assist in recruiting, retraining and incentivising key management and employees.

The net proceeds to the Company from the issue of the New Common Shares being offered in the Placing are estimated to be £22.2 million ($44.1 million) after deduction of underwriting commissions and other fees and expenses payable by the Company.

7.2 Use of Proceeds

The Directors intend to use the net proceeds of the Placing as follows:

- research and development;
- repayment of debt to XLTG of approximately $10.94 million;
- general working capital;
- capital expenditure;
- sales and marketing; and
- other (opportunistic technology assessment/acquisition).

8. Current trading and prospects for the Company

In the two months ended 28 February 2007, the Company generated revenues of $9,838 comprising $91,666 in exclusivity fees, resulting from $2.4 million of billings raised in 2006, most of which have been deferred. This amount has been offset by $81,828 of sales incentives in relation to warrants. In the same period, the Company incurred $2.2 million of operating expenses compared to $7.1 million of operating expenses in the year ended 31 December 2006. Operating expenditure in the two month period to 28 February 2007 primarily comprised research and development costs of $1.2 million and general and administrative costs of $0.7 million. To date, TyraTech has financed its operations through equity investment and loans from XLTG. As at 28 February 2007, the Company's net financial indebtedness was $6.8 million. Current trading is in line with the Company's expectations.

The Company has incurred significant losses since commencing commercial operations in 2004 as it has devoted substantially all of its resources to the research and development of its products. As at 28 February 2007, the Company had an accumulated members' deficit of $14.1 million. TyraTech's historical financial results reflect primarily research, development and administrative expenses. The Directors expect that these expenses will rise significantly as the Company increases headcount and invests in product development and sales and marketing.

9. Dividend policy

TyraTech is primarily seeking to achieve capital growth for its shareholders. It is the Board's intention during the current phase of the Company's development to retain future distributable profits from the business to the extent any are generated.

10. Lock-up arrangements

In accordance with the AIM Rules, the Directors and all applicable employees, XLTG and Vanderbilt will be subject to a 12 month lock-up period from Admission in respect of their Common Shares after which for a further twelve months, those shareholders can sell only through Nomura Code in order to maintain an orderly market. In total, 16,668,598 Common Shares, representing 98.05 per cent. of the existing share capital prior to the Placing, are restricted from sales for 12 months and are subject to an orderly market agreement for an additional 12 months.

PART IV DETAILS OF THE PLACING

Pursuant to the Placing, the Company will issue 5,000,000 New Common Shares, raising proceeds of approximately £22.2 million ($44.1 million), net of offering expenses of approximately £2.8 million ($5.7 million). The New Common Shares will represent approximately 22.73 per cent. of the Enlarged Issued Common Share Capital of the Company immediately following Admission. The Placing is being made (i) to certain institutional and other investors in the United Kingdom and elsewhere outside the United States who are non US persons, in reliance on Regulation S under the Securities Act, (ii) to XLTG as an accredited investor, in reliance on Regulation D under the Securities Act and (iii) in the United States only to QIBs in reliance on Rule 144A under the Securities Act or another exemption from, or transaction not subject to, the registration requirements of the Securities Act. Certain restrictions that apply to the distribution of this document and New Common Shares being issued and sold pursuant to the Placing are described below under ''Selling Restrictions''.

When admitted to trading, the Common Shares will be registered with CUSIP number U89058108, ISIN number USU890581080 and SEDOL number B1WT4G5.

Reasons for the Placing

The Directors anticipate that the Placing will:

- raise new capital to facilitate product development and commercialisation;
- increase the Company's profile;
- enhance the Company's reputation with suppliers and customers; and
- assist in recruiting, retraining and incentivising key management and employees.

Allocation and Pricing

4,500,000 of the New Common Shares to be issued pursuant to the Placing have been underwritten, subject to certain conditions, by the Underwriters in accordance with the terms of the Placing Agreement (further details of which are described below under ''Placing Agreement'' and in paragraph 16.14 of Part XV: ''*Additional Information*''). The balance of 500,000 New Common Shares to be issued pursuant to the Placing will be subscribed for by XLTG in accordance with the terms of the Subscription Agreement (further details of which are described below in paragraph 16.22 of Part XV: ''*Additional Information*''). The New Common Shares to be issued pursuant to the Placing will, on Admission, rank *pari passu* in all respects with each other and with all of the existing Common Shares, and will rank in full for all dividends and other distributions declared, made or paid on the existing Common Shares after Admission. Allocations of New Common Shares pursuant to the Placing will be determined at the discretion of the Joint Lead Managers following consultation with the Company after indications of interest from prospective investors have been received. All New Common Shares will be offered at the Placing Price.

Dealing Arrangements

The Placing is subject to the satisfaction of certain conditions contained in the Placing Agreement which are typical for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors and the Joint Lead Managers. Further details of the Placing Agreement are described in paragraph 16.14 of Part XV: ''*Additional Information*''. Admission is expected to take place and dealings in the Common Shares are expected to commence on AIM at 8:00 am on 1 June 2007. The earliest date for settlement of dealings will be 1 June 2007.

Settlement and CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instruction. **Due to restrictions on transfer under the Securities Act, however, the Common Shares must be held in certificated form for a period of at least 24 months following the Placing and so the Common Shares will not be eligible for settlement through CREST during that time.**

Accordingly, settlement of transactions in the Common Shares following Admission will not take place within the CREST system, although trades can be reported to AIM and the cash consideration can be settled using the CREST residual service.

The Company does not currently intend to apply for the Common Shares to be settled in CREST upon the expiry of this 24-month period.

Placing Agreement

Under the Institutional Placing, which is conditional on Admission becoming effective and on the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms, 4,500,000 of the New Common Shares will be issued at the Placing Price to investors procured by the Joint Lead Managers, subject only to Admission taking place. The Joint Lead Managers will themselves subscribe for any of such New Common Shares for which they are unable to procure investors. The Placing Agreement contains provisions entitling the Joint Lead Managers to terminate the Institutional Placing (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Institutional Placing will lapse and any monies received in respect of the Institutional Placing will be returned to applicants without interest. Any commissions received by the Joint Lead Managers may be retained, and any Common Shares acquired by them may be retained or dealt in by them on their own benefit. The Company has also appointed Nomura Code as nominated adviser in connection with the Placing and the application for Admission. Further details of the Placing Agreement are described in paragraph 16.14 of Part XV: "*Additional Information*".

Nomura Code and Jefferies will receive commissions for placing the New Common Shares to investors. In addition, Nomura Code has been granted warrants in respect of 99,001 Common Shares at the Placing Price by the Company and Jefferies has been granted warrants in respect of 99,001 Common Shares at the Placing Price by the Company. Each of the warrants has a term of 4 years from the date of Admission. The Common Shares into which the warrants are exercisable are subject to a lock-in period of 12 months from Admission.

Subscription Agreement

The Company has entered into the Subscription Agreement with XLTG whereby the Company has agreed to sell and XLTG has agreed to purchase 500,000 New Common Shares at the Placing Price. Further details of the Subscription Agreement are described in paragraph 16.22 of Part XV: "*Additional Information*".

Lock-Up Arrangements

In accordance with the AIM Rules, the Directors, all applicable employees, XLTG and Vanderbilt will be subject to a 12 month lock-up period from Admission in respect of their Common Shares after which for a further 12 months those shareholders can sell only through Nomura Code in order to maintain an orderly market. In total, 16,668,598 Common Shares, representing 98.05 per cent. of the Company prior to the Placing, are restricted from sales for 12 months from Admission and are subject to an orderly market agreement for an additional 12 months.

Placing Arrangements

In the United Kingdom, members of the public have not been and are not eligible to take part in the Placing. Invitations to participate in the Placing have been limited at all times (i) to persons reasonably believed by the Company to be investment professionals within the meaning of paragraph (5) of Article 19, or to be high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49, of the FSMA 2000 (Financial Promotion) Order 2005 (S1 2005/1529) and (ii) to persons who are qualified investors within the meaning of section 86(7) of FSMA.

Any offering of shares in the Company has not been and will not be notified to the Belgium Banking, Finance and Insurance Commission (Commissie Voor Het Bank, Financie-en Assurantiewezen/Commission Bancaire, Financier et des Assurances) neither has this document been nor will it be filed with the Belgium Banking, Finance and Insurance Commission. Accordingly, the Company is not and will not be authorised to conduct a public offering of shares in the Company in or from Belgium. The Common Shares offered under the Placing are offered in Belgium by private placement to a limited number of Belgian-based institutional investors as defined in article 3, 2° of the Royal Decree of 7 July 1999 on the public nature of financial transactions, in all cases under circumstances designed to preclude a distribution which would be other than a private offering. This document may not be reproduced or used for any purpose, nor be furnished to any other person other than those to whom copies have been sent.

In Switzerland, no action has been or will be taken that would permit a public offering of the Common Shares in or from Switzerland. The New Common Shares may be offered in Switzerland by private placement to a limited number of institutional investors. Accordingly, this document may be used in a private placement only and is personal to the addressee. It shall not be distributed or copied to any other person in Switzerland. This document does not represent a solicitation to the public to subscribe for Common Shares nor does it represent otherwise an offer to the public in Switzerland. This document does not represent a prospectus in the terms of articles 652a and/or 1156 of the Swiss Code of Obligations.

In Sweden, this document and its contents are only directed at persons who fall within the exemptions contained in Chapter 2, Section 4 of the Swedish Financial Instruments Trading Act (1991:1980). No action has been or will be taken in Sweden that would permit a public offering in the securities of the Company or the possession, circulation or distribution of this document or any other material. Accordingly, the Common Shares may not be offered or sold, directly or indirectly in connection with a public offering in Sweden and no sales prospectus within the meaning of the Swedish Financial Instruments Trading Act (1991:1980) has been or will be published within Sweden or approved by the Swedish Financial Supervisory Authority.

In Germany, this document and its contents are only directed at persons who fall within the exemptions for ''Qualified Investors'' contained in Article 3(2) of the German Securities Prospectus Act (Wertpapierprospektgesetz). No action has been or will be taken in the Federal Republic of Germany that would permit a public offering of the securities of the Company or the possession, circulation or distribution of this document or any other offering material. Accordingly, the Common Shares may not be offered or sold, directly or indirectly, in connection with a public offering in the Federal Republic of Germany.

In the Netherlands, this document is only addressed to and directed at (and the Common Shares will only be offered to) professional market parties within the meaning of Section 1a(3) of the Exemption Regulation pursuant to the Act on the Supervision of the Securities Trade 1995, as amended (Vrijstellingsregeling Wet Koezicht Effectenverkeer, 1995).

Selling Restrictions

The distribution of this document and the Placing in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been or will be taken in any jurisdiction that would permit a public offering of the Common Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Common Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Common Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of Common Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any of the Common Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

United Kingdom

No Common Shares have been offered or sold or will be offered or sold to persons in the United Kingdom prior to publication of this document except in circumstances which have not resulted in an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a ''relevant member state''), no Common Shares have been offered or will be offered pursuant to the Placing to the public in that relevant member state, except that offers of Common Shares may be made in that relevant member state at any time under the

following exemptions under the Prospectus Directive, if they are made in that relevant member state:

(a) to legal entities which are authorised or regulated to operate in the financial markets, or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of Nomura Code; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Common Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a relevant member state.

For the purpose of the expression ''offer of any Common Shares to the public'' in relation to any Common Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer of any Common Shares to be offered so as to enable an investor to decide to purchase any Common Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state and the expression ''Prospectus Directive'' means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

United States of America

The Common Shares have not been and will not be registered under the Securities Act or under any US state securities laws and may not be offered or sold within the United States unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the applicable US state securities laws. Accordingly, the Common Shares are being offered and sold in the United States only to accredited investors in reliance on Regulation D or to QIBs in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act and outside the United States in reliance on Regulation S. Each purchaser of the Common Shares offered in reliance on Regulation S will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used in this paragraph as defined in Regulation S):

(i) it is not a US Person or purchasing on behalf of a US Person;

(ii) it is, at the time of the offer to it of Common Shares and at the time the buy order originated, outside the United States for the purposes of Rule 903 under the Securities Act;

(iii) it is aware that such Common Shares have not been and will not be registered under the Securities Act and are being offered and sold outside the United States in reliance on Regulation S;

(iv) any offer, sale, pledge or other transfer made other than in compliance with the restrictions above shall not be recognised by the Company in respect of such Common Shares; and

(v) all hedging transactions with respect to the Common Shares will be conducted in compliance with the Securities Act.

Australia

This document has not been and will not be lodged with the Australian Securities and Investments Commission or the Australian Stock Exchange and is not a disclosure document for the purposes of Australian law. This document (whether in preliminary or definitive form) may not be issued or distributed in Australia and no offer or invitation may be made in relation to the issue, sale or purchase of any Common Shares in Australia (including an offer or invitation received by a person in Australia) and no shares may be sold in Australia, unless the offer or invitation does not need disclosure to investors under Part 6D.2 or Division 2 of Part 7.9 of the Corporations Act 2001(Cth).

Canada

The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada. Accordingly, subject to certain exceptions, the Common

Shares may not, directly or indirectly, be offered or sold within Canada, or offered or sold to a resident of Canada.

Japan

The Common Shares have not been and will not be registered under the Securities and Exchange Law of Japan and may not be offered or sold, directly or indirectly, in Japan except in circumstances that result in compliance of all applicable laws, regulations and guidelines promulgated by the relevant governmental and regulatory authorities in effect at the relevant time. No action has been taken in any jurisdiction that would permit a public offering of the Common Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purposes if required.

The distribution of this document and the offer of Common Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been taken in any jurisdiction that would permit a public offering of the Common Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purposes if required.

PART V RISK FACTORS

Any investment in the Company's Common Shares is subject to a number of risks. Before making any investment decision, prospective investors should consider carefully the factors and risks attaching to an investment in the Company's Common Shares, together with all other information contained in this document including, in particular, the risk factors described below. Additional risks and uncertainties relating to TyraTech that are not currently known to TyraTech, or that it currently deems immaterial, may also have an adverse effect on TyraTech's business. Investors should consider carefully whether an investment in the Company's Common Shares is suitable for them in light of the information in this document and their personal circumstances.

RISKS RELATING TO THE COMPANY'S BUSINESS

The Company may be unable to implement its business strategy

Although it has successfully completed development of its base technologies, development of other product opportunities is still at an early stage. There can be no assurance that any such opportunities will be successfully developed. They may require testing or other evaluation, regulatory review and approval, significant marketing efforts and substantial investment before they could provide any significant revenues, if at all. Due to the inherent risk in the formulation and development of many product types it is possible that not all of the products currently under development will successfully be launched into the market. There can be no assurance that any of those product programmes will be commercially successful for a number of reasons including:

- the technologies may not prove to be safe and effective in testing or other evaluation programmes;
- the Company may be unable to obtain regulatory approvals or exemptions from regulatory requirements for its unapproved technologies or approvals or exemptions may be narrower than sought or take longer than anticipated;
- competitors may develop more attractive products;
- additional development costs and expenses may be incurred over and above those expected by the Directors; and
- any products introduced may not be accepted in the marketplace.

The Company may not be able to market its products for a number of years and if it is unable to develop and obtain patents to protect its technology or successfully commercialise its products, it may be unable to generate sufficient revenues.

The creation, research, development and commercialisation of natural, biotechnology derived insecticides and repellents has been shown to be particularly hazardous and difficult, given the influences mentioned above.

TyraTech's ability to attract, train and retain qualified professionals is crucial to its results of operations and future growth

TyraTech's success depends to a significant degree upon its ability to attract and retain qualified management, scientific, technical, marketing and sales personnel and upon the continued contributions of such management and personnel. TyraTech's employees may voluntarily terminate their employment at any time. There is no guarantee that TyraTech will be successful in attracting and retaining qualified executives, scientists and personnel. The loss of any of TyraTech's key personnel may have a material adverse effect on the future of TyraTech's business. In particular, an emerging business such as TyraTech must recruit and develop levels of management to manage the process of research and development, product identification, formulation and strategic marketing, advertising and selling in selected marketplaces. TyraTech may be in competition with other companies for qualified personnel. This competition is intense and there are a limited number of persons with knowledge appropriate to, and experience within, the biotechnology and pesticide industries. The process of locating such personnel with a combination of skills and attributes required to enable TyraTech to carry out its strategy is often lengthy. The Company's Chief Financial Officer has recently joined the Company and a number of members of the Company's senior management team have not worked together previously. A period of integration is required following the employment of additional personnel and this may affect the Company's operations and profitability and its business may be hindered.

The Company has experienced negative cash flow and operating losses since its formation in 2004 and may incur significant operating losses in future. In addition, prospective investors will not have any basis upon which to evaluate the Company's ability to achieve its business objective

To date the Company has been dependent on equity contributions and loans from XLTG and has not been able to sustain an independent commercial existence. The Company has experienced negative cash flow and operating losses in each year since its incorporation with retained losses of $11.2 million for the 12 months ended 31 December 2006, $3.6 million for the 12 months ended 31 December 2005 and $594,695 for the period ended 31 December 2004. The business model already adopted by the Company, which the Directors intend to follow after Admission is such that it expects to incur further substantial operating losses in the current and future financial years as its development and commercialisation activities continue. There can be no assurance that the Company will ever earn significant revenues or achieve profitability, which could impair its ability to sustain operations or obtain any additional funds it may require in the longer term. The Company has until now concentrated on research and development activities and has not yet reached the point at which it is ready to begin to commercialise its products. Even if it is successful in formulating products, securing marketing authorisations and finding commercial partners there is no certainty that returns, revenues or profits will be sufficient to sustain operations or obtain any required additional funding. This could result in investors losing all or a part of their investment in the Common Shares. Prospective investors should note that the risk highlighted in this paragraph is considered to be a medium to long term risk and is not designed or intended to qualify the Company's working capital statement.

TyraTech's products are subject to all of the risks inherent in the establishment of a business enterprise based on emerging products. The Company intends to continue to invest to develop its manufacturing, sales and marketing capabilities and expand its geographic presence. However, the Company cannot be certain that its business strategy will be successful. The Company's operating results may fluctuate and losses may occur due to slower than anticipated adoption of its products, the loss of key employees, the development, manufacture and introduction of new product offerings or changes in the cost of manufacturing its products.

TyraTech may not be able to predict or meet customer preferences or demand accurately or in a timely manner

TyraTech may not be able to produce or meet the preferences or demands of its customers in an accurate or timely manner. The products which the Company has in development are untried and untested in their concept and underlying technology. In addition, the full nature and scope of the market that can be created or differentiated from the synthetic product offerings currently available is unknown.

TyraTech's profitability will depend on its ability to introduce new products into a new market place. There is no certainty that, despite the superiority claims for the products in development that the Company hopes that its research and development will substantiate and support, consumers will find such products more attractive than the products currently available to them or that having regard to consumer preferences, pricing and other such issues that these products will commercially displace those products already well known and acceptable to consumers. The Company incurs substantial expenses in developing new products and the delay or cancellation of TyraTech product launches may affect its ability to recover those expenses. Accumulated costs in research and development were $8.9 million as at 28 February 2007. Novel formulations in the insecticide and parasiticide fields identified as having potential activity and commercial possibility are not certain to the market. In general only a small proportion of products on which expenditure in research and development is incurred are able to recover that expenditure.

The Company incurs significant expenses in developing new products, and the delay or cancellation of a product launch may affect its ability to recover these expenses

TyraTech will largely depend on its partners' marketing, development, and distribution efforts to recognise revenue. Under agreements made in 2006, intellectual property rights (patents and know-how) have been licensed to several companies to permit them to manufacture and commercialise in specified territories certain products within TyraTech's product range. Such licences are on a exclusive basis so that TyraTech is completely dependent on each licensee to perform its obligations in marketing and selling the particular products in those territories. If and to the extent that each licensee fails or is unable to reach expected sales levels in its territory, TyraTech's

revenue (arising from product sales and/or royalty payments) could be seriously affected. Delays in its research programmes may lead to the delay or cancellation of a product launch. Any such failures or delays could limit its ability to generate revenues. Any additional products TyraTech may develop will require significant research, development and trials and commitment of resources before commercialisation.

TyraTech operates in a highly competitive industry with significant barriers to entry

TyraTech operates in a highly competitive industry with significant barriers to entry which include, cost effectiveness, product aesthetics and competition with established brands. There are relatively few players in the pesticide, parasiticidal treatment and agricultural-chemical industries and these industries are currently dominated by very large companies with significant brand recognition. In the case of the pesticide industry, these companies include SCJ and Scotts Miracle-Gro. In the agricultural-chemical industry, these companies include BASF, Dow Chemicals, Bayer, Monsanto and Dupont. In the area of treatment of parasites, these companies include large pharmaceutical companies such as Pfizer, GSK and Johnson & Johnson. In addition, the Company's products will compete with a number of smaller companies focussing on natural products. Even if TyraTech's products can be successfully developed there can be no assurance that its products will be able to gain market share or make any inroads to the market positions held by the companies which currently dominate these markets. Nor is there any certainty that TyraTech's product will develop levels of consumer appeal or be differentiated in any way from the suppliers of natural insecticides and parasiticides. In either case, the ability of the Company to create revenues of any significance could be seriously threatened.

TyraTech's business depends on the continuous innovation of its scientific teams. If TyraTech fails to successfully introduce new products or respond to developments in the pesticide industry, its business, financial condition and results of operations may be adversely affected

TyraTech's business depends on the continuous innovation of its scientific and research personnel. If TyraTech is unable to recruit and retain scientists of appropriate skills and experience its ability to continue to screen and develop promising compounds from its technologies may be impaired and product launches may be limited or delayed accordingly.

If TyraTech fails successfully to introduce new products or respond to developments in the pesticide industry its business, financial condition and results of operations may be adversely affected. The products in development are thought to have significant benefits over the currently available range of products based on synthetic chemistry, but TyraTech may not be able to persuade consumers of such benefits nor to identify and formulate from its technologies products which will meet competitively consumer preferences. Many factors influence the adoption of new products, including marketing and distribution restrictions, adverse publicity, product pricing as well as the introduction of competing products. Even if its products achieve market acceptance, the market may not be large enough to allow TyraTech to generate significant revenues and the failure of TyraTech's products to be acceptable in the market would prevent it from ever generating meaningful revenues.

TyraTech is subject to competitors who may develop more advanced and less expensive technology

TyraTech is reliant on its core technology platform and is subject to competition from competitors who may develop more advanced and less expensive technology both for its existing products and for those products currently under development. TyraTech's products are targeted at markets where a number of competing commercial products may already be available and where competitors may also have new products in development. In relation to future products, the competitors mentioned above may precede the Company in commercialising, developing and receiving regulatory approval for their products and competitors may also succeed in developing products that are even safer, more effective or more economically viable than products developed by TyraTech. Competitors may have greater research, development, marketing, financial and personnel resources, which may result in commercial successes that could render TyraTech's technology and products obsolete or otherwise non-competitive. Similarly, changes in attitudes towards forms of insecticide products may adversely affect the commercial prospects and success of TyraTech's products. In addition, there can be no assurance that TyraTech's products will be favoured over existing products. There can be no assurance that Tyratech's future products, even if approved for marketing, will achieve commercial success and generate significant future revenues for TyraTech.

Reliance on strategic partners

TyraTech relies on a number of relationships including relationships with academic institutions and corporations for networking, development technologies, or entering into license or partner agreements. Any benefits that are received by TyraTech through these relationships are dependent upon these relationships continuing. The termination of these relationships could restrict TyraTech's growth and materially and adversely affect TyraTech's ability to identify new business opportunities, provide technical solutions or commercialise products. Any of TyraTech's present or future partners may not perform their obligations as expected. These strategic partners may breach or terminate their agreements with TyraTech or otherwise fail to conduct their collaborative activities successfully and in a timely manner.

TyraTech has outlicenced a portion of its intellectual property rights to Kraft, Syngenta and Arysta and will depend on their marketing and development efforts to recognise revenue

TyraTech has entered into, and may in the future enter into, collaboration or partnering arrangements with additional third parties for the development and commercialisation of its products. The Company will be exposed to certain risks relating to these arrangements. Collaboration or partnering arrangements may place the development of product programmes outside of its control, may require it to relinquish important rights or may otherwise be on terms unfavourable to it. TyraTech will depend on its partners' marketing and development efforts to recognise revenue. Certain of the Company's intellectual property rights (patents and know-how) have been licensed to several companies respectively to permit them to manufacture and commercialise in specified territories certain groups within the Company's product range. Such licences are on a exclusive basis so that TyraTech is completely dependent on each licensee to perform its obligations in marketing and selling the particular products in those territories. If and to the extent that each licensee fails or is unable to reach expected sales levels in its territory, TyraTech's revenue (arising from product sales and/or royalty payments) could be seriously affected. For future product programmes, TyraTech may be unable to locate, and enter into favourable agreements with suitable third parties which could delay or impair its ability to develop and commercialise product programmes and could increase its costs of development and commercialisation.

Dependence on collaboration or partnering arrangements will subject TyraTech to a number of risks, including that:

- it may not be able to control the amount and timing of resources that its collaborators/ partners devote to the product development programme;
- its collaborators may experience financial difficulties;
- it may be required to relinquish important rights such as marketing and distribution rights;
- business combinations or significant changes in a collaborator or partner's business may adversely affect that collaborator's/partner's willingness or ability to complete its obligations under any arrangement;
- a collaborator or partner could move forward with a competing product developed either independently or in collaboration with others, including TyraTech's competitors; or
- collaboration and partnering arrangements can be terminated by the third party resulting in it having to find an alternative collaborator or partner or having to develop and exploit the product itself.

TyraTech outsources its manufacturing to Millennium and may encounter manufacturing or supply shortages and other difficulties

TyraTech outsources its manufacturing exclusively from Millennium and may encounter manufacturing or supply shortages or other difficulties. The arrangement with Millennium requires Millennium exclusively to manufacture and supply finalised products based on TyraTech's technologies and TyraTech is thereby entirely reliant on Millennium for product supplies. Communicating with outside parties can be challenging potentially leading to difficulties in co-ordinating activities. A third party supplier may have staffing difficulties, may undergo changes in priorities or may become financially distressed, all adversely affecting its willingness or ability to supply products of appropriate quality and volume. TyraTech may experience unexpected cost increases that are beyond its control. Problems with the timelines or quality of work of a third party supplier may lead TyraTech to seek to terminate the relationship and use an alternative supplier.

However, making such a change may be costly and could produce interruptions in supply. Additionally, contractual restrictions may make such a change difficult or impossible. It may, in any event, be impossible to find a replacement supplier. TyraTech's dependence on a third party manufacturer may reduce its profit margins and delay or limit its ability to commercialise its products on a timely and competitive basis.

Failure to anticipate technological, legislative and regulatory changes may put Tyratech at a competitive disadvantage

While the Directors believe that TyraTech currently has an operating advantage, the markets that TyraTech's products address are significant and its existing and future competitors may have an interest in developing competing products within these markets. In addition, legislative or regulatory changes may require TyraTech to adapt or redevelop its products. The biocides market is highly competitive and it is essential that TyraTech continues to invest in research and development and in expert resources both for technology and for advice on legislation and regulation. TyraTech intends to continue to develop new products however a failure by it to anticipate technological, legislative and regulatory changes may put it at a competitive disadvantage and there can be no assurance that its products will not be superseded by competing products developed through new technologies or resulting from legislative or regulatory changes.

Failure in TyraTech's technology could significantly disrupt its proposed operations

TyraTech's products are still evolving, are complex and may change rapidly. Undiscovered defects could delay or cancel their development. Problems may be discovered from time to time in existing or future products which could lead to loss of revenues or delays in bringing products to market whilst such problems are resolved.

There are numerous steps and processes involved in completing commerciable products from TyraTech's active oil blends.

There is a risk that identified active compounds may have issues in the formulation and blending process which may adversely affect stability or aesthetic quality of the products. Given the speed of the TyraTech platform to identify alternative synergistic components and the fact that issues in blending would be identified very early on in the prototype development stage, the risk of delay is limited.

TyraTech's business exposes its products to potential product liability risks

TyraTech's business may expose it to potential product liability risks which are inherent in the research, development, manufacturing, marketing, sale and use of its products and future products. Although TyraTech has never had any product liability claims in the past, TyraTech has product liability insurance in place. While the Directors believe the current levels of coverage are sufficient for its current products, there can also be no assurance that the level of insurance carried, now or in the future, will be adequate to cover the financial damages resulting from a product liability claim or judgement. Any product liability claim or judgement which exceeds TyraTech's insurance coverage limits could have a material adverse effect on the business, financial condition, results of operations and cash flows. Insurance coverage is increasingly expensive and TyraTech may not have and it may not be able to maintain adequate protection against potential liabilities. If TyraTech is unable to maintain insurance at acceptable cost or otherwise protect against potential product liability claims, it will be exposed to significant liabilities, which may materially and adversely affect its business and financial position.

TyraTech's products are subject to various US, European and other legislative and regulatory requirements

TyraTech's products are subject to various US, European and other legislative and regulatory requirements. If TyraTech or its third party manufacturers fail to satisfy legislative and regulatory requirements this could result in the imposition of sanctions on TyraTech, including fines, injunctions, civil penalties, import bans, delays, suspension or withdrawal of approvals, licence revocation, seizures or recall of products, operating restrictions and criminal prosecutions, any of which could materially harm TyraTech's product development and commercialisation efforts. Legislative changes or regulatory reform in the countries in which TyraTech operates may also affect TyraTech's ability to sell its products profitably or at all. Further, the Company may not be successful in securing regulatory approval for devices or products it may develop in the future. Any of or a combination of these factors could have a material adverse effect on TyraTech's business, financial condition and results of operations.

The Company's international operations expose it to risks

Some of the ingredients contained within TyraTech's products are sourced from outside the US and because TyraTech intends to sell a substantial portion of its products outside the US, it is subject to additional risks related to operating in foreign countries. TyraTech expects that it will require significant management attention to develop its international sales channels. In addition, its international operations will be subject to a number of risks, including fluctuations in currency exchange rates; export license requirements; tariffs; taxes and other trade barriers; difficulties in protecting intellectual property and trade know-how; compliance with existing and future foreign government regulations and technical standards; difficulties in collecting international accounts receivable; compliance with applicable export controls; and political and economic instability.

TyraTech is subject to inventory risks because it produces its products based on forecasts continue to place purchase orders with sub-contract manufacturers before orders from its customers are received

TyraTech will make forecasts and place purchase orders with its sub-contractors for its pesticidal products before it receives purchase orders from its own customers. This will limit TyraTech's ability to react to fluctuations in demand for its products and may cause TyraTech to have a shortage, or an excess, at any given time. As a result of the variations in lead time for ordering and obtaining the components and services required to produce Tyratech's products, TyraTech may from time to time be unable to meet customer orders, which could have a material adverse effect on Tyratech's business, financial condition and results of operations.

Research and Development

TyraTech's research plan is still evolving. The Company is currently focusing on delivery against its development plans with its partners and distributors.

The blends developed by TyraTech are not completely selected for a specific pest organism and may cause toxicity to non-target, beneficial invertebrates. Broadly, conventional insecticides are also non-specific. TyraTech is planning to target more specifically by cloning target and non-target organism receptors and screening for efficacy against one but not the other.

Insects may develop resistance to the blends. TyraTech has shown no change in insecticidal activity in five generations of a flying insect. Longer trials are in progress as well as early evaluation with other insects.

Manufacturing

The quality of the raw ingredients will fluctuate depending upon the source of the ingredient and the suppliers. The Company can use the screening platform to identify discrepancies in the initial assessment process of the raw materials.

The price of raw materials and the supply will fluctuate. TyraTech's proposes to use multiple external suppliers to minimise the dependency and spread its risk of supplies.

Inconsistency and blend variability may occur. The Company is in the process of expanding overall quality systems.

RISKS RELATING TO INTELLECTUAL PROPERTY AND LITIGATION

The failure of TyraTech's patents, trade secrets and confidentiality agreements to protect its intellectual property may adversely affect its business

TyraTech is the owner, or co-owner, of intellectual property rights, including patents, trade marks, designs, copyright, trade secrets and confidential information, details of which are set out in Part VI: ''*Information on TyraTech*'' and XIII: ''*Patent Agent's Report*''. Whilst it may apply from time to time to register additional patents, trade marks, designs and copyright and take reasonable steps to protect its trade secrets and confidential information, TyraTech's ability to compete effectively with other companies depends, amongst other things, on the adequate protection of intellectual property rights owned by or licensed to it. There can also be no assurance that patents will be issued in connection with any of its applications now pending or which may be applied for in the future, or that the lack of any such patents will not have a material adverse effect on TyraTech's ability to develop and market its proposed products or that third parties will not misappropriate Tyratech's trade secrets and confidential information. There can be no assurance as to the ownership, validity or scope of any patents in which TyraTech has an interest or that claims relating to such patents will not be asserted by other parties or that, if challenged, such patents will

not be revoked. Even if patent protection is obtained, no assurance can be given that TyraTech will successfully commercialise the product or technology prior to expiry of the patent protection. It is also not certain that extensions of patent protection (patent term extensions, supplementary protection certificates or their equivalent around the world) will be available at the end of the term of patents currently in existence so as to provide patent protection during the initial period in which products are marketed.

No assurance can be given that patents, if and when granted, will be sufficiently broad in their scope to provide commercially meaningful protection for TyraTech's intellectual property rights against third party competitors. There can be no assurance that competitors have not developed or will not develop substantially equivalent products or techniques or otherwise gain access to TyraTech's technology or that they will not secure patent protection in priority to the subject of any patent application made by TyraTech. Even if competitors do not successfully challenge such patents, there can be no assurance that they will not be able to design around the inventions claimed in such patents or develop unique technologies or products providing similar effects, which may decrease Tyratech's future potential revenues.

To the extent that TyraTech's intellectual property rights are infringed, litigation may be necessary to protect its intellectual property rights, which could result in substantial costs to, and diversion of efforts by, TyraTech with no guarantee of success. TyraTech's products may, in the future, be used in the developing world where intellectual property enforcement may be inadequate. TyraTech may be prohibited from preventing (for example due to the application of relevant laws within a territory aimed at promoting competition) or otherwise unable to prevent (for example, due to the cost of enforcement action) parallel imports into a given territory of products sold by it or its licensees or partners in another territory. Further, in territories in which it is unable to obtain adequate intellectual property protection or to enforce its intellectual property rights, TyraTech may be unable to prevent the manufacture of products equivalent to its products by a third party or the sale of such products by a third party.

A failure adequately to protect its intellectual property rights may prevent Tyratech from developing or commercialising product programmes. This may have material and adverse consequences to TyraTech's financial position.

TyraTech may be unable to adequately protect its proprietary information and know-how

In addition to its patented technology, TyraTech relies upon unpatented proprietary technology, processes and know-how. Tyratech has confidentiality agreements in place with customers, suppliers and employees who have access to its proprietary information and know-how, but such agreements may be breached and TyraTech may not have adequate remedies for such breach. In addition, TyraTech's trade secrets may otherwise become known or be independently developed by competitors. If certain parts of TyraTech's proprietary information and know-how were to become public knowledge, then the value of TyraTech's products could be adversely affected which could have a material adverse effect on TyraTech's business, financial condition and results of operations.

TyraTech's business may be adversely affected by the intellectual property rights of third parties

Although TyraTech has not been notified that its development platform or products infringe any third party intellectual property rights, there is a risk that TyraTech is infringing, or may in the future infringe, the proprietary rights of third parties. Other parties might have been the first to make the inventions covered by TyraTech's pending patent applications or might have been the first to file patent applications for these inventions. In addition, because the patent application process can take several years to complete, there may be currently pending applications, unknown to TyraTech, that may later result in issued patents that cover the production, manufacture, commercialisation or use of its products. Further, the production, manufacture, commercialisation or use of products may infringe patents of which TyraTech is not aware.

Defending TyraTech against third party claims, including litigation in particular, would be costly and time consuming and would divert management's attention from TyraTech's business, which could lead to delays in product development or commercialisation efforts. If third parties are successful in their claims, TyraTech may have to pay substantial damages or take other actions that are adverse to its business. As a result of intellectual property infringement claims, or to avoid potential claims, TyraTech may:

- be prohibited from selling or licensing any product that it may develop unless the patent holder licenses the patent to it, which the patent holder may not be required to do;
- be required to pay substantial royalties or grant a cross license to its patents to another patent holder; or
- be required to redesign the formulation of a product so it does not infringe, which may not be possible or could require substantial further development, funds and time.

Dr Enan was previously a consultant to EcoSmart

Dr Essam Enan has directed TyraTech's R&D since its inception in 2004 and has been the Company's Chief Science Officer since 2006. He is the inventor of the core technology that forms the technical foundation of TyraTech. He was also named as an inventor on patent cases assigned to one of TyraTech's competitors, EcoSmart Technologies Inc. Dr Enan ceased to be a consultant to EcoSmart in mid-2001. TyraTech's patent strategy is to avoid patent claims which are contained in the EcoSmart portfolio and TyraTech and its advisers are unaware of any grounds giving rise to a concern that EcoSmart has any rights under the patents assigned or licensed to the Company by Vanderbilt University or developed by TyraTech itself, arising from the former relationship of Dr Enan with EcoSmart or Vanderbilt. However there remains the possibility that when the Company's products are introduced to the market, EcoSmart may seek to claim rights to some aspects of the Company's technology or that the Company's products or their identification, development, formulation or production infringe EcoSmart's rights. Such claims could delay the marketing and sale of the products or demand expenditure on legal and other resources.

A portion of TyraTech's technology anticipated to be developed in the future will be licensed from Vanderbilt, and the majority of its research and development activities occur in a laboratory owned and operated by Vanderbilt

TyraTech's technologies are based on a development platform which enables it quickly to evaluate natural ingredient combinations by utilising a proprietary screening process developed at Vanderbilt. Vanderbilt has protected that technology by filing patent applications which, up until the Admission Date, have been exclusively licensed to the Company under an exclusive licence agreement. As of the Admission Date, ownership of the issued patent and all existing patent applications existing under the licence agreement as of the Admission Date, have been assigned to the Company and the license agreement has been further amended in order to remove all licence fees and to relate only to any existing unpatentable intellectual property as well as any new patentable or unpatenable inventions which may be developed by Vanderbilt under the sponsored research agreement with the Company provided that such future inventions by Vanderbilt under the sponsored research agreement are dominated by the previously invented intellectual property. In such event, the new inventions will be added to the licence agreement without further consideration by the Company. The second amended and restated licence agreement grants rights to the Company to use that technology but contains a number of restrictions on the use of those rights and entitles Vanderbilt to terminate the licence upon the occurrence of certain events. Additionally, Vanderbilt may terminate the licence if the Company becomes insolvent, files or has filed against it a petition for reorganisation or insolvency, makes an assignment for the benefit of its creditors or other similar events. There can be no assurance that, whether justified or not, Vanderbilt would not seek to exercise its rights to terminate the licence agreement which could have the effect of seriously disrupting TyraTech's development activities.

In addition, the screening platform used at Vanderbilt is being transferred to the Company's facilities in Melbourne, Florida together with equipment and personnel. There is no certainty that the current levels of screening activity will be capable of being reproduced when transferred.

RISKS RELATED TO REGULATORY MATTERS

EU regulatory regime is uncertain

The uncertainty of the EU regulatory regime may cause unexpected delays or result in significant cost to TyraTech in bringing its products to market.

TyraTech could be subject to heightened regulatory approval for functional foods and products that will come into contact with humans

TyraTech could be subject to heightened regulatory approval for functional food products being developed by Kraft. The current schedules build in a 2 year regulatory approval process, which may be too pessimistic or too optimistic, depending on geography. For head lice treatment

products, there is a risk that the claims made in relation to the product lengthen the regulatory process and increase costs of developing and launching the product.

Regulatory investigations and litigation may lead to fines or other penalties

There is a risk that TyraTech would face regulatory investigation as a result of any of its products, if there were data errors in the submission documents or if new data came out that impacted the claims or safety profile of the product.

TyraTech's ability to introduce certain of its products to market is dependent on successful completion of clinical trials and regulatory approval process

Insecticide and parasiticide products are subject to a regulatory approval process in the US, in Europe and other parts of the world which is extremely expensive and can take years to complete. Failure to obtain or maintain regulatory approval could result in the inability to market and sell such products. Of particular importance is the requirement, applicable in most territories, that an approval to market a biocide in the relevant territory, or an exemption from it, be obtained from the relevant regulatory authority. Such approval would usually require the collection and evaluation of data relating to the quality, safety, efficacy or performance of the product candidate for its proposed use. The time necessary to obtain regulatory approval varies among products and between the US, Europe and the rest of the world and is affected by numerous factors many of which are beyond TyraTech's control. There can be no assurance that regulatory clearance for the product or, indeed, for trials at each stage and approval for TyraTech's product candidates still in development will be forthcoming without delay or at all.

Insecticides or pesticides are subject to lengthy and vigorous investigation and other extensive, costly and time-consuming trials and procedures mandated by the competent regulatory authorities. Each regulatory authority may impose its own requirements and may refuse to grant, or may demand additional data before granting, an approval notwithstanding that regulatory approval may have been granted by other authorities.

The products in development may produce unexpected side effects or serious adverse effects which could interrupt, delay or halt trials and could result in the regulatory authorities denying approval for any intended uses. There can be no assurance that any of TyraTech's product candidates will ultimately prove to be safe for their intended use.

Any delay in completing trials or other forms of evaluation will delay TyraTech's ability to generate revenue from product sales and it may have insufficient capital resources to support its operations.

Even if TyraTech receives regulatory approvals, once marketed the products may exhibit adverse effects that limit or prevent their widespread use or that cause the products to lose their authorisations and to have to be withdrawn. A marketed insecticide or pesticide continues to be subject to strict regulation after approval. Changes in applicable legislation and/or regulatory policies or discovery of problems with the product, production process, site or manufacture may result in delays in bringing products to market, the imposition of restrictions on the product's sale or manufacture, including possible withdrawal of the product from the market, or may otherwise have an adverse effect on the business.

RISKS RELATING TO THE COMPANY'S FINANCIAL POSITION

There is no certainty of the Company achieving future revenue or profitable operating results

The Company plans to expand its business activities by raising capital and investing a portion of it in several new and emerging products and markets for which little historic trading information exists. As a consequence, the Company's future revenue is difficult to forecast. As a result of the rapidly evolving nature of the Company's business, together with the Company's limited operating history, the Directors believe that any period to period comparisons of financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. The Company's results may fluctuate from period to period, as a result of a variety of factors and may not achieve profitability.

The Company does not expect to pay dividends for the foreseeable future

To date, the Company has neither declared nor paid any dividends and the Company currently intends to retain any future earnings for funding growth. The Company does not anticipate paying any dividends in the foreseeable future. The Company does not have any distributable profit, and may not therefore be entitled to pay any dividends in respect of Common Shares for a

considerable period of time. Similarly, certain provisions of Delaware law impose restrictions on the payment of dividends and other distributions based upon factors such as the amount of capital available to the Company and the current assets and liabilities of the Company. As a result, investors should not rely on an investment in Common Shares to provide dividend income. Capital appreciation, if any, of Common Shares may be Shareholders' sole source of gain for the foreseeable future.

The Company is exposed to foreign exchange fluctuations

As a consequence of the intended international nature of its business, the Company will be exposed to risks associated with foreign currency exchange rates. The proceeds of the Company's fundraising are expected to be in pounds sterling. The Company's corporate headquarters are located in the US and it presents financial statements in US dollars. The Company expects its future revenues to be denominated in several currencies, in particular the US dollar and Indian Rupees. Therefore, movements in foreign currency exchange rates may have an impact on the Company's reported results of operations, financial position and cash flows that are not necessarily related to the Company's results of operations. To date, the Company has not entered into any currency transactions to hedge its fixed costs exposures, nor has it any plans to do so, although it may enter into such transactions in the future. However, the Company cannot assure investors that such hedging transactions will be available at a reasonable cost or will be successful in reducing these exposures. Any losses incurred in connection with such hedging transactions could have a material adverse effect on the Company's results of operations or financial condition.

TyraTech may require access to additional funding in the future, and if TyraTech fails to obtain such funding, TyraTech may need to delay, scale back or eliminate the development and commercialisation of some of the current or future products

The amount and timing of any expenditures needed to implement the Company's development and commercialisation programmes will depend on numerous factors, which could include:

- higher costs and slower progress than expected to develop products or services, or obtain regulatory exemptions or approvals;
- lower revenues than expected from commercialised products or services;
- unexpected opportunities to develop additional promising product or service candidates or to acquire technologies or other businesses;
- costs incurred to file, enforce or protect patents or other intellectual property rights; and
- costs incurred to sustain technological and market developments, scale-up manufacturing and effectively commercialise TyraTech's products or services.

If the proceeds of the Placing, together with future revenues, are not sufficient to finance TyraTech's development and commercialisation programs to take TyraTech to a position where it generates cash, additional funds may be required. There can be no assurance that additional funds will be available on a timely basis, on favourable terms, or at all, or that such funds, if raised, would be sufficient to enable TyraTech to continue to implement its business strategy. If TyraTech is unable to raise additional funds through equity or debt financing, it may need to delay, scale back or eliminate expenditures for some of its development and commercialisation programmes, or grant rights to third parties to develop and market products or services that it would otherwise prefer to develop and market itself, thereby reducing their ultimate value to TyraTech.

The Company's future operating results will be highly dependent on how well it manages the expansion of its operations

The Company may experience periods of rapid growth in the number of its customers and in the number of products it supplies. This, in turn, would likely necessitate an increase in the number of the Company's employees, its operating and financial systems, sub-contract manufacturers and the geographic scope of its operations. This growth and expansion may place a significant strain on the Company's financial, management and other resources. To manage its expanded operations effectively, TyraTech will be required to continue to improve its existing operational, financial and management processes and to implement new systems. TyraTech will be reliant upon distribution sales, particularly as it expands its operation and is therefore dependent on such distribution to achieve growth and expansion of its operations.

TyraTech may issue equity or debt securities to finance its continuing operations, which may dilute the interests of its Shareholders or present other risks

Whilst the Directors are of the opinion that TyraTech has sufficient working capital for its present requirements, the Company may decide at some future time to issue additional Common Shares or debt securities to fund the growth plans of TyraTech. Any such issue of Common Shares would dilute the interests of Shareholders and the issue of Common Shares or debt securities could impact upon the price of the Common Shares.

Application of proceeds from the Placing may not increase the Company's profits or share price

The Directors will have considerable discretion in the application of the net proceeds of the Placing. Potential investors will not have the opportunity to assess whether the proceeds are being used appropriately. Potential investors must rely on the judgment of the Directors regarding the application of the net proceeds of the Placing. The net proceeds may be used for corporate purposes that do not increase the Company's profitability or increase its share price. Furthermore, the net proceeds of the Placing may be placed in investments that fail to produce income or that could lose value. See also Part VII: ''*Reasons for the Placing and Use of Proceeds*''.

RISKS RELATING TO THE PLACING, THE COMMON SHARES AND THE CAPITALISATION OF THE COMPANY

The Common Shares have not been registered under the Securities Act and there are restrictions on transfer under the Securities Act

The Common Shares have not been registered under the Securities Act. The Common Shares are being offered (i) only to non-US persons outside the US in transactions exempt from the registration requirements of the Securities Act in reliance on Regulation S (as described in Part IV: ''*Details of the Placing*''), (ii) to XLTG, an accredited investor, in reliance on Regulation D or (iii) to QIBs pursuant to Rule 144A. Without registration, the Common Shares may not be offered, sold or delivered in the US or to, or for the account or benefit of, any US Person except in a transaction exempt from or not subject to the registration requirements under the Securities Act. Only the Company is entitled to register the Common Shares under the Securities Act and the Company has no obligation to do so. The Company can give no assurances that an exemption from registration under the Securities Act will be available to any purchasers of Common Shares. The Common Shares will bear a legend describing restrictions on transfer to US Persons. Each subscriber for Common Shares, by subscribing for the Common Shares, agrees to re-offer or resell them only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration. The above restrictions severely restrict purchasers of Common Shares from reselling the Common Shares in the United States or to a US Person. The Common Shares will not be admitted for trading on NASDAQ or on any other US stock exchange in connection with the Placing.

The Company may be exposed to securities registration and compliance costs

An increase beyond a certain number of holders of record of Common Shares worldwide as a result of trading in Common Shares that occurs following the Placing could cause the Company to become subject to certain registration and filing requirements of the SEC pursuant to the Exchange Act. Generally, a company will be subject to such registration and filing requirements if, as of the end of its fiscal year, any class of its equity securities are held of record by more than 500 holders worldwide and the company has more than $10 million in total assets. Compliance with the Exchange Act would result in the Company being required to file periodic and certain other reports with the SEC describing its results of operations and certain other corporate events. In addition, the Company would, as a result, become subject to the corporate governance provisions of the Sarbanes-Oxley Act of 2002. Required compliance with any of the foregoing would result in increased costs to the Company and demands upon the Company and its resources, and would require management to spend time focusing on matters other than the Company's primary operations.

The share price may be highly volatile

The share price of publicly traded emerging technology companies can be highly volatile. The price at which the Common Shares will be quoted and the price at which investors may realise their Common Shares will be influenced by a large number of factors, some specific to the Company,

and some of which may affect the quoted biotechnology and/or insecticide sectors or quoted companies generally, and many of which are outside the control of the Company. These include:

- actual or anticipated results of safety studies, trials or other human-use studies;
- actual or anticipated regulatory approvals of technology or biotechnology products or services, or of competing products or services;
- changes in law or regulations applicable to technology or products or services;
- changes in the expected or actual timing of development programs;
- actual or anticipated variations in periodic operating results;
- announcements of technological innovations by the Company or its competitors;
- new products or services introduced or announced by the Company or its competitors;
- changes in financial estimates or recommendations by securities analysts;
- conditions or trends in the relevant industries;
- changes in the market valuations of similar companies;
- announcements by the Company of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and the Company's ability to obtain, maintain and defend patent protection for its technologies and to avoid infringement of third party intellectual property rights; and
- trading volume of the Common Shares.

In addition, the stock market in general, and the market for technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. These broad market and industry factors may seriously harm the market price of the Common Shares, regardless of its operating performance.

Admission to AIM should not be taken as implying that there will be a liquid market for the Common Shares. Prospective investors should be aware that they may not be able to resell any Common Shares purchased at or above the Placing Price or at all.

The Company's outstanding warrants may have an adverse effect on the market price of its Common Shares

Following the Placing, the Company will have 954,572 warrants outstanding, which will entitle the holders to purchase an aggregate of 954,572 Common Shares. Exercise of the warrants may result in dilution of Shareholders' holdings. Moreover, to the extent the Company issues additional Common Shares as consideration in connection with any acquisition or other transaction, the existence of outstanding warrants could make the Company's offer less attractive because of the potential dilution following the exercise of such warrants. In addition, the existence of the warrants could have an adverse effect on the market price for the Company's securities and on its ability to obtain future financing.

Provisions in the Company's certificate of incorporation and bylaws may discourage an acquisition of it

The Company is incorporated under the laws of the state of Delaware, and the rights of Shareholders are governed by the DGCL and by the Company's certificate of incorporation and Bylaws. These shareholder rights may differ from the typical rights of shareholders in the UK and other jurisdictions. These rights are more particularly described in paragraph 6 of Part XV: "*Additional Information*". In addition the Common Shares are not listed on any US stock exchange and for this reason, certain investor protection rules afforded by the Securities Act will not apply with respect to the Company.

The UK's City Code on Takeovers and Mergers does not currently apply to the Company and therefore a takeover of the Company would be unregulated by the UK's Panel on Takeovers and Mergers.

Shareholders outside of the UK may not be able to exercise pre-emptive rights for their Common Shares

In the case of an increase in the issued share capital of the Company, Shareholders will be entitled to pre-emptive rights pursuant to the Certificate of Incorporation, unless waived by a resolution of the Shareholders at a general meeting. To the extent that pre-emptive rights are not waived, US holders of the Common Shares may not be able to exercise pre-emptive rights in respect of their Common Shares unless a registration statement under the Securities Act is effective with respect to such rights, or an exemption from the registration requirements thereunder is available in the US. The Company intends to evaluate at the time of any rights issue or similar offering the costs and potential liabilities associated with compliance with such laws and regulations, as well as the direct and indirect benefits arising from such an offering before making a decision as to how to proceed and whether to seek compliance with such laws and regulations. The Company can not assure holders of Common Shares outside of the UK that any such offering and compliance with such laws would be in the best interests of the Company and that such an offering will be made to such shareholder.

Some of the members of the Board reside outside the United States, which may present difficulties in attempting to serve process, initiate civil or criminal actions or enforce judgments against them in the United States

The Company is incorporated under the laws of the state of Delaware and its assets are located outside the UK. There is no convention or treaty between the US and the UK governing the recognition and enforcement of judgments. A US judgment cannot automatically be enforced in the UK and neither can a UK judgment in the US. The only way to enforce a US judgement in the UK is to treat the US judgment as a debt, make a claim in the courts and then try to seek summary judgment in respect of such claim. A UK judgment may be enforced against a US company in the UK, provided the US company has assets in the UK.

There can be no assurance that an active trading market for the Common Shares will develop or, if it develops, will continue

Prior to the Placing, there was no public market for the Common Shares. The Common Shares are expected to be listed on AIM. However, the Company can give no assurance that an active trading market for the Common Shares will develop or, if it develops, continue. The Placing Price may not be indicative of the market price for the Common Shares at any time following Admission. If an active trading market does not develop or continue, the liquidity and trading price of the Common Shares could be adversely affected. If there is a long-term decline in the price of the Common Shares, it would adversely affect the Company's ability to access the capital markets and to pursue future business plans, such as expansion of its operations or possible acquisitions in order to acquire new technologies and/or market shares.

XLTG exercises considerable influence over the Company, and its interests may conflict with those of other Shareholders

Upon completion of the Placing, XLTG will own approximately 47.92 per cent. of the Enlarged Issued Share Capital. XLTG's interests may conflict with those of other Shareholders. XLTG's business model is to develop, foster and institutionalise new businesses such as the Company's. Generally, a business such as that of the Company will operate independently of a direct controlling interest following Admission. However, XLTG has previously, and may in the future continue to have, significant influence in the selection of senior and executive management and directors of the Company. XLTG will be able to exercise significant control over all matters requiring shareholder approval, which could delay or prevent an outside party from acquiring or merging with the Company. The ability of XLTG to prevent or delay these transactions could cause the price of the Common Shares to decline.

Substantial future sales of Common Shares could adversely affect the market price of Common Shares

Following the Placing and Admission, there will be 22,000,022 Common Shares in issue and there will be outstanding warrants exercisable for the issue of a further 954,572 Common Shares (representing 4.34 per cent. of the Enlarged Issued Share Capital). Sales, or the possibility of sales, of substantial numbers of Common Shares in the public or private market by the Company's existing Shareholders following the Placing could have an adverse effect on the market trading prices of the Common Shares. While certain of the Directors and other Shareholders have agreed

to certain restrictions on the offer, sale, pledge or disposal of Common Shares for various limited periods of time following the date of Admission without the prior written consent of the Joint Lead Managers, as described in Part IV: ''*Details of the Placing*'' and Part XV: ''*Additional Information*''. Upon the expiration of these lock-up arrangements a large number of additional Common Shares will become available for sale. Approximately 78 per cent. of the Enlarged Issued Share Capital at Admission will be subject to lock-up arrangements.

PART VI INFORMATION ON TYRATECH

The financial information in this Part VI for the period ended 31 December 2004, the two years ended 31 December 2005 and 2006 and the two month period to 28 February 2007 has been extracted without material adjustment from the Financial Information in Part X: "Financial Information".

1. COMPANY OVERVIEW

TyraTech is developing and commercialising proprietary insecticide and parasiticide products which incorporate unique blends of natural, plant oil derived active ingredients. TyraTech's product pipeline addresses a diversity of pesticide market opportunities in human and animal treatments, domestic homes, commercial and hospitality facilities, and farms. TyraTech is well positioned to bring these products to the market through agreements with market leaders such as Syngenta, Scotts, Arysta and Kraft, as well as through its own direct sales program.

TyraTech's proprietary development platform enables rapid characterisation of potent mixtures of plant oil derived pesticides. Natural plant oils are known to have various degrees of pesticidal activity, but historically have not been as effective as synthetic-chemical based products. TyraTech's biotechnology based development platform overcomes this performance limitation with its proprietary blends of oil compounds that are specifically selected for their synergistic ability to activate multiple insect neurological and olfactory receptors that are not found in vertebrates. Using its powerful development platform, TyraTech is developing natural pesticide products to be directly used in, on and around humans and animals, as well as in the food chain. The Company has filed numerous patent applications to protect both its development platform and the effective blends of plant oils generated by that platform.

TyraTech's products are designed to target multi-billion dollar pesticide markets that include agricultural and horticultural, consumer, professional pest control, vector control (e.g. mosquitos), and human and animal healthcare applications. TyraTech's products are intended to address increasing consumer, industry and governmental demand for naturally derived insecticide and parasiticide products that are safer but work as effectively as many of the toxic chemicals that have been historically used in this industry.

TyraTech intends to generate revenues through its own product sales, partnership milestone payments, fees, and royalties, as well as through the sales of proprietary active ingredients to its partners. Currently, all revenue is substantially derived from the US and is split between exclusivity fees and negative warrant costs. TyraTech is currently preparing for the release of lead products through its partners and for its own direct sales activity. With the breadth of market segments, TyraTech has developed multiple routes to market for its products through major multi-national partners, its own direct sales and regional distributors.

Based in Melbourne, Florida, TyraTech was founded by XLTG as a product of the XLTG business model to create and grow new innovative businesses. TyraTech's core intellectual property has been developed over a seven year period by TyraTech's Chief Scientific Officer, Dr Essam Enan, initially while at Vanderbilt. The intellectual property for this technology, which includes the Company's development platform as well as the product composition blends generated by the development platform, has either been exclusively licensed to, or is owned by, TyraTech on a worldwide basis. Prior to the Placing, XLTG and Vanderbilt own approximately 59 per cent. and 30 per cent. of the Company respectively, with employees and consultants owning the balance of approximately 11 per cent. of the Company.

2. TYRATECH'S MARKETS AND PRODUCTS

TyraTech plans to produce proprietary products that will target certain insecticide and parasiticide markets of $23 billion in annual worldwide sales. TyraTech currently has over 24 products in active development and plans to launch, or make available to its partners for launch, 6 of these within approximately the next 12 months. Through its technology, the Company is able to formulate products for use in separate market segments by exploiting relatively few potent blends of essential oils. In this way, the Company expects to efficiently and rapidly launch multiple new products into very significant markets. For example, the majority of its current insecticide product portfolio has been developed from three potent blends of essential oils.

Synthetic chemical products are currently the primary means for the abatement of invertebrate pests in the home or industry, as well as human and animal health, but use of these products is compromised by the development of insect resistance, environmental concerns, and adverse health effects in humans and animals. TyraTech's planned products are intended to overcome these issues, and through this capability, TyraTech believes that it can gain a significant market share of these existing markets as well as to create new markets.

The insecticide and parasiticide markets are predominantly served by large multi-national companies selling chemical based agents into several sub-markets including:

- consumer (home, lawn and garden);
- agriculture and horticulture;
- institutional (such as hospitality and food service businesses and governmental facilities);
- vector control (such as malaria-bearing mosquitos); and
- human and animal health and well-being.

In each of these market segments, TyraTech believes there is a recognised need for safer and efficacious pesticides that lack the toxicity profile and incidence for resistance development that are characteristic of the synthetic chemical pesticides in current use. These include organophosphates, pyrethroids, carbamates and neonicitinoids.

TyraTech has development activities for products that will target certain fungicide markets that currently generate over $6 billion in annual worldwide sales.

TyraTech intends to sell products through its commercialisation partners as well as its own direct sales force and third party distributors. It also intends to sell the active blends to be incorporated into final products by its partners.

TyraTech's products currently fit into two categories: TyraTech Natural Products and TyraTech EXTEND Products.

2.1 TYRATECH NATURAL PRODUCTS

TyraTech Natural Products will contain a mixture of active ingredients which are derived from plant oils, the components and relative percentages of which have been selected by the Company's technology with reference to their synergistic activity against the targeted insect or parasite.

TyraTech Natural Products are particularly suitable for:

- human and animal treatments;
- use in areas with heavy human contact;
- use in areas where food is transported, stored or processed;
- markets which need all-natural active ingredients; and
- overcoming pesticide resistance by insects.

2.2 TYRATECH EXTEND PRODUCTS

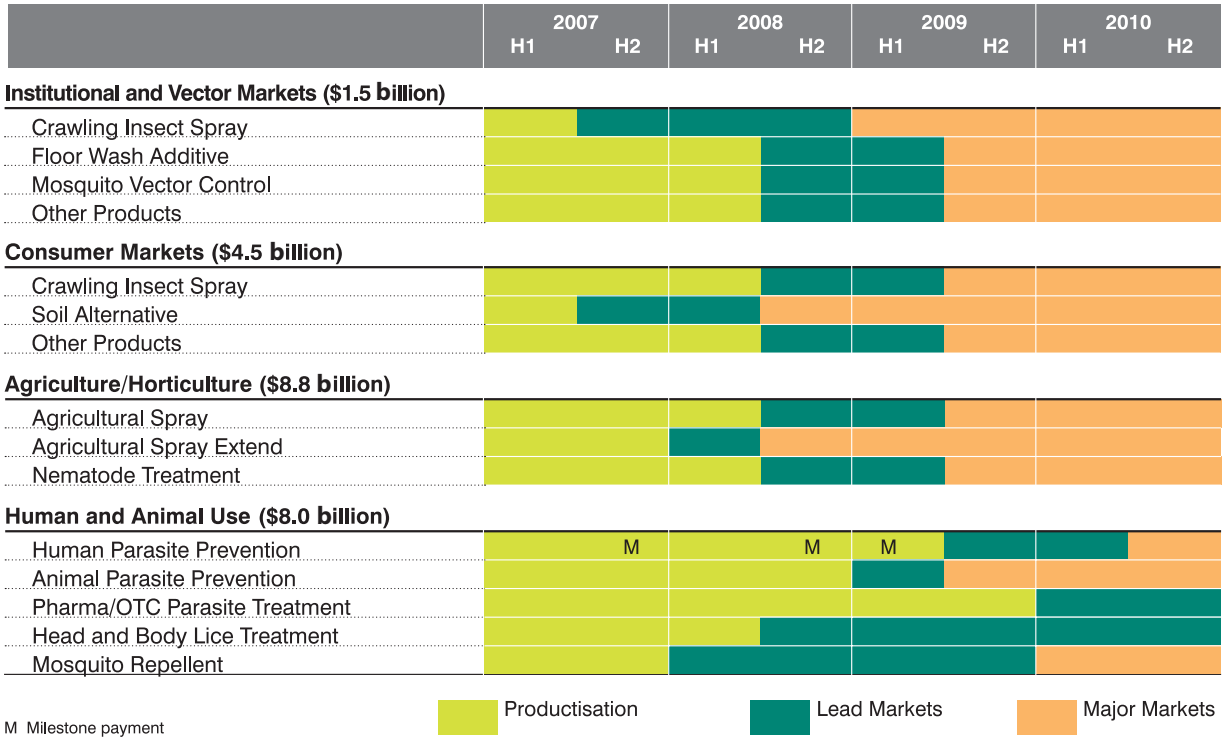
TyraTech EXTEND Products are based on a synergistic combination of selected natural active ingredients with selected synthetic pesticide compounds (which can be generic or proprietary to TyraTech's partners).

TyraTech EXTEND Products are intended to expand the market and partnering opportunity for TyraTech by:

- reducing the concentration of active ingredients needed to achieve a set efficacy, with associated improved profit margin;
- extending the useful life of existing synthetic compounds by overcoming pesticide resistance by insects;
- extending patent life for existing synthetic compounds; and
- providing highly potent pesticides for use in outdoor areas that do not have heavy human contact (such as fields, or in wide-spread rural spraying).

The following table summarises the main products which TyraTech is developing:

Table 1: TyraTech's targeted product pipeline



2.3 INSTITUTIONAL AND VECTOR CONTROL MARKET AND PRODUCTS

TyraTech believes that the market size for the institutional segment is approximately $1 billion in annual sales. TyraTech defines the institutional market for insecticides as both professional pest management operations, which are generally commercial businesses licensed to use and apply certain regulated chemical pesticides, and institutions such as hotels and motels, restaurants, cruise ships, general businesses and other establishments dedicated to hospitality and food service that manage pesticide treatment themselves. The institutional segment also includes governmental markets such as buildings, schools and prisons.

TyraTech's target institutional customers need to control a wide variety of insects and pests, and are restricted from using many of the synthetic and other chemical pesticides in busy public-use areas, as well as in areas used for food preparation and storage. Due to the level of human and animal exposure, this segment is well suited to the TyraTech Natural Product line. In addition to common household and garden insects, institutions have additional problems with insects such as drain flies, bed bugs and lice that reflect negatively on their operations.

TyraTech's own research suggests that at least one quarter of the institutional insecticide market is represented by institutions that either use or would use (if a product for use without a license was available) in-house operations for pest control. TyraTech plans to enter the institutional marketplace through two paths – to the licensed professional pest management organisations with products marketed by TyraTech's partner, Syngenta, and to self-treating businesses and distributors with products that are marketed directly by TyraTech.

The vector control segment addresses the market for products used by governmental agencies and commercial organisations such as resorts and golf courses to control vector-carrying insects like mosquitoes.

TyraTech believes that the worldwide market size for the vector control segment is approximately $500 million in annual sales. Governments (national and local) represent the major customers for this segment. TyraTech intends to use partners and regional distributors to reach these customers. TyraTech has partnered with Syngenta for certain geographic territories, and has distributor relationships in India with Accudigm and in Mexico with Terra Quest.

2.3.1 TyraTech Products Addressing the Institutional and Vector Control Market

2.3.1.1 TyraTech Natural Crawling Insect Spray – Institutional

This proposed product is an EPA registration exempt broad spectrum TyraTech Natural Product packaged in a ready-to-use trigger spray bottle for use on common crawling and flying insects such as cockroaches and ants.

This product is in its final development stage with the active ingredient blend determined and formulation complete.

2.3.1.2 TyraTech Natural Crawling Insect Spray – Concentrate

This proposed product is an EPA registration exempt TyraTech Natural Product delivered in large volume containers, to be diluted by the end user for use in institutional spray equipment as broad spectrum insecticide for crawling and flying insects such as cockroaches and ants. It is a similar formula to the trigger spray product described above, but is delivered in a different package for institutional use. It is in the same development stage as the trigger spray product.

2.3.1.3 TyraTech Natural Floor Wash Additive

This proposed product is an EPA registration exempt TyraTech Natural Product delivered as a concentrate to be used as an additive to commercial cleaning and sanitising floor wash products to add broad spectrum insecticidal capabilities. This product enables cleaning, sanitising and insecticide delivery in one application step by non-licensed employees and is designed to fit into existing sanitising routines within institutions.

This product will enter field testing during the middle of 2007. TyraTech intends to complete the US registration process and offer this product to its lead reference customers for testing during 2007.

2.3.1.4 TyraTech Vector Control Spray

This TyraTech Natural Product is being developed to be delivered as a fumigant or spray to kill mosquitoes in all stages of their life cycle. Two forms of this product are in development: one led by TyraTech's partner, and the other by TyraTech for its commercialisation through country-specific distributors, including Accudigm in India and Terra Quest in Mexico. This proposed product has been successfully laboratory tested and should enter field testing in Mexico during the second half of 2007.

2.3.1.5 TyraTech EXTEND Vector Control Spray

This proposed product is a formulation of natural active ingredients and a conventional chemical insecticide that can be applied as a commercial large area larvicide or adulticide to kill mosquitoes in all stages of development. This combination product is in the early development stage. Field testing is expected to be commenced by the first half of 2008.

2.3.1.6 Other Products in Development

A TyraTech EXTEND Crawling Insect Spray is under development for the institutional market. This proposed product is a co-development effort between TyraTech and its partners, and is in the early stages of development.

TyraTech is developing other products for the institutional market which include: an aerosol spray incorporating TyraTech Natural Product for focused application of broad spectrum insecticide for insects such as cockroaches and ants; a device to be placed in floor drains to kill drain flies; products for eradication/prevention of bed bugs; and a hanging sachet for repelling/killing flying or crawling insects inside human occupied spaces.

2.4 CONSUMER HOME, LAWN AND GARDEN MARKET AND PRODUCTS

TyraTech estimates that the worldwide consumer insecticide market (including mosquito repellents) is worth approximately $4.5 billion, which can be divided into the $3.0 billion crawling insect control market and the $1.5 billion defined space insect protection.

The consumer insecticide market is a higher margin market per unit of active ingredient than either the agricultural or institutional markets. EPA data shows that the average market price paid for active ingredient in the consumer insecticide market is $76 per lb, whereas the average market

price for active ingredients in the agricultural insecticide sector and the PCO markets are $18 per lb and $34 per lb respectively.

This family of products includes trigger-spray and aerosol-spray delivery mechanisms and other delivery mechanisms such as soil substitutes containing pesticides that can be used as insect barriers around the house.

TyraTech believes that the consumer market desires high safety levels (because of use around people and pets), quick knockdown and killing of insects to satisfy consumer requirements for fast action, and easy access to the products through local retail channels.

TyraTech is developing a range of products for this market.

2.4.1 TyraTech Products Addressing the Consumer Market

2.4.1.1 TyraTech Natural Crawling Insect Spray – Consumer

This proposed product will be an EPA registration exempt TyraTech Natural Product formulation packaged in a trigger spray bottle for use against common crawling and flying insects such as cockroaches, ants and houseflies.

This product is being developed alongside TyraTech's institutional crawling insect spray products. The product is in the late development stage with the final active ingredient blend determined and ready for formulation. TyraTech intends to complete final product formulation, packaging and applicable registration in co-development with its marketing partners.

2.4.1.2 TyraTech Soil Alternative

This proposed product will be a soil alternative designed for use as a new horticultural growing medium, to be used either in that application or mixed with a TyraTech Natural insecticide blend to form a pest resistant growing medium. Use of this product is intended as a sustainable low cost substitute for peat and other soil alternatives. As such, it can be used for consumer home and garden applications, professional greenhouses and horticultural farming.

Prototypes of this product have been produced, tested and successfully shown to provide for new plant growth equivalent or better than currently available planting materials. TyraTech will be looking for a partner for this product in 2007. TyraTech also expects to sell this product into the professional horticulture market through distributors under its own brand.

2.4.1.3 Other TyraTech Consumer Products

A TyraTech EXTEND crawling insect spray is under development for eventual sale through its consumer partners. This product will be packaged in a trigger spray bottle or aerosol can for focused application on common crawling and flying insects such as cockroaches, ants and houseflies.

TyraTech has other consumer products in the development stage, which include an aerosol version of the insect spray; various area repellents for flying or crawling insects inside the home or other human-occupied spaces; an insecticide floor wash additive and insecticide lawn granules.

2.5 AGRICULTURE AND HORTICULTURE MARKET AND PRODUCTS

TyraTech estimates that the global agricultural and horticulture insecticide market is worth $8.8 billion, of which $1.5 billion is attributable to North America (of which approximately $750 million is for horticulture). TyraTech estimates that the $3.0 billion market in the Far East region is the largest agricultural and horticultural insecticide market. TyraTech estimates that Latin America, Europe and other markets each contribute approximately $1.5 billion in sales.

The horticultural insecticide market achieves a higher margin market per unit of active ingredient than the agricultural market. Expenditure on insecticides in the horticulture expenditure per acre under cultivation is much higher than in agriculture, indicative of the higher market value of horticulture crops.

2.5.1 TyraTech products addressing the agriculture and horticulture markets

TyraTech is developing a range of products for the agricultural and horticultural market, that are designed to address the major market need for products with reduced levels of chemicals,

improved safety profiles and the ability to overcome or prevent resistance. The current proposed products in development are:

2.5.1.1 TyraTech Natural Agricultural and Horticultural Pesticides

These TyraTech Natural Products will include EPA exempt and non-exempt active ingredients in insecticides to be incorporated into final commercial insecticide products by TyraTech's partners, for application to control insects such as white flies, thrips, aphids and mites. The lead products are undergoing field testing by TyraTech's partners, in preparation for final formulation into partner finished products.

2.5.1.2 TyraTech EXTEND Agricultural and Horticultural Pesticides

These proposed products will be aimed at controlling insects such as white flies, thrips, aphids and mites.

The first marketed product of the TyraTech EXTEND product line will be delivered as a concentrate for mixing together with the conventional synthetic insecticide at the user's location. This approach has the advantage of a faster regulatory path as the TyraTech blend has only EPA exempt active ingredients. Later versions will be combined into existing synthetic products by TyraTech's partners, to create updated versions of current branded partner products. These products are in the early development phase.

2.5.1.3 TyraTech Natural Nematode Treatment

The nematode treatment product is a TyraTech Natural blend that is designed to be used for the eradication of soil nematodes, other insects, fungi and soil-borne diseases. TyraTech has completed successful testing to show potency of the lead products active ingredients. It is being developed as a replacement product for methyl-bromide, a highly toxic, but effective nematode treatment that is being increasingly restricted from use.

2.6 HUMAN AND ANIMAL HEALTH AND WELL-BEING

2.6.1 Ingested products: Human parasitic prevention and treatment

Although infections by intestinal parasites have plagued man for centuries, there are currently no prophylactic products to keep people completely free from these parasites for long periods of time. Treatment with drugs, rather than prevention, has been a primary method for addressing this problem.

Helminths play a detrimental role in children under 15 years of age, particularly in developing countries, and can cause malnutrition, anemia, susceptibility to infections and cognitive impairment. Current treatment programs are not able to break the cycle of re-infestation as they cannot be administered on a regular basis due to their potential toxicity and resistance issues. The traditional treatment is to purge the sufferer's alimentary canal every six to twelve months. While this treatment eliminates the helminth infestation, re-infestation typically occurs quickly because of the environmental conditions where the sufferer lives. TyraTech believes there is a strong need for a product that is safe to administer on a daily basis, prevents re-infestation, keeps people continuously free from helminths and breaks the infection/re-infestation cycle permanently.

Parasiticide treatments currently in broad use include albendazole (GSK), mebendazole (Johnson & Johnson), pyrantel pamoate (Pfizer), praziquantel (Bayer) and piperazine (generic).

Despite many years of government sponsored and non-governmental supported helminth eradication programs, it has been reported by the World Health Organisation that more than 2 billion people around the world are infected with intestinal parasites. Currently the only way for countries to prevent infection is to focus on improving public sanitation, making potable water readily available to the masses and education programs that describe the problem and how to avoid it. Unfortunately, these measures are beyond the financial resources of most of the developing countries that bear the heaviest areas of helminth infestation. The worldwide value of all anti-parasitic human treatment products is $610 million. However, TyraTech believes that this is a small fraction of the potential market for preventative products. TyraTech estimates that the market size for such a new product should be over $7 billion if treatment costs only $0.01 per day per infected, or potentially infected, person.

TyraTech has established an exclusive co-development partnership with Kraft for a functional food product that incorporates proprietary TyraTech Natural blends and which is intended to be consumed on a daily basis to keep an individual free from helminths.

TyraTech and Kraft intend to make this functional food available through Kraft's food supply chain particularly in the developing world. In this way, it is anticipated that a high proportion of patients will be able to access treatment at an affordable price and significantly improve their health.

Tyratech's functional food technology offers a competitive advantage over pharmaceuticals products, as these can only be offered at a clinic, are limited in their distribution to patients due to their price and can not be used chronically due to their known toxicity.

TyraTech has completed the first animal tests to demonstrate the anti-parasitic activity of the TyraTech Natural product with a successful treatment result. TyraTech and Kraft have formed multi-disciplinary project teams and are already deploying over 50 personnel for this project. They have established the lead target markets and development plan, and have completed initial discussion with governments to assist with regulatory requirements and market entry.

2.6.2 Topical Products: Head and Body Lice

TyraTech estimates that the global head and body lice market is estimated to be worth approximately $300 million. A leading line of marketed prescription products used to contain the chemical lindane, which has now been banned in 52 countries and the state of California as the result of its toxic, and potentially carcinogenic, side effects. The market is seeking alternative and effective treatment of head and body lice.

TyraTech Natural Products prototypes have been shown to be extremely effective at killing head lice, with human test results showing a 100 per cent. kill for adult head lice, as well as eggs. Development stage product formulations include both shampoo and lotion approaches. TyraTech expects to go to market through partnerships with regional pharmaceutical partners and the final end-product formulations are expected to be developed by TyraTech's partners. TyraTech is evaluating early market entry in India and Mexico through government-led programs. In the US and EU, TyraTech intends to use a development and marketing partner to lead the registration and marketing of a prescription or OTC product.

2.6.3 TyraTech Insect Repellents

TyraTech estimates the market for personal insect repellent market is worth $500 million. TyraTech Natural blends have been formulated with various carriers for personal application to the skin or clothing to repel mosquitoes and other insects. These products are intended to provide an effective alternative to the DEET-containing products which are currently widely used. Field testing is underway with formulations of this product that do not require registration in the countries in which they are being tested, and TyraTech expects to initiate sales in the first of these countries in 2008. Other non-exempt formulations are under development for world-wide applications.

2.6.4 Other Products

TyraTech is developing a range of products for the human and animal health and well-being market:

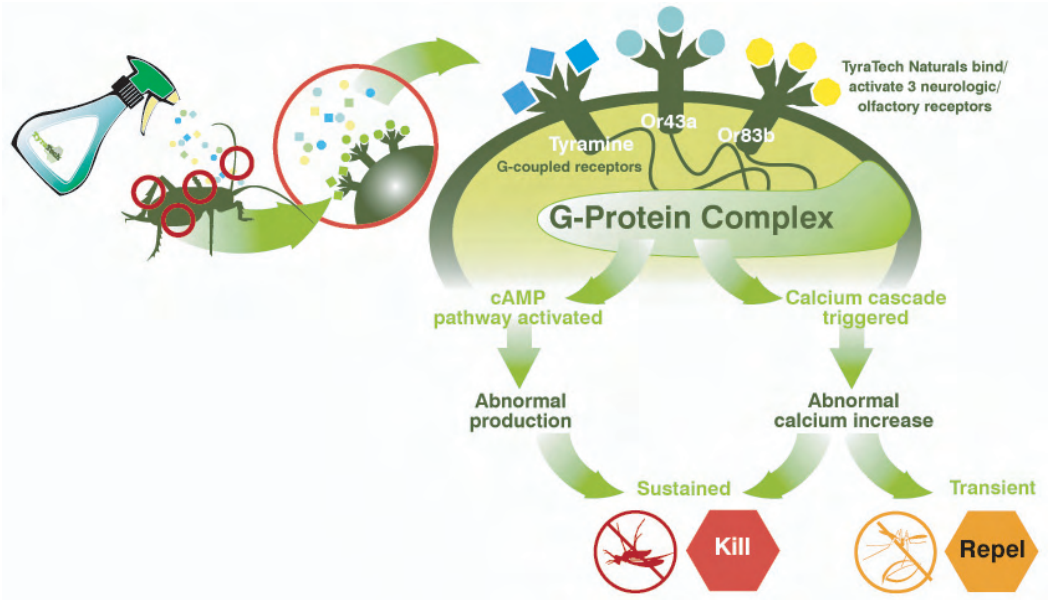
TyraTech intends to develop an all-GRAS TyraTech Natural formulation for use as additives in companion pet and agricultural animal feed to prevent certain intestinal parasite infections. This development activity is an extension of the human parasite food additive project. TyraTech intends to seek a marketing partner for this product.

TyraTech intends to develop all-GRAS TyraTech Natural formulation in liquid or capsules for prevention or treatment of human intestinal parasite infection. This development activity is an extension of the human parasite food additive project. TyraTech intends to seek a marketing partner for this product.

3. CORE TECHNOLOGY

TyraTech's technology originates from research to identify molecular components required for insect behavior and survival, which generated molecular targets for the development of products that may replace traditional insecticides. Insects have a highly developed olfactory system with sensitivity to substances including certain essential oils. TyraTech's proprietary technology is based on its unique development platform for the identification of both individual and combinations of compounds that can bind to sensitive G-protein coupled neurological and olfactory receptors of invertebrates (for example, insects and certain parasites). Compounds that bind to and activate these receptors have been shown to be powerful insecticides by triggering a disruption of the intra-cellular cAMP and "calcium cascade" pathway, that is necessary for insect function and survival. This effect results in the repelling or killing of the invertebrate.

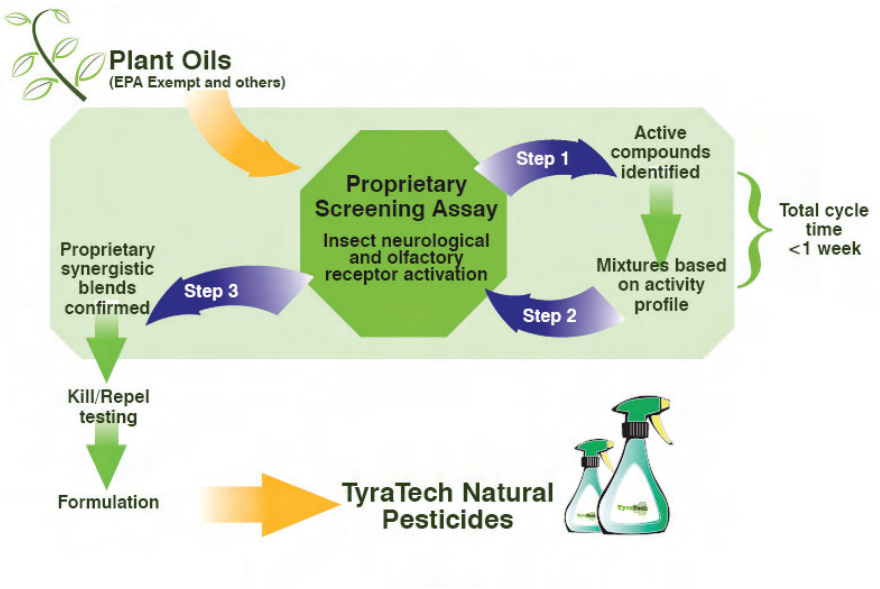
Diagram 1: TyraTech Natural mechanism of action



TyraTech's technology enables a high-throughput assay that can rapidly screen many candidates a day and enables prototype active formulations to be established within several days. A particularly important capability of the technology is that it can identify compounds that not only bind to the target receptor, but also measure the level of the intracellular calcium induced by the compound, thereby providing a measure of potency.

With this capability, combinations of compounds that can interact to produce a synergistic activity can be rapidly identified. This involves the combination of two or more different compounds that can bind to two or more different receptors on the insect or parasite cells. The Company is seeking intellectual property protection over methods for discovery of the compounds through its development platform as well as over the composition of matter of the Company's products.

Diagram 2: TyraTech development platform and its use in developing new pesticides



Because selected G-protein coupled receptor targets are only found in invertebrates, mammalian toxicity is less likely to be an issue, thereby allowing TyraTech to develop products that should be safer than traditional synthetic chemical pesticides.

3.1 COMPETITIVE ADVANTAGE

TyraTech believes it has a competitive advantage because its development platform can:

- quickly identify the activity of natural plant oil derived compounds as insecticides and parasiticides;
- quickly determine synergistic effect of combinations of natural plant oils;
- identify synergistic combinations of natural plant oils and synthetic pesticides from combining two or more different compounds that can bind two or more different receptors on the insect or parasite cells; and
- provide quality control in manufacturing to confirm activity levels of individual oil sources.

An example of the synergistic capability of TyraTech's platform is provided in the table below. This data shows that the activity of individual ingredients discovered with TyraTech's development platform to kill the American cockroach is increased when blended together to enable a more rapid time to kill:

Ingredients	Mean time to kill (American cockroach)
Ingredient A	45 minutes
Ingredient B	64 minutes
Ingredient C	57 minutes
Ingredient D	13 minutes
A,B,C and D blend	$^1/_2$ minute

There are several important benefits in achieving this level of synergy, including a superior efficacy, and the potential for strong patent protection. Many attempts to find a natural pesticide have been hampered by the low level of effectiveness resulting from the traditional single compound approach and the lack of an appropriate receptor target. An additional benefit is a markedly reduced likelihood of resistance development by the targeted insects or parasites. Development of insect resistance is an increasing problem with the use of the single receptor synthetic chemicals,

resulting in the requirement for much higher concentrations of the chemical pesticide to be used to achieve the desired efficacy. In certain cases, resistance to chemical pesticides has meant that it is no longer possible to use the chemical pesticide.

3.2 PRIMARY SOURCES FOR ACTIVE INGREDIENTS

The principal source of the natural materials that are used in TyraTech products are plant essential oils. Essential oils comprise the volatile compounds contained in the odorous parts of plants. These oils are naturally occurring chemicals which have evolved for plant defense against invertebrate attackers. These essential oils can be extracted by steam distilation for use as insecticides or repellents. Examples of these oils include rosemary oil, citrus oil and thyme oil. They are contained in flowers, roots, bark, stems, leaves, fruits and seeds. Essential oils typically contain 15,000 to 20,000 active chemicals. Arbitrary screening of these individual compounds for pesticide activity is impractical without a molecularly targeted high throughput screening assay, such as TyraTech's proprietary platform.

TyraTech's development platform enables not only efficacious mixture of oils to be identified, but can also help to identify effective combinations of oils and chemical products or alternative active ingredients which are then confirmed by testing on invertebrates. It functions by measuring the ability to bind to receptors and intercellular signalling properties of potential activities, and through these characteristics, is able to determine the optimal mixture of essential oils for the target application.

3.3 EFFICACY AND TOXICITY

3.3.1 Independent Testing

In addition to the extensive evaluation and testing completed by TyraTech's partners (Scotts, Arysta, Syngenta and Kraft), TyraTech has commissioned testing by independent third parties for both the safety and the efficacy of its blends. These tests include:

- Mosquitoes in vitro and human studies (Public Health, Entomology Research & Education Center, Florida A&M University, Panama City, FL);
- Mosquitoes in vitro studies (ICR, Insect Control and Research, Baltimore, Maryland);
- Termites, cockroaches (Entomology & Nematology Department, University of Florida, Gainesville, FL);
- Fruit flies (Snell Scientifics, GA);
- Head lice in vitro testing (GHAM, Miami FL);
- Dust mites (Insect Control and Research);
- Human studies for head lice (Institute of Public Health, Department of Tropical Health Vector Control, University of Alexandria, Egypt);
- Crawling insects, mosquito repellent and larvacidal activity (Snell Scientifics); and
- Phytotoxicity testing (AllTech Research and Development Inc).

3.3.2 Efficacy

TyraTech has shown the effectiveness of its blends using various industry recognised tests, including speed of knockdown and kill, residual activity, fogging test, fumigation test and repellency tests. These tests have been conducted by TyraTech, its partners or independent test laboratories.

In laboratory controlled testing under identical test conditions performed by TyraTech and its partners, the TyraTech Natural blends were substantially more effective than any single natural pesticidal compound, and were generally as effective, and in some cases more effective, than commonly used synthetic pesticide compounds.

The table below summarises example results obtained by TyraTech, where the Company's products have been tested in comparison with active ingredients within competitors' synthetic chemical active blends. The results show the broad spectrum, competitive potency of the Company's blends.

Table 2: Example efficacy of selected TyraTech Natural blends compared with competing chemicals

Target insect	Competitor chemical	Test measure	Results	
			TyraTech	Chemical
German cockroaches	Imiprothrin	Speed of kill	26 seconds	48 seconds
Ants	Imiprothrin	Speed of kill	27 seconds	41 seconds
Head lice	Pyrethins Plus piperonyl butoxide	5 minute kill *in -vitro*	100%	44%
Dust mites	Acarosan	Kill after 1 week	90%	7%
Mosquito repellent	5% DEET	6 hour repellence	88%	62%
Fungus gnat	S-Kinoprene	Dead at 3 days	100%	17%
Aphid	Pymetrozine	Dead at 1 day	97%	5%
White fly	Pyriproxyfen	Dead at 1 day	173 dead	12 dead

Crawling Insect Testing

TyraTech has tested over 100 different formulations, following a strategy of testing model insect species (German cockroaches and Argentine ants), testing to endpoints of time to knockdown and kill, and measuring residual activity on porous (vinyl) and non-porous (stainless steel) surfaces. The Company has also compared its products with commercially available tests. The tables below summarise the results of such testing.

Table 3: Speed of knockdown and kill in Argentine ants

Product	Number of experiments (10 insects/ experiment)	Mean time to knockdown (seconds)	Mean time to death (seconds)
Competitor product 1	4	11.0	49.5
Competitor product 2	6	10.0	41.0
Competitor product 3	6	7.4	22.9
TyraTech formulation 1a	1	0.7	18.6
TyraTech formulation 1b	1	0.8	33.1
TyraTech formulation 2a	1	10.7	35.7
TyraTech formulation 2b	4	8.7	30.2
TyraTech formulation 3	2	8.6	69.3

Table 4: Speed of knockdown and kill in German cockroaches

Product	Number of experiments (10 insects/ experiment)	Mean time to Knockdown (seconds)	Mean time to death (seconds)
Competitor product 1	4	7.8	46.1
Competitor product 2	3	5.8	48.0
Competitor product 3	2	3.4	22.1
TyraTech formulation 4a	1	4.4	23.9
TyraTech formulation 4b	1	2.7	23.2
TyraTech formulation 5a	3	7.2	169.5
TyraTech formulation 5b	3	6.4	30.4
TyraTech formulation 6	4	6.1	66.8

For both Argentine ants and German cockroaches, it can be seen that the various experimental blends have competitive mean times to knockdown and insect death.

Examples of Efficacy for Agricultural Pests

The Company has also conducted tests on agricultural pests, where experimental TyraTech blends have been compared with competitors' currently marketed products. The results are summarised in the table below:

Table 5: Examples of efficacy for agricultural pests

	TyraTech formulation	Competitor product
Fungus gnat (efficacy 3 days after administration)	100%	17%
Aphid (efficacy 3 days after administration)	90%	80%
White fly (efficacy 3 days after administration)	74%	73%
Army worm (efficacy 4 days after administration)	100%	90%
Green peach worm (efficacy 3 days after administration)	75%	40%
Western flower thrips (efficacy 14 days after administration)	91%	94%
Cricket (efficacy 1 day after administration)	100%	100%
Corn root worm beetle (efficacy 2 days after administration)	100%	No competitor
Grasshopper (efficacy 1 day after administration)	100%	No competitor

3.3.3 Toxicity

In the US, the EPA specifies standard toxicity testing be undertaken in order that the EPA can ensure appropriate labelling is used to guide end users' use of potentially toxic insecticides. The specified toxicity tests consist of six standard tests and cover doses of the product required to induce:

- acute oral toxicity;
- acute dermal toxicity;
- acute inhalation toxicity;
- eye irritation;
- dermal irritation; and
- skin sensitisation.

These tests are collectively referred to as ''six-pack'' tests.

These results determine the level of warning labelling, first aid statements and handling/use requirement and restriction (such as the requirement to be a licenced user). The degree of toxicity observed in each test is categorised from I (most toxic) to IV (least toxic). Labelling determined by this result is Category I ''Dangerous'', Category II ''Warning'', Category III ''Caution'' and Category IV ''no label required''.

The following table shows how three lead TyraTech Natural blends have performed in EPA Acute Toxicity Tests.

Table 6: Test results of selected TyraTech's lead products in EPA Acute Toxicity Tests

TyraTech Natural Product	Acute Oral Toxicity	Acute Dermal Toxicity	Acute Inhalation Toxicity	Eye Irritation	Dermal Irritation	Skin Sensitization
Agricultural Insect	Category IV	Category IV	Category IV	Category IV	Category IV	Category IV
Crawling Insect Blend	Category IV	Category IV	Category IV	Category IV	Category IV	Category IV
Mosquito Vector blend	Category IV	Category IV	Category IV	Category III	Category IV	Category IV

The acute toxicity testing of essential oil formulations indicate that those TyraTech's product blends which were tested to have an excellent safety profile being mostly Category IV, which requires no safety labelling and users do not need to be licensed. The US EPA mandated product label warnings will reflect the products' toxicity profile and TyraTech believes this will position TyraTech's products favorably in comparison with other products in the market.

4. COMMERICALISATION STRATEGY

TyraTech's strategy is to sell its products through partners, and via its direct sales force to customers or distributors.

4.1 PARTNERS

TyraTech's current multi-national partners are well positioned in the areas of consumer products, agriculture, professional pest control and food products. Through them, TyraTech gains access to high quality resources in product development, regulatory affairs, marketing, planning and logistics.

TyraTech has signed agreements which are expected to generate revenues from license payments, milestones and royalties on sales. The current agreements are expected to generate over $25 million in milestones and fees in aggregate. In addition, TyraTech expects revenue from the supply of the key active ingredients sold to partners.

4.1.1 Arysta

TyraTech has signed a global licensing and co-development agreement with the North Amercian subsidiary of Arysta, a Tokyo-based agrichemical and life sciences company, whereby Arysta has an exclusive license to market TyraTech Natural Products and TyraTech EXTEND Products for specific horticultural markets. The agreement provides for exclusivity fees, milestone payments and royalties paid to TyraTech. Field testing for the lead product has been underway since late 2006, when the first exclusivity payment was received, with trials continuing into 2007. The first milestone is expected from Arysta in the second half of 2007.

4.1.2 Syngenta

TyraTech has signed a multi-territory agreement with Syngenta, a global agricultural chemical and seed company based in Basel, Switzerland which includes exclusive and non-exclusive rights in the professional pest control operator and the vector control market segments. The agreement provides for exclusivity fees, the first of which was received in 2006, as well as milestone payments and royalties. TyraTech expects to receive its first milestone payment from Syngenta in the first half of 2007, with first revenues as early as 2008.

4.1.3 Scotts

TyraTech has signed an option agreement with Scotts, a $3.1 billion multi-national company, for exclusive rights to negotiate a licence for a selected consumer product application, with rights of first offer for other pesticide applications. The agreement included an upfront option fee, option extention fees, and product sales royalties paid to TyraTech for licensed products. Scotts has recently extended its option to negotiate a licence for selected consumer applications.

4.1.4 Kraft Foods

In December 2006, TyraTech signed a worldwide exclusive co-development agreement with Kraft Foods, a $34 billion leader in the consumer food products sector. The agreement covers parasitic prevention applications of TyraTech technology to be delivered in food products. With an active development program in place, involving over 50 Kraft personnel around the world, Kraft and TyraTech are moving to advance both the technical validation and lead market qualification process. Together with TyraTech and XLTG personnel, Kraft has already had government level meetings in five leading emerging market countries to start gathering the information needed to determine market entry priorities.

The agreement includes exclusivity fees, milestone payments and royalties. The first exclusivity payment was received in 2006 and represented a significant commitment by Kraft. Completion of the activities for the receipt of the first milestone payment is expected in late 2007, with subsequent milestones to be determined at that time. This partnership represents not only a novel technological solution to the vast problem of human parasitic infestation (over 2 billion infested), but by using food also utilises a unique business channel that can reach the affected populations.

While therapeutic options for treatment of intestinal parasites exist, many of them have major problems due to the toxicity of the treatments and they therefore cannot be used frequently enough to prevent re-infestation. The TyraTech prophylactic approach however, is designed to be safe enough to use in food every day. This not only opens a distribution channel more readily available to the developing world customer, but also greatly expands the size of the market.

4.2 DIRECT SALES AND DISTRIBUTORS

TyraTech intends to sell products and active ingredients using its direct sales force and through agreements with distributors. The strategy for direct sales will target opportunities for near term revenue, particularly through government-led programs, and in territories and for applications that are not covered through partnership agreements. TyraTech has a basic sales and marketing group that is actively establishing the lead customers for its institutional products, and is expecting first niche market revenues as early as late 2007.

4.2.1 Institutional Direct Sales

TyraTech will sell directly to selected institutional customers under a focused ''business to business'' or ''business to government'' program where a single buying decision gives access to a broad number of customers.

TyraTech Natural Products will be aimed at hotels and motels, food service organisations (including restaurants and food processors), cruise ships, prisons, schools and hospitals and any other establishment which do not use professional pest control companies on a regular basis. By virtue of their improved safety profile, TyraTech's products are designed to be used by all employees without special training or licensing and can be used in and around food preparation areas where chemical pesticide cannot be used. Several of TyraTech's leading products will be available in formulations containing EPA 25b/4a materials which only require registration with local state authorities. These US registrations take between approximately two weeks and six months to be completed and represent nominal registration costs.

TyraTech has established a small internal institutional salesforce to begin sales efforts to institutions and is actively testing lead products with reference customers.

4.2.2 TyraTech India Private Limited

The Company's subsidiary, TyraTech India, has entered into a non-exclusive distribution agreement with Accudigm. Accudigm will distribute mosquito repellent and insecticide, and will market these products to the governmental sector in India. TyraTech India is working closely with the Indian National Institute for Malaria Research to carry out efficacy studies and obtain full registrations for active ingredients and vector control products. TyraTech has successfully completed early studies conducted by the Indian Armed Forces and the state government of Assam. TyraTech is exploring the potential sale of its products for vector control through state and local governments, military and health departments in India.

4.2.3 Terra Quest SA

TyraTech is actively pursuing sales for head lice treatments through the Mexican government, as well as insect control and vector control, all through a supply and distribution agreement with Terra Quest. TyraTech intends to generate revenue through sales of product to Terra Quest for local formulation and participation in government head-lice eradication programs and vector control programs.

5. MANUFACTURE AND SUPPLY OF PRODUCTS

TyraTech does not own or operate any manufacturing facilities. It currently outsources the manufacture of raw materials and its products. TyraTech has established a process for the qualification and sourcing of its raw materials through to the manufacture and shipping of products to its partners and customers. The Company utilises proven EPA certified key supply and manufacturing partnerships for scaleable, high quality and uninterrupted source of supply and production.

TyraTech has a commercial arrangement with Millennium (a division of the global chemical company, Lyondell Chemicals), to provide technical and advisory laboratory services for active ingredient formulation and optimisation and Millennium provides any other services as TyraTech

may require Millennium is a global supplier to the flavours and fragrance chemicals business sector, and has large scale primary manufacturing and ''tolling'' manufacturing capabilities. Millennium is an EPA registered business.

TyraTech uses multiple raw material suppliers in addition to Millennium, in order to ensure competitive pricing and uninterrupted material supplies, and is currently sourcing secondary supply contracts for abroad, as well as alternatives for the US market. TyraTech has recently entered into an agreement with an alternative supplier of active compounds in the US. TyraTech's supply strategy is to have two proven and approved sources for each raw material in the TyraTech material library.

Once active ingredients are sourced and blended, TyraTech arranges for final formulation and packaging by standard third party contractors with the necessary capability and manufacturing standards.

6. RESEARCH AND DEVELOPMENT STRATEGY

TyraTech intends to commit significant resources to its research and development efforts, as it believes there is considerable scope to expand its current range of pesticide products, reduce the costs of active ingredients as well as to target additional organisms such as problematic fungal infections. It plans to achieve these aims through research and development in a number of areas:

6.1 ENHANCED TARGETING OF NEW PRODUCTS

TyraTech plans to target new products more precisely through the expansion of the Company's existing library of oils and by conducting additional formulation work on existing active ingredients. In addition, the Directors believe there is a real opportunity to screen against additional receptors which could also give rise to new product blends and could potentially allow TyraTech to develop products that targeted certain insect species, while excluding others. This would greatly contribute to the safety profile of new pesticide formulations. Enhanced targeting could also enable the Company to develop new products to target additional organisms such as fungi and other pests.

6.2 REDUCTION IN COST FOR ACTIVE INGREDIENTS

TyraTech has recognised that increasing profit margins will be essential to the Company's success through specifically directed research. TyraTech believes that it could significantly reduce the costs of its active ingredients. This could be achieved in a number of ways, including further research on the synergies between different active ingredients, leading to the use of lower, concentrations of active ingredients, characterising and identifying the active molecules in the oils, thereby conferring the same efficacy at lower cost and better targeting of invertebrate receptors which could more effectively deliver the active ingredient to the insect and therefore require less active ingredient to achieve the same efficacy.

6.3 CHARACTERISATION OF INSECT RESISTANCE

By conducting further analysis of the resistance characteristics of its existing products, TyraTech plans to be able to show a favourable resistance profile, which will greatly add to the marketing appeal of its products, particularly when compared with existing commercially available products.

Key market segments which the Company plans to address, using its research and development expertise, include the following:

- methyl bromide replacement for nematodes in agriculture;
- insect attractants to assist plants in reproduction/repelling of other insects;
- products to promote animal health, such as tick repellents and repellents for other ectoparasites; and
- fungicides and herbicides.

7 MARKET CHALLENGES

TyraTech has identified several key challenges facing the insecticide and parasiticide industry:

- developing pesticides that can be protected by intellectual property rights;

- developing insecticides that selectively target invertebrates thereby reducing or avoiding adverse effects against mammalian systems that are a characteristic of currently used insecticides;
- environmental concerns including those associated with the disruption of the ecosystem as well as accumulation of active chemicals in the environment;
- identifying the active and safe compounds from the thousands of available synthetic and natural chemicals; and
- reducing or avoiding resistance development by the insects.

The Company believes that the biggest challenges are meeting the demand for natural products and developing pesticides that can be protected by intellectual property rights.

7.1 DEMAND FOR NATURAL PRODUCTS

Demand for ''natural'', ''green'' or ''organic'' products is a growing consumer and governmental trend. The Directors believe that the increased popularity for ''natural'' products results from concerns about chemical products being linked to water and soil contamination, their long-term effects on humans and food animals and studies linking synthetic pesticides with serious diseases.

Multi-national companies are also becoming focused on more natural, sustainable and safer products for their customers.

7.2 GENERIC PRODUCT COMPETITION

Insecticide products are increasingly becoming generic, in that these are no longer protected by patents. It has been estimated that 65 per cent. of the insecticides used in agriculture worldwide are off patent, and this figure is projected to rise to over 70 per cent. by 2010. The Directors believe that TyraTech EXTEND products offers manufacturers of synthetic insecticides a major opportunity to preserve or recapture product value by combining them with TyraTech's Natural Products resulting in new products capable of patent protection.

7.3 RESISTANCE

Resistance by insects and other pests to existing marketed products can be problematic for pesticide manufacturers, and can result in either the need to use more active ingredient or the need to withdraw the product from marketing altogether. As current synthetic products tend to target a specific critical receptor within the target organism, the evolution of resistance for a rapidly reproducing population of organisms can be relatively rapid. The Directors believe that TyraTech's products have a low resistance profile as they target different sites on multiple receptors and as such will offer Tyratech's partners, or Tyratech, a competitive advantage in the market place.

7.4 COMPETITION

TyraTech's products will compete with synthetic organic products, inorganics and biological products.

In the ''natural'' product space, there are active smaller companies focused on these products, as well as larger companies with active in-house programs. So far as the Directors are aware, TyraTech specifically competes with the following natural product focused companies amongst others:

EcoSmart Technologies, Inc. (''EcoSmart'')

EcoSmart is a privately held company marketing essential oil based insecticides. Based in Franklin, Tennessee, USA, EcoSmart's initial focus was on the PCO and home pest market which allowed its products to be exempt from EPA registration. EcoSmart's products use a blend of essential oils for insecticide and fungicide products. It also markets a non-selective herbicide. TyraTech believes that EcoSmart has intellectual property surrounding essential oils. EcoSmart focuses on direct sales to the professional pest management segment. EcoSmart reportedly has products marketed for organic farming usage.

AgraQuest, Inc (''Agraquest'')

AgraQuest is a natural parasiticide products company founded in 1995 and based in Davis, California, USA. It is focused on specialty crops and organic applications. Their technology involves screening naturally occurring microorganisms for pesticidal activity. Strains of Bacillus dominate

their product line and are positioned primarily as fungicides. In early 2006, AgraQuest purchased an essential oil based insecticide product (Facin) from a Codena, a Canadian start up company.

DevGen SA (''DevGen'')

DevGen is a biotechnology research company headquartered in Ghent, Belgium. Incorporated in 1997, DevGen uses *C. elegans* (a nematode) as the model organism for its technology platform, which involves a novel mechanism for gene regulation (RNA interference) that has pharmaceutical and agricultural applications. DevGen also has a chemical nematicide in development with initial marketing in the European Union, targeted for 2010. Revenues in 2006 were €9.3 million, with operating losses of €9.7 million. DevGen's revenue is exclusively from research collaborations and government research grants.

McLaughlin Gormley King (''MGK'')

Founded in 1906, and based in Minneapolis, Minnesota USA, MGK is a private 100 year old marketer and formulator of natural pyrethrins (essential oil insecticide from chrysanthemum). MGK also formulates and tolls produces pyrethrins and synthetic pyrethroids. Its lead product, PyGanic, is pyrethrum targeted to certified organic growers and is OMRI approved. The company's products for professional, consumer and agricultural uses, generate estimated annual revenue of $50 million.

Synthetic/Chemical competition

There are many large, multi-national companies selling chemical insecticide and parasiticide products, including Bayer, Syngenta, BASF, DOW, Monsanto, DuPont and Arysta. The leading company in the insecticide market in 2006 was Bayer, with worldwide insecticide sales of approximately $2.7 billion in 2005.

8. REGULATION AND REGULATORY STRATEGY

Although the Company has been careful to select the active ingredients found in its products so as to minimise regulatory approval time, many of its products will be subject to regulatory approval by one or more governmental regulatory bodies. These requirements vary by country, product and the intended use of such product, and the time to receipt of approval can vary depending on country, the combination of ingredients and the intended use of the product.

Because of the possible carcinogenic effects of synthetic pesticides as well as studies linking such pesticides to lymphoma, leukaemia, breast cancer, asthma and Parkinson's disease, a variety of jurisdictions have banned or severely restricted the use of various synthetic pesticides. For example, there are currently 64 banned or severely restricted synthetic pesticides on the Prior Informed Consent List published by the United Nations and the EPA. In addition, the European Union has restricted or withdrawn over 300 synthetic chemicals from market. TyraTech believes the number of banned compounds will increase to more than 500 by 2008. Those synthetic pesticides that are not banned or severely regulated are subject to stringent regulation throughout much of the world.

TyraTech has selected the active ingredients for its products so as to minimise the approval time necessary under relevant regulatory regimes and which should allow its products to be more rapidly introduced to the market. Nevertheless, regulatory applications may be required, and the following is a brief summary of the applicable regulatory regimes in the markets where the Company first expects to introduce its products.

8.1 UNITED STATES

Environmental Protection Agency

The EPA has established a goal of minimising the aggregate environmental impact and cumulative toxicity of the most commonly used classes of synthetic insecticides. The Directors believe that TyraTech's blends of natural essential oils and conventional insecticides align with the EPA's objective and reduce the regulatory risk to current synthetic chemicals.

The EPA has primary responsibility for registration and regulation of pesticides and insecticides pursuant to the Federal Insecticide, Fungicide and Rodenticide Act (''FIFRA''). In addition, each state has been granted authority to impose additional requirements on the sale and use of any pesticide within such state, and state approval often is a condition to making sales in a given state.

In general, to register a pesticide, the EPA must determine that the pesticide will perform its intended function without causing unreasonable adverse effects on the environment. The EPA and each state require data to make these determinations, which, in the case of conventional pesticides, may include product chemistry, non-target organism testing, toxicology data, phytotoxicity, post-application exposure, environmental fate and residue data.

In 1996, however, following a determination that certain pesticides pose little or no risk to humans or the environment, the EPA exempted certain minimum risk pesticides from regulation pursuant to Section 25(b) of FIFRA. These minimum risk pesticides include many of the plant essential oils used by TyraTech. In addition, products using minimum risk pesticides are eligible for exemption pursuant to Section 25(b) if:

- the active ingredients are listed as exempt pursuant to Section 25(b);
- all other ingredients in the product are listed in the EPA's list of ingredients of minimal toxicological concern (''List 4A'');
- the labels for such products do not claim to control insects carrying specific diseases; and
- the labels for such products do not include false or misleading statements.

TyraTech expects to file its first registration application under Section 25(b) and List 4A shortly. TyraTech believes that regulatory clearances for sales in more than 40 of the US states may be complete within four weeks of such application and that approval in all 50 states will be achieved within six months of such application.

In addition, TyraTech is developing parasecticide products which use plant oils that are not Section 25(b) compliant. These products, which include ''non-exempt'' materials, will be subject to approval and ongoing regulation by the EPA. TyraTech, however, has been advised that the application process for such products will be less cumbersome and less expensive than the standard application process for synthetic pesticides because of the nature of the plant oils involved.

Food and Drug Administration

The FDA regulates products that claim to prevent or treat diseases or that are used in direct or indirect contact with food. Food additives that are not ''Generally Regarded as Safe'' or ''GRAS'' often require food additive tolerance studies to ensure that the residues on the food are safe for humans. In addition, the FDA has sole jurisdiction over chemicals that may come into direct or indirect contact with processed foods. With respect to these types of products, TyraTech intends to minimise regulatory burdens and focus its development efforts on products that are classified as ''Generally Regarded as Safe'', including, in the case of raw agricultural commodities and application to growing crops, tolerance exemptions for edible oils and fats.

Certain of the Company's products, including shampoos, however, also may be regulated as cosmetic claims or as new drugs, depending in the structure of the claim. New drugs are subject to a New Drug Application (''NDA''), which allows the FDA to determine whether the drug is safe and effective in its proposed uses and whether the benefits outweigh the risks presented. TyraTech is pursuing both a short term strategy of positioning some of its products to make primarily cosmetic claims that do not necessitate an NDA while simultaneously proceeding with the work necessary to pursue an NDA for targeted claims to kill lice.

8.2 EUROPEAN UNION

The European Union has issued two directives regarding regulation of pesticide and insecticide products. The Plant Protection Products Directive (91/414/EEC) (the ''PPPD'') regulates products for agricultural use, while the Biocidal Products Directive (98/8/EEC) (the ''BPD'') governs all pesticides for other uses. The registration procedures and data requirements required to complete this process are generally similar to those in the United States, except that product data is reviewed by the competent authority in each member state. A recommendation is then presented to the European Commission for a vote, and if approved, clearances must be obtained in each member state. Principles of mutual recognition, however, allow for prompt approval in member states following initial approval in any member state.

The Directors do not yet have clear information on the regulatory classification for head lice products for the different countries in the European Union.

8.3 MEXICO

In Mexico, pesticide and insecticide products are regulated by the Comisión Federal para la Protección contra Riesgos Sanitarios (“COFEPRIS”), a department of the Mexico Ministry of Health. All residential and commercial insect control products require registration with COFEPRIS. The COFEPRIS approval process for products in which the active ingredient is non-botanical generally is expected to take 10 to 18 months, although delays are possible, in part due to a new regulatory regime. There are less stringent registration requirements and shorter approval timeframes for products where the active ingredient is considered to be botanical.

Personal repellents are classified as cosmetics in Mexico. With respect to cosmetics, the Ministry of Health has developed an active ingredient list of substances that are approved for use. The formulators of products containing ingredients not included on this list must develop a complete acute toxicology package on the end-user formulation and follow strict labeling guidelines before introducing the product to market. Head and body lice products, meanwhile, are classified as drugs, and the manufacturer must fulfil several requirements, including scientific and technical information and various information on the manufacturer, to gain regulatory approval.

8.4 REST OF THE WORLD

Throughout the rest of the world, the Company intends to use regulatory consultants, where, appropriate, to assess regulatory requirements and assist with any necessary applications.

9. INTELLECTUAL PROPERTY

9.1 PATENTS AND PATENT APPLICATIONS

The Directors are aware of the importance of protecting the Company’s inventions, and seek patent protection where appropriate in the relevant jurisdictions. The Company’s patent strategy stems from its proprietary screening technology which permits rapid identification of highly active compounds and highly synergistic combinations of compounds for use against insects, parasites, and other targets. The synergies of the compounds generated by the screening technology are beneficial both for identifying efficacious agents and for patentability. The novel blends of oils that display commercially desirable efficacy should be capable of benefiting from patent protection.

TyraTech’s patent application portfolio covers both the screening technology which is used to identify commercially desirable compounds and also the combinations of compounds identified by the platform. To date, the Company has one granted patent relating to identification of active essential oils on the basis of binding to the tyramine receptor or to olfactory receptors, as well as to combinations of essential oils identified by the receptor-based approach.

TyraTech has over 30 pending patent applications which are currently outstanding in various key jurisdictions worldwide which cover the major markets and manufacturing territories. These patent applications consist of 3 US non-provisional applications, 18 corresponding foreign applications, and 14 US provisional applications. The pending applications cover technologies for making residual and water-based formulations of essential oils, compositions for treating parasitic infections, various specific insect-control compositions employing combinations of essential oils as well as synergistic combinations of conventional pesticides with essential oil compositions, and compositions useful against mites and other pests and composition methods relating to other natural products. The Company’s patent portfolio may also benefit from long periods of patent protection due to the relatively early stage of creation of the patented technology.

The Directors are not aware of any third party patent or other intellectual property rights that would inhibit or prevent commercialisation of the Company’s products. Furthermore, the Company’s proprietary screening technology provides a barrier to entry against competitors since it can significantly accelerate the identification of new mixtures of compounds for development, which have been identified as having synergistic effects.

9.2 TRADEMARKS

The Company protects its most significant trademarks and currently has a trademark in the US for TYRATECH^{TM}, and two other applications pending in the US for NATURALS THAT WORK^{TM} and one for EXTEND^{TM}.

9.3 KNOW-HOW

TyraTech has created a substantial body of knowledge and confidential information (''know-how'') through its research and development activities. In addition to potentially patented intellectual property, the Directors believe that this know-how provides the Company with a significant advantage over competitors.

The Company's intellectual property position is set out in more detail in the report prepared by Gill Jennings & Every LLP in Part XIII: ''*Patent Agent's Report*''.

10. HISTORIC FUNDING SOURCES

TyraTech has relied on funding from XLTG since its inception in May 2004. Total funding has amounted to approximately $9.8 million between May 2004 and 28 February 2007 comprising $2 million of equity contributions and approximately $7.8 million drawn in relation to promissory notes issued to XLTG. As part of the debt arrangements the Company has granted warrants to XLTG. These warrants are convertible into Common Shares, further details of which are set out at paragraph 16.2 of Part XV: ''*Additional information*''.

The Company billed approximately $2.4 million in 2006 in relation to exclusivity and option fees, although the majority of this amount has been recorded as deferred revenue at 31 December 2006. The Company recognised $230,834 of revenues in the year ended 31 December 2006 in relation to these billings. This amount was offset by $495,889, a charge for the fair value of warrants issued to a commercial partner and treated as a sales incentive.

11. FACILITIES

The Company currently has general use and product development facilities and laboratories in Melbourne, Florida, and supports a development laboratory at Vanderbilt University in Nashville, Tennessee. The Company believes that these facilities are suitable and adequate for the business as it is contemplated to be conducted.

12. INSURANCE

It is TyraTech's policy to take out insurance to the extent it considers appropriate for its business. TyraTech currently maintains insurance policies covering risks associated with its property, equipment, stock, Director and officers, travel, medical and employee liability and product liability, each in amounts the Directors believe to be appropriate to its business.

The Company is currently in the advanced stages of securing keyman insurance for Dr Armstrong and Dr Enan and it is anticipated that this will be in place shortly after Admission. The total cover sought is $2 million in each case.

The Company intends to put in place Directors and officers liability insurance for the Board to the aggregate amount of $10 million.

13. EFFECT OF A US DOMICILE

The Company will, upon Admission, be a US company incorporated in the State of Delaware, USA under the DGCL. There are a number of differences between the corporate structure of TyraTech and that of a public limited company incorporated in the UK under the Act. While the Directors consider that it is appropriate to retain many of the usual features of a publicly traded US corporation, they intend to take certain actions, whenever practicable, to meet UK standard practice. Set out below is a description of the principal differences.

13.1 PRE-EMPTIVE RIGHTS

The certificate of incorporation states that for so long as the Common Shares are listed for trading on AIM and are not traded on a national securities exchange in the US, the Company shall not allot or issue for cash, save as otherwise approved by a resolution passed by at least 75 per cent. of the votes cast in person or by proxy at any duly noticed and convened meeting of shareholders and subject to the exceptions set forth below, in any 12 monthly period Common Shares in excess of 10 per cent. of the Company's issued share capital from time to time unless such issue is made pursuant to a fully pre-emptive offer, an employee stock option or an incentive plan, a conversion of convertible preferred stock or convertible debentures or, an exercise of currently outstanding warrants or options. The above-mentioned provisions relating to pre-emption shall cease to apply to issues of shares once the Common Shares become listed on any stock exchange outside the UK.

13.2 TAKEOVERS

The Company will not be subject to the UK City Code on Takeovers and Mergers and certain provisions contained in the Company's certificate of incorporation and bylaws may make a hostile takeover of the Company more difficult to achieve. However, for so long as the Company's securities remain admitted to trading on AIM (or any successor of AIM), and has no securities listed on any market securities exchange in the US, the Company's certificate of incorporation contains a provision requiring any person that acquires securities representing 30 per cent. or more of the Company's voting power (except where a stockholder held such percentage immediately prior to Admission) to make a cash offer for the remaining Common Shares in the Company at the highest price that that person has paid in the preceding 12 months. The Company's certificate of incorporation also requires any person who holds securities representing between 30 per cent. and 50 per cent. of the Company's voting power (except where a stockholder held such percentage immediately prior to Admission) and then acquires any additional securities representing 1 per cent. or more of the Company's voting power must make such a mandatory offer. The shareholdings of shareholders who act in concert are aggregated for the purpose of determining whether the 30 per cent. has been attained or an increase has occurred. For the purposes of calculating percentages of the above-mentioned securities, as well as for determining any acquisition of securities, the following shall be excluded: (a) the holding and exercise of any currently outstanding convertible debentures and (b) the receipt and exercise of any options or warrants under any of the Company's stock option plans.

The Company's securities are not currently publicly traded in the US markets nor are they registered with the US Securities and Exchange Commission. In the event that the Company's securities become listed on any exchange outside the UK, the mandatory offer provisions described above will cease to apply. The Company is not governed by the provisions of Section 203 of the DGCL. Section 203 generally prohibits a publicly-held Delaware corporation from engaging in a ''business combination'' with an ''interested stockholder'' for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A ''business combination'' includes mergers, stock sales, asset sales, similar transactions and other transactions resulting in a financial benefit to the interested stockholder. An ''interested stockholder'' is a person who, together with affiliates and associates, owns (or within three years, did own) 15 per cent. or more of the corporation's voting stock. The Company's certificate of incorporation contains an express statement that the Company elects not to be governed by Section 203 of the DGCL.

13.3 LIMITATION OF DIRECTOR LIABILITY

The Company's certificate of incorporation limits the liability of the Directors to the Company or its Shareholders to the fullest extent permitted by Delaware law. Generally, the Directors will not be personally liable for money damages for breach of any fiduciary duty as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Company or its Shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, which relates to unlawful declarations of dividends or other distributions of assets to Shareholders or the unlawful purchase of shares of the corporation, or (iv) for any transaction from which the Director or officers derived an improper personal benefit. If the DGCL is amended after approval by the Shareholders to authorise corporation action further eliminating or limiting the personal liability of Directors, then the liability of a Director shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

13.4 ADDITIONAL CORPORATE MATTERS

The Company's certificate of incorporation and bylaws also provide that (i) the affirmative vote of a majority of the voting power of all of the then outstanding shares of the voting stock of the Company shall be required to adopt, amend or repeal any provision of the bylaws of the Company; (ii) the Board shall also have the power to adopt, amend or repeal the bylaws in limited circumstances; (iii) Shareholders may not take any action by written consent following Admission to trading on AIM of the Common Shares; (iv) special meetings of Shareholders may be called only by the Board or by the President or the Chairman of the Board, by a majority of the Board or by the holders of not less than a majority of the Common Shares; and (v) the affirmative vote of a majority of the voting power of all the Common Shares, voting together as a single class, shall be required to amend the provisions of the certificate of incorporation. The foregoing provisions of the

certificate of incorporation and bylaws may discourage certain types of transactions involving an actual or potential change in control of the Company and could have the effect of delaying, deterring or preventing a change in control of the Company.

14. CURRENT TRADING AND PROSPECTS

In the two months ended 28 February 2007, TyraTech generated net revenues of $9,838 comprising $91,666 in exclusivity fees, resulting from $2.4 million of billings raised in 2006 most of which has been deferred. This amount has been offset by $81,828 of sales incentives in relation to warrants. In the same period, TyraTech incurred $2.2 million of operating expenses compared to $7.1 million of operating expenses in the year ended 31 December 2006. Operating expenditure in the two month period 28 February 2007 primarily comprised research and development costs of $1.2 million and general and administrative costs of $0.7 million. To date, TyraTech has financed its operations through equity investment and loans from XLTG. As at 28 February 2007, TyraTech's net financial indebtedness was $6.8 million. Currently, trading is in line with the Company's expectations.

TyraTech has incurred significant losses since commencing commercial operations in 2004 as it has devoted substantially all of its resources to the research and development of its products. As at 28 February 2007, the Company had an accumulated members' deficit of $14.1 million. TyraTech's historical financial results reflect primarily research, development and administrative expenses. The Directors expect that these expenses will rise significantly as the Company increases headcount and invests in product development and sales and marketing.

15. DIVIDEND POLICY

TyraTech is primarily seeking to achieve capital growth for its shareholders. It is the Board's intention during the current phase of the Company's development to retain future distributable profits from the business to the extent they are generated.

16. TAXATION

The attention of investors is drawn to the information regarding taxation in relation to the Placing and Admission which is set out in paragraphs 14 and 15 of Part XV: *"Additional Information"*. These details are, however, intended only as a general guide to the current tax position under US and UK taxation law for certain types of investors. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.

17. FURTHER INFORMATION

Investors should read the whole of this document, which provides additional information on the Company and the Placing, and not rely on summaries or individual parts only. Investors' attention is drawn in particular to the risk factors set out in Part V: *"Risk Factors"* and the additional information set out in Part XV: *"Additional Information"*.

PART VII REASONS FOR THE PLACING AND USE OF PROCEEDS

REASONS FOR THE PLACING

The Directors anticipate that the Placing will:

- raise new capital to facilitate product development and commercialisation;
- increase TyraTech's profile;
- enhance TyraTech's reputation with suppliers and customers; and
- assist in recruiting, retraining and incentivising key management and employees.

USE OF PROCEEDS

The net proceeds receivable by the Company from the issue of the Common Shares being offered in the Placing are estimated to be £22.2 million ($44.1 million) after deduction of underwriting commissions and other fees and expenses payable by the Company. The Company intends to convert a portion of the net proceeds it receives from the Placing into US dollars. TyraTech intends to use the funds raised to retire debt, continue the development of the product portfolio, and to enhance the infrastructure required to support existing partners and commercial agreements.

In particular, the Directors intend to use the net proceeds of the Placing, as follows:

- research and development;
- repayment of debt to XLTG of approximately $10.94 million;
- general working capital;
- capital expenditure;
- sales and marketing; and
- other (opportunistic technology assessment/acquisition).

PART VIII OPERATING AND FINANCIAL REVIEW

The following review should be read in conjunction with the Financial Information set out in Part X: "Financial Information" and other financial information contained elsewhere in this document. This review contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors including, but not limited to, those discussed in Part V: "Risk Factors".

The financial information in this Part VIII for the period ended 31 December 2004, the two years ended 31 December 2005 and 2006 and the two month period to 28 February 2007 has been extracted without material adjustment from the Financial Information in Part X: "Financial Information".

1. Overview

TyraTech is focused on the development and commercialisation of pesticides and insecticides with high efficacy and safety, low resistance and the ability for commercial protection. The Company was formed in May 2004 (initially as TyraTech, LLC and which subsequently underwent a merger immediately prior to Admission as described in paragraphs 3.1, 3.2 and 16.20 of Part XV: "*Additional Information*") in response to an identified market need for safe, natural and effective pesticides. The Company has developed a range of product candidates and intends to sell its products through its partners and directly via its sales force and distributors.

In 2006, TyraTech entered into license or option agreements with Scotts, Syngenta and Arysta. These licence or option agreements represent initial partnering for specific insecticide categories in certain defined regions, leading to the development of new products to be marketed by the partners. Initial testing and development of products relating to these agreements is in the early stages. Additionally in 2006, TyraTech entered into a co-development and licensing agreement with Kraft for use of TyraTech's technology in functional foods for the benefit and treatment of intestinal parasites in humans.

TyraTech's intellectual property technology was developed over a seven year period at Vanderbilt University and TyraTech. This technology enables a unique discovery platform for the identification of compounds that can target sensitive neurological and olfactory receptors of invertebrates (for example insects and certain parasites). This technology platform and related discoveries have been addressed in a series of patent applications that are owned or co-owned by TyraTech.

TyraTech plans to use the proceeds from this financing to retire debt, build programs and infrastructure to support the existing partners and commercial agreements. TyraTech's research and development expenses are expected to increase for the foreseeable future as a result of continued testing of new formulations and commercialising its existing ones. Included in the commercialisation of formulations into products will be the completion of any required regulatory approvals and providing for the necessary quantities of raw materials within required quality levels.

All of TyraTech's revenue since inception has come from exclusivity and option fees paid by its existing partners which in 2006 was offset by the fair value of warrants issued to a commercial partner and treated as a sales incentive. TyraTech has been financed by XLTG through member contributions and debt. TyraTech is a development stage company and losses since inception have been significant. As of 28 February 2007, TyraTech's accumulated members' deficit from inception was $14.1 million. TyraTech's accumulated members' deficit is the result of:

- research and development activity related to discovery of formulations;
- commercialisation of initial products;
- engagement of industry leaders as marketing partners; and
- administrative expenses.

TyraTech expects to incur net losses growing its operations for the next few quarters whist it continues to grow its sales of products and realise amounts payable under the various partner agreements in place.

2. Key Factors affecting TyraTech's Results of Operations

TyraTech expenses all research and development costs in the period in which these costs are incurred. The largest category of research and development expense is the costs related to research and development personnel and outside testing. Research and development expenses

represented approximately 63.4 per cent of total operating expenses in the year ended 31 December 2006, 72.8 per cent of total operating expenses in the year ended 31 December 2005 and 84.2 per cent. of total operating expenses in the period ended 31 December 2004. These expenses are anticipated to increase significantly over the next few years. Research and development expenses comprise of the following:

- testing new formulations;
- regulatory affairs;
- clinical development activities;
- product development and commercialisation activities;
- sourcing product; and
- quality assurance and quality control activities.

The timing of receiving regulatory approval in the various markets has inherent risks and TyraTech, as well as its licensees, may not be able to successfully develop or commercialise its products within expected timelines.

There are currently limited products available for sale as the Company is completing initial regulatory approval and packaging for certain selected applications. TyraTech's insecticide products are to be regulated in the US by the EPA. However, the first products of the Company are exempt from regulation as they use exempt active ingredients. For those products that are not exempt, TyraTech will conduct pivotal safety and efficacy tests as required.

There are several factors involved in launching products which can affect the timing, cost and success of the process. These factors include:

- completing successful safety and efficacy testing;
- diluting the active ingredient without effecting results;
- completing any required regulatory approvals;
- engaging channels to markets; and
- sourcing materials.

Delays in the completion of the development and commercialisation of TyraTech's products may have a material adverse effect on the operations and cash position of TyraTech. A discussion of the risks associated with product approval can be found in Part V: "*Risk Factors*".

3. General and Administrative Expenses and Business Development Expenses

General and administrative and business development expenses consist primarily of compensation for executive and operational personnel as well as those in functions such as finance and business development. Besides personnel costs, the largest components of these expenses have been towards professional services in the areas of law and accounting.

These expenses are expected to increase in the next few years as TyraTech expands its operations, develops additional infrastructure and incurs costs related to being listed on AIM.

4. Net Interest

Net interest expenses include interest charged on the promissory notes issued to XLTG and the unwinding of the discount on debt arising in relation to warrants issued to XLTG in connection with the second promissory note.

The Company intends to use part of the net Placing proceeds to repay the promissory notes issued to XLTG and thereafter does not anticipate any material borrowing or related interest expense which would offset the interest income.

5. Tax

No provision has been made for income taxes. Prior to the conversion described below, the Company was a US limited liability company and was treated for US federal income tax purposes as a partnership. As a partnership, the Company did not pay federal income tax and all items of taxable income or loss were allocated to its members. Prior to the time of the Placing, the Company, a US limited liability company and partnership for federal income tax purposes, will merge with and into a US corporation with such corporation surviving and will thereafter and at the

time of Placing be subject to US federal income tax on its taxable income. However, because all of the Company's pre-conversion losses were allocated to its members, the Company has no net operating loss carry-forwards for US federal income tax purposes.

6. Results of Operations

The following table has been extracted without material adjustment from the Financial Information set out in Part X: *"Financial Information"* and sets out certain data regarding TyraTech's operations for the period ended 31 December 2004, the years ended 31 December 2005 and 2006 and the two month period ended 28 February 2007. Investors should read the whole of this document as well as Part X: *"Financial Information"* and should not rely on the summary information below.

	Period ended 31 December ($)	Years ended 31 December ($)		Period ended 28 February ($)
	2004	2005	2006	2007
Revenue	—	—	(265,055)	9,838
Operating expenses:				
Business Development	60,988	551,855	1,231,322	173,867
Research & development	500,449	2,612,373	4,505,042	1,243,474
General & administrative	33,258	424,472	1,366,789	747,275
Total operating expenses	594,695	3,588,700	7,103,153	2,164,616
Loss from operations	594,695	3,588,700	7,368,208	2,154,778
Other expense	—	—	2,228,646	58,246
Interest expense	—	6,995	1,593,908	397,624
Net loss	594,695	3,595,695	11,190,762	2,610,648

Period Ended 28 February 2007

Revenue. Revenue for the two months ended 28 February 2007 was $9,838. An amount of $91,666 was for the release of deferred revenue from exclusivity fees invoiced in 2006. Offsetting this was an amount of $(81,828) relating to the fair value of warrants issued to a commercial partner and treated as a sales incentive.

Business Development. Business development expenses for the two months ended 28 February 2007 were $173,867. These expenses related primarily to personnel costs of the sales team.

Research and Development. The Company expended approximately $1.2 million in research and development for the two months ended 28 February 2007. These expenses related primarily to personnel and outside testing.

General and Administrative Expenses. General and administrative expenses for the two months ended 28 February 2007 were $747,275. These expenses related primarily to the increase in personnel costs in extending the management team.

Net Interest. Net interest expense was $397,624 for the two months ended 28 February 2007 due to $371,801 for the amortisation of the initial fair value of XLTG warrants and interest relating to $7.7 million of cumulative funding provided by XLTG.

Comparison of Years Ended 31 December 2006 and 31 December 2005

Revenue. Revenue in the year ended 31 December 2006 was $(265,055). In 2006, TyraTech entered into licence agreements which accounted for $230,834 of revenues from option and exclusivity fees. Offsetting this is an amount of $(495,889) relating to the fair value of warrants issued to a commercial partner and treated as a sales incentive. There were no revenues for the period ended 31 December 2005.

Business Development. Business development expenses increased significantly in the year ended 31 December 2006 to $1.2 million compared to $551,855 in the year ended 31 December 2005. The increased related to increase a personnel costs in establishing a sales team.

Research and Development. Research and development expenses have increased significantly in the year ended 31 December 2006 to $4.5 million compared to $2.6 million in the year ended 31 December 2005. In 2006, significant research and development activity was related to increased efforts for safety and efficacy testing of new formulation. In 2006, TyraTech completed the build out of its laboratory in Florida, and added employees in the new facility to expand the development and commercialisation capabilities in the areas of product development for insecticides and parasitacides. In 2005, a major component of research and development sponsored research expenses paid to Vanderbilt for use of Vanderbilt's laboratory and staff.

General and Administrative Expenses. General and administrative expenses increased significantly in the year ended 31 December 2006 to $1.4 million from $424,472 in the year ended 31 December 2005. The increase was due to expenses associated with the increases in TyraTech's administrative support requirements, which included the development of a product supply organisation and greater executive involvement coupled with increased administration to manage the increased activity.

Net Interest. Net interest expenses were $1.6 million in the year ended 31 December 2006 while in the year ended 31 December 2005, net interest expenses were $6,995. The net interest expenses in the year ended 31 December 2006 was associated with the cumulative $6.7 million of funding provided by XLTG by way of promissory notes and also includes $1.3 million for the amortization of the fair value of the XLTG warrants.

Comparison of the Period Ended 31 December 2004 and the Year Ended 31 December 2005

Revenue. TyraTech had no revenue in the period ended 31 December 2004 or the year ended 31 December 2005.

Business Development. Business development expenses increased significantly in the year ended 31 December 2005 to $551,855 from $60,988 in the period ended 31 December 2004. The increase is related to the growth in personnel costs in creating a sales team.

Research and Development. Research and development expenses increased significantly in the year ended 31 December 2005 to $2.6 million from $500,449 in the period ended 31 December 2004. The increase is primarily the result of a $1 million accounting charge for the contributed technology from Vanderbilt and professional fees.

General and Administrative Expenses. General and administrative expenses increased significantly to $424,472 in the year ended 31 December 2005 from $33,258 in the period ended 31 December 2004. The increase was due to professional fees and other costs associated with management and admistration of the increased activity of the Company

Net Interest. Net interest expenses were $6,995 in the year ended 31 December 2005 and there was no interest in the period ended 31 December 2004.

7. Liquidity and Capital Resources

TyraTech has generated billings of over $2 million since inception and in addition has relied on funding from XLTG to finance its operations. Total funding has amounted to approximately $9.8 million between inception and 28 February 2007 comprising $2 million of equity contributions and $7.8 million drawn in relation to promissory notes issued to XLTG. TyraTech has incurred significant losses since inception in May 2004 and had an accumulated members' deficit of $14.1 million as at 28 February 2007.

Financial period ended **$**	**31 December 2004**	**31 December 2005**	**31 December 2006**	**28 February 2007**
Operating Activities				
Net loss	(594,695)	(3,595,695)	(11,190,762)	(2,610,648)
Adjustments to profit	160,417	1,228,754	4,523,303	872,250
Changes in working capital	434,278	(122,607)	2,853,757	(339,414)
Taxes paid	—	—	—	—
Net cash from operating activities	—	(2,489,548)	(3,813,702)	(2,077,812)
Investing Activities				
Purchase of property and equipment	—	(81,022)	(618,301)	(18,482)

Financial period ended $	31 December 2004	31 December 2005	31 December 2006	28 February 2007
Net cash from investing activities	—	(81,022)	(618,301)	(18,482)
Financing Activities				
Capital lease payments	—	—	(3,942)	(2,682)
Receipts of long/short term loans	—	601,179	6,062,002	1,098,120
Equity contributions received	—	2,000,000	—	—
Net cash from financing activities	—	2,601,179	6,058,060	1,095,438
Net Cash Flow	—	30,609	1,626,057	(1,000,856)

The following table summarises issuances of unit grants from inception to May 2007:

Type	Date (through)	Units
Unit grants – Initial member contributions	May 2004	17,500,000
Restricted Units – Employee equity incentive	December 2006	1,380,000
Restricted Units – Employee equity incentive	February 2007	220,000
Restricted Units – Employee equity incentive	April 2007	573,000

Prior to the Placing, the Company operated as a limited liability company (LLC). The form of equity whilst a LLC was in the form of units. The equity amounts above have been converted into Common Shares as a result of the Company converting to a U.S. corporation pursuant to a merger as described in paragraphs 3.1, 3.2 and 16.20 of Part XV: ''*Additional Information*''.

As at 31 December 2006, TyraTech had cash of $1.7 million, compared to $30,609 at 31 December 2005 and $NIL at 31 December 2004.

Cash. Cash used in operating activities in the two months ended 28 February 2007 was $2.1 million. Cash used in operating activities for the year ended 31 December 2006 was $3.8 million, $2.5 million for the year ended 31 December 2005 and $NIL for the period ended 31 December 2004. The use of cash in all periods resulted primarily from funding net losses.

Cash flows from investing activities. Cash used in investing activities was ($18,482) for the two months ended 28 February 2007, ($618,301) for the year ended 31 December 2006, ($81,022) in the year ended 31 December 2005 and $NIL in the period ended 31 December 2004.

Cash flows from financing activities. Net cash provided by debt financing activities, which resulted in the issuance of warrants to purchase shares, was $1.1 million in the two month period ended 28 February 2007, $6.1 million in the year ended 31 December 2006, $601,179 in the year ended 31 December 2005 and $NIL in the year ended 31 December 2004. Additionally, $2 million was provided in the form of equity contributions in the year ended 31 December 2005.

Without qualifying the working capital statement in paragraph 12 of Part XV: *''Additional Information''*, the Directors anticipate that the Company will begin generating product revenue in 2007. Until TyraTech can generate a sufficient amount of product revenue, if ever, the Directors expect to finance future cash needs through public or private equity offerings, debt financings or corporate collaboration and licensing arrangements as well as through interest income earned on cash balances. TyraTech currently does not have any commitments for future external funding. The Directors cannot be certain that additional funding will be available on acceptable terms, or at all. To the extent that TyraTech raises additional funds through collaboration and licensing arrangements, it may be necessary to relinquish some rights to technology or drug candidates, or grant licences on terms that are not favourable to TyraTech. If adequate funds are not available, TyraTech may be required to delay, reduce the scope of or eliminate one or more of its research or development programs or to obtain funds through collaborations with others that are on unfavourable terms or that may require TyraTech to relinquish rights to some or its technologies or products that it would otherwise seek to develop on its own.

TyraTech has gross debt as at 28 February 2007 of $7.8 million, and it had contractual obligations related to a facilities lease, as follows:

	At 28 February 2007
$2 million secured note (before discount)	$2,000,000
$10 million secured note (before discount)	$5,761,301
Contracted obligations	$72,160

Terms of the debt include interest and, in relation to the $10 million secured note, warrants. Interest on the $2 million secured note accrues at LIBOR plus 4.0%. Interest on the $10 million secured note accrues at Prime plus 3.0%.

The contractual obligations under the lease above relates to laboratory and office spaces in Melbourne, Florida. TyraTech will fund its obligations under the lease from working capital.

8. Critical Accounting Policies

The preparation of financial statements under US GAAP requires management to make certain estimates and judgments that affect reported amounts of assets, liabilities, revenues, expenses and disclosures in the financial statements. Critical accounting policies are those that require the most significant, complex or subjective judgments, which are often as a result of the need to make estimates on matters that are inherently uncertain.

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

Trade Accounts Receivable. Trade 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.

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

Property and Equipment. Property and equipment are stated at cost less accumulated depreciation. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortised over the lesser of the useful lives of the assets or the lease term.

Impairment of Long-Lived Assets. 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 recognised 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.

Revenue Recognition. The Company recognises revenue when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. The Company recognises revenue when development activities for related contracts are performed or when milestones have been achieved. As at 28 February 2007 and 31 December 2006, $2.1 million and $2.2 million, respectively, of revenue was deferred and will be recognised over the remaining term of the development period to which it relates.

Commercial Partner exclusivity fee and warrants

- A $2 million exclusivity fee was received from the commercial partner in December 2006. This will be reviewed on a regular basis. $1.5 million of the fee received to date is being recognised on a straight-line basis over a 36 month period, the balance of $0.5 million has been deferred as it is currently refundable.

- In addition, the commercial partner was issued warrants to acquire a variable number of units in the Company equal to $2 million divided by the future per share or per unit price. At the date of grant the fair market value of the warrants was recorded as a warrant liability with the expense recognised as a charge against revenue on the basis that it represents a sales incentive to the commercial partner. As at 31 December 2006 the fair market value of the warrants was calculated as $0.5 million. The commercial partner warrants have been split into two separate components for accounting purposes, each of $1 million, the details of which are provided later in this document.

XLTG warrants. TyraTech has granted XLTG the right to purchase a variable number of Common Shares in the Company based on the amount drawndown by TyraTech on the $10 million Promissory Note referred to in paragraph 16.3 of Part XV: *"Additional Information"* as at the date of a qualified public offering, and the qualified public offering initial share price. The warrants are for a five year term. As at 31 December 2006 the fair market value of the warrants was deemed to be $4.1 million.

Equity Based Compensation. Effective from 1 July 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 recognised in the statement of operations based on their fair values.

Research and Technical Development. Research and technical development costs are expensed as incurred. During the year ended 31 December 2005, a member of the Company contributed intellectual property valued at $1.0 million. The intellectual property was charged to in-process research and development and is included in research and technical development operating expenses.

Income Taxes. Under provisions of the Internal Revenue Code and applicable state laws, prior to this Company's conversion to a corporation, the Company was not directly subject to income taxes; the results of its operations were includable in the tax returns of its members. Therefore, no provision for income taxes has been made in the audited financial statements.

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 the Directors' best knowledge of current events and actions the Company may undertake in the future, actual results ultimately may differ from the estimates.

9. Quantitative and Qualitative Disclosures about Market Risk

Foreign Exchange Risk

As a consequence of the intended international nature of its business, the Company will be exposed to risks associated with foreign currency exchange rates. The proceeds of the Company's fundraising are expected to be in pounds sterling. The Company's corporate headquarters are located in the US and it presents financial statements in US dollars. The Company expects its future revenues to be denominated in several currencies, in particular the US dollar and Indian Rupees. Therefore, movements in foreign currency exchange rates may have an impact on the Company's reported results of operations, financial position and cash flows that are not necessarily related to the Company's results of operations. To date, the Company has not entered into any currency transactions to hedge its fixed costs exposures, nor has it any plans to do so, although it may enter into such transactions in the future.

Interest Rate Risk

The Company is exposed to variable interest rates under the terms of the Promissory Note dated 31 October 2005 and the Secured Term Promissory Note dated 1 May 2006 (as more particularly described in paragraphs 16.5 and 16.3 respectively of Part XV: ''*Additional Information*''). The Company has not entered into interest rate swaps or other hedging transactions to manage interest rate exposure under these arrangements.

Impact of Inflation

In general, the Company's costs are affected by inflation. The Company attempts to restrict increases in its costs below the rate of inflation, although general inflation affects general and administrative expenses and similar costs.

10. Capitalisation and Indebtedness

The financial information relating to the Group as at 31 December 2006 in the following table has been extracted without material adjustment from the audited financial results of the Group for the year ended 31 December 2006 prepared under US GAAP and sets out the capitalisation of the Group as at 31 December 2006. The financial information relating to the Group as at 28 February 2007 has been extracted without material adjustment from the Group's unaudited accounting records and sets out the unaudited capitalisation of the Group as at 28 February 2007:

As at	31 December 2006 $000	28 February 2007 $000
Total current debt		
– Guaranteed	—	—
– Secured	6,037	7,407
– Unguaranteed/Unsecured	—	—
Total Non-current debt (excluding current portion of long-term debt)		
– Guaranteed	—	—
– Secured	55	52
– Unguaranteed/Unsecured	—	—
Members' Equity		
– Issued units	3,399	3,878
	9,491	11,337

Net Indebtedness

The financial information relating to the Group in the following table as at 31 December 2006 has been extracted without material adjustment from the audited financial results of the Group for the year ended 31 December 2006 prepared under US GAAP and sets out the net indebtedness and cash and cash equivalents of the Group as at 31 December 2006. The financial information relating to the Group as at 28 February 2007 has been extracted without material adjustment from the Group's unaudited accounting records and sets out the unaudited indebtedness and cash and cash equivalents of the Group as at 28 February 2007:

As at	31 December 2006 $000	28 February 2007 $000
Cash	1,657	656
Cash equivalent (detail)	—	—
Trading securities	—	—
Liquidity	1,657	656
Current financial receivable	—	—
Current bank debt	—	—
Current portion of non-current debt	(17)	(17)
Other current financial debt[(1)]	(6,020)	(7,390)
Current financial debt	(6,037)	(7,407)
Net Current Financial Indebtedness	(4,380)	(6,751)

As at	31 December 2006 $000	28 February 2007 $000
Non current bank loans	—	—
Bonds issued	—	—
Other non current loans	(55)	(52)
Non Current Financial Indebtedness	(55)	(52)
Net Financial Indebtedness	(4,435)	(6,803)

Note:

(1) Other current financial debt comprises promissory notes issued to XLTG net of a discount on debt. The gross debt balances were $7,761,301 and $6,663,181 at 28 February 2007 and 31 December 2006 respectively.

Changes to Capitalisation since 31 December 2006

Additional working capital loans totalling $1.1 million were received from XLTG under the existing loan instrument in the two month period ended 28 February 2007. TyraTech issued 220,000 units to employees, amounting to 8.6 per cent. of the total issued units.

11. Affiliate Transactions

The Company has entered into a $2 million Secured Term Promissory Note dated 31 October 2005 and a $10 million Secured Term Promissory Note dated 1 May 2006 with XLTG (as more particularly described in paragraphs 16.5 and 16.3 respectively of Part XV: "*Additional Information*"). The principal and interest on these notes will be repaid by the Company out of the net proceeds of the Placing and such notes will then be terminated.

In addition, the Company has entered into a management services agreement with XLTG pursuant to which XLTG provides certain administrative functions to the Company, including maintenance of payroll and personnel records and processing of payroll. Under the terms of this agreement, the Company will reimburse XLTG an amount based on the costs of these functions as well as other indirect overhead expenses.

In connection with the $10 million secured note payable to the managing member, the Company entered into a purchase option agreement by which the managing member was granted an option to purchase equity in the Company. Under the purchase option, the Company granted to the managing member the right to purchase a variable number of units 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.

On 25 May 2007, the Company entered into the Subscription Agreement with XLTG whereby the Company agreed to sell and XLTG agreed to purchase the Subscription Shares at the Placing Price.

12. Current Trading and Prospects

The Company's sales since the end of the year ended 31 December 2006, the date of the latest audited financial information, were $9,838 and had increased from $(265,055) in the previous year. This increase was due to amortisation of deferred revenues for exclusivity fees with co-development partners engaged in 2006, offset by the change in the fair value of warrants issued to a commercial partner and treated as a sales incentive. Current trading is in line with the Company's expectations.

The Company has incurred significant losses since commencing commercial operations in 2004 as it has devoted substantially all of its resources to the research and development of its products. As at 28 February 2007, the Company had an accumulated members' deficit of $14.1 million. TyraTech's historical financial results reflect primarily research, development and administrative expenses. The Directors expect that these expenses will rise significantly as the Company increases headcount and invests in product development and sales and marketing.

PART IX DIRECTORS AND SENIOR MANAGEMENT

Directors

Dr Geoffrey Nicholas Vernon, B.Pharm, Ph.D, MBA, CDir, Non-Executive Chairman. Age 55. Non-Executive Chairman of XL Tech Group Plc and former executive director of Rothschild Asset Management Ltd., partner of the venture capital group Advent Limited, and chairman and/or non-executive director of a number of quoted and privately owned companies in the US, 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.

Dr R. Douglas Armstrong, Ph.D, Chief Executive Officer. Age 54. Dr Armstrong 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 development research companies. Prior to his appointment at TyraTech, Dr Armstrong was CEO and Chairman of Aastrom Biosciences Inc., which he led from start-up, through development, and a public offering on NASDAQ. He has also served on the boards of VisualSonics Inc., Nephros Therapeutics Inc., Cytomedix Inc., Zellera AG (Germany), and the Burnham Institute, where he also served as the Executive Vice President. In addition, Dr Armstrong has served as a member of the advisory board of Wolverine Venture Fund, and staff at Yale University School of Medicine and University of California, San Francisco. Dr Armstrong is a graduate in Chemistry from the University of Richmond, Virginia and he also holds a PhD in Pharmacology & Toxicology from the Medical College of Virginia at Virginia Commonwealth University.

Mr Keith Edward Bigsby, Chief Financial Officer. Age 55. Mr Bigsby brings over 25 years of senior financial management and boardroom experience to TyraTech, including 14 years within the international operations of US listed technology companies, with particular commercial as well as financial skills. Most recently, Mr Bigsby was CFO at Geotrupes Energy PLC, a developer of renewable energy projects, where he helped prepare that company for a potential IPO on AIM. Previously, from 2001 to 2005 he was Chief Financial Officer at Tadpole Technology PLC and Chief Executive Officer from 2003 to 2005 of a Software Division. Mr Bigsby has worked across Europe, the US and the Far East majoring in technology businesses, with experience in strategic planning and change management.

Mr Richard Keith Brenner, Executive Director. Age 53. Mr Brenner is the founding CEO of TyraTech and VP of Business Development for XL TechGroup. He has over 25 years experience in brand building, general management, and entrepreneurial enterprises. Prior to TyraTech, Mr Brenner's was COO of Teen Mania and President of Calyx & Corolla. His general management roles were preceded by three years at PNV, a telecommunications start-up company, eight years in marketing at Procter & Gamble serving in multiple roles, including marketing Director and six years at Leo Burnett Advertising, in account management. Mr Brenner received a Bachelor of Science in business administration from the University of Maryland and a Master of Management degree from Northwestern University.

Mr Alan John Reade, Non-Executive Director (Independent). Age 58. Currently, Mr Reade is owner of Global Strategy Expression Company, 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, Mr Reade 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.

Mr Barrington Marshall Riley, Non-Executive Director (Independent). Age 58. After qualifying as a Chartered Accountant, Mr Riley joined the Bowater Organisation, where he had responsibility for the finance function at several operations. From there, he moved to FMC Corporation, the US conglomerate, where he had finance and general management responsibilities for a speciality chemical operation and also oversaw the head office finance function for FMC's UK operations. He joined Proteus International PLC in 1995 as Finance Director and was closely involved in the merger with Therapeutic Antibodies Inc. to form Protherics PLC in 1999. More recently, he played a major part in negotiating the licensing agreement with AstraZeneca, and a £38 million fundraising and associated acquisitions, completed in January 2007. He has recently announced his intention to step down from the Protherics Board in August 2007.

Dr Kenneth Daniel Noonan, Ph.D, Non-Executive Director (Independent). Age 59, Dr Noonan is a Partner at LEK Consulting LLP based in London, where he leads the firm's European life sciences practice, with responsibility for pharmaceuticals, biopharmaceuticals, medical device and diagnostic as well as research product sectors. He is currently a technology partner at Advanced Technology Ventures, a US based venture capital fund. Other positions held by Dr Noonan included Senior Vice President of Corporate Development for Applera Corporation 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. Dr Noonan holds a B.S from St. Josephs University and a PhD in Biochemistry from Princeton University.

Senior Management

Dr Essam E Enan Ph.D – TyraTech Chief Science Officer. Dr Enan has been the Company's Chief Science Officer since 2006, and has led TyraTech's technology research and development since its inception in 2004. He has been a research professor at the Vanderbilt University School of Medicine since 1999. Earlier in his career, he served as a research scientist at the University of California, Davis and as a professor at the High Institute of Public Health at the University of Alexandria, Egypt. He is the inventor of the core technology that forms the technical foundation of TyraTech and is renowned for his work in insect behaviour and plant essential oil pesticides. Dr Enan received a Bachelor of Science and Master of Science from the College of Agriculture of the University of Alexandria, Egypt and a Doctorate degree from the High Institute of Public Health of the University of Alexandria, Egypt.

Mr Robert Schweiger – TyraTech VP Business Development. Mr Schweiger has been the Company's Vice President of Business Development since 2006, with expertise in licensing and contract negotiation. From 2001 to 2006, he was the Vice President of Business Development at Inhibitex, Inc.. Earlier in his career, Mr Schweiger held senior positions and had responsibility for technology business development and licensing transactions at Taro Pharmaceuticals, Inc., Schein-Bayer Pharmaceutical Services Inc., American Cyanamid Co., Pacryte Products, Inc. Smithkline Beecham Corp. and Bristol Myers Co. Mr Schweiger received a Bachelor of Science in Finance from Rider College and a Master's in Business Administration from St. John's University.

Mr Joe Boylan – TyraTech VP Product Supply. Mr Boylan is a West Point graduate with over 30 years in global operational and logistics leadership. Mr Boylan has held senior positions at Emulex Corp., Disney and Assurance Technology Corp., before leading small and large teams in high-growth, start-up organisations at the Chief Executive Officer level. Mr Boylan was a Lt. Colonel in the US Army, with expertise in command, operation logistics and engineering project management.

Mr Robert Nagro – TyraTech Head Project Operations. Mr Nagro is a senior executive with both operational management and investment banking experience, working with IBM and Pitney Bowes, as well as smaller high growth enterprises. Mr Nagro has held multi-national financial and operational positions at IBM, and since 1992 has provided management consulting, business analysis and strategy development service for a variety of companies including Pitney Bowes Inc., Raytheon, as well as other smaller high growth enterprises. He holds degrees in electrical engineering from MIT and physics from Williams College, Massachusetts.

INCENTIVES

The Directors believe that the Company's success is highly dependent on the quality and the loyalty of its senior management and employees. To assist in the recruitment, retention and motivation of high quality employees, the Company must have an effective remuneration strategy. The Directors consider that an important part of the Company's remuneration strategy is the ability to award equity incentives and, in particular, stock options to employees. The Company has a stock option plan, the 2007 Plan.

The rules of the 2007 Plan include an overall limit of 10 per cent. on the aggregate number of Common Shares which may be issued under it. The Company's employees are eligible for grants of incentive stock options, non-qualified stock options, stock appreciation rights, stock awards, stock units and other stock based awards as may be determined by the board of directors of TyraTech.

For these purposes, options and other rights which lapse or were granted prior to Admission are not included. The terms of the 2007 Plan have been drafted on the basis of US practice to reflect

the likely expectation of employees in the US market. The Company proposes to comply with the spirit of the guidelines published by the Associate of British Insurers as fully as is practical following Admission with regard to the award of options under the 2007 Plan. The remuneration committee of the Company has the authority (in consultation with the Company's nominated adviser) to attach performance criteria and accelerated vesting provisions where appropriate.

Further details of the 2007 Plan are set out in paragraph 9 of Part XV: "*Additional Information*".

CORPORATE GOVERNANCE

The Directors recognise the value and importance of high standards of corporate governance and intend, given the Company's size, stage of development and constitution of the Board, to comply with the main provisions of the Combined Code. The Company also proposes to follow the recommendations on corporate governance of the Quoted Companies Alliance for Companies with shares traded on AIM.

The Board currently comprises Dr Vernon as the Chairman (who is non-executive), three executive directors and three non-executive directors who the Company believes to be independent (within the meaning of the Combined Code). The senior independent non-executive director is Dr Noonan.

The Directors have adopted terms of reference for and have an audit committee, a remuneration committee and a nominations committee.

The audit committee is chaired by Mr Riley and its other members are Dr Vernon and Dr Noonan. It will normally meet not less than twice a year. The audit committee has responsibility for, amongst other things, the planning and review of the Company's annual report and accounts and half-yearly reports and the involvement of the Company's auditors in that process. The audit committee focuses in particular on compliance with legal requirements and accounting standards and on ensuring that an effective system of internal financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The terms of reference of the audit committee cover such issues as membership and the frequency of meetings, as mentioned above, together with the role of the secretary and the requirements of notice of and quorum for and the right to attend meetings. The duties of the audit committee covered in the terms of reference are: financial reporting, internal controls and risk management systems, whistle blowing, internal audit, external audit and reporting responsibilities. The terms of reference also set out the authority of the committee to exercise its duties. Dr Vernon's membership of the Audit Committee does not comply with provision C.3.1 of the Combined Code.

The remuneration committee is chaired by Mr Reade and its other member is Dr Noonan. It will normally meet not less than twice a year. The remuneration committee has responsibility for making recommendations to the Board on the Company's policy on the remuneration of certain senior executives, the implementation and operation of share incentive schemes and for the determination, within agreed terms of reference, of specific remuneration packages for each of the Executive Directors, including pension rights, contracts of employment and any compensation payments. The terms of reference of the remuneration committee cover such issues as membership and frequency of meetings, as mentioned above, together with the role of secretary and the requirements of notice of and quorum for and the right to attend meetings. The duties of the remuneration committee covered in the terms of reference relate to the following: determining and monitoring policy on and setting level of remuneration, contracts of employment, early termination, performance-related pay, pension arrangements, authorising claims for expenses from the chief executive and chairman, reporting and disclosure, and remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the committee to exercise its duties. The remuneration committee's general philosophy is that executive compensation should be aligned with the Company's business objectives and simultaneously reward performance in the attainment of these objectives. As a result, a greater portion of the compensation of executives is based on equity and incentive plans than the compensation of other employees of the Company. The Company will use competitive industry data for determination of compensation levels for its management and employees.

The nominations committee is chaired by Dr Vernon and its other members are Mr Reade and Mr Riley. It will meet when appropriate. The nominations committee considers the composition of the Board, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board.

The Directors intend to comply, and procure compliance with, Rule 21 of the AIM Rules relating to dealings by directors and other applicable employees in the Company's securities and, to this end, the Company has adopted an appropriate share dealing code.

PART X FINANCIAL INFORMATION

A. ACCOUNTANT'S REPORT FOR TYRATECH, INC. FOR THE PERIOD ENDED 31 DECEMBER 2004 AND THE YEARS ENDED 31 DECEMBER 2005 AND 2006

KPMG Audit Plc
1-2 Dorset Rise
London EC4Y 8EN
United Kingdom

The Directors
TyraTech, Inc.
1901 South Harbor City Boulevard
Suite 504
Melbourne, FL 32901
United States

25 May 2007

Dear Sirs

TyraTech, Inc. (the 'Company')

We report on the financial information set out on pages 71 to 83. This financial information has been prepared for inclusion in the AIM Admission Document dated 25 May 2007 of TyraTech Inc. (formerly known as TyraTech LLC) on the basis of the accounting policies set out in note 1. This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with US generally accepted accounting principles.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules, consenting to its inclusion in the AIM Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 25 May 2007, a true and fair view of the state of affairs of TyraTech Inc. as at the dates stated and of its losses, cash flows and recognised gains and losses for the periods then ended in

accordance with the basis of preparation set out in note 1 and in accordance with US accounting standards as described in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

KPMG Audit plc

B. HISTORICAL FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 DECEMBER 2004, THE TWO YEARS ENDED 31 DECEMBER 2005 AND 2006 AND THE TWO MONTH PERIOD ENDED 28 FEBRUARY 2007 (UNAUDITED)

TYRATECH, INC.

(A Development Stage Enterprise formerly known as TyraTech, LLC)

Consolidated Balance Sheets
February 28, 2007 (unaudited), December 31, 2006, 2005 and 2004

	(Unaudited) February 28,	December 31,		
Assets	**2007**	**2006**	**2005**	**2004**
Current assets:				
Cash	$ 655,810	$ 1,656,666	$ 30,609	$ —
Receivables	184,517	194,496	—	—
Inventory	219,180	219,180	—	—
Prepaid expenses	20,657	19,996	—	—
Total current assets	1,080,164	2,090,338	30,609	—
Property and equipment, net of accumulated depreciation	687,688	705,089	79,504	—
Deferred offering costs	45,342	—	—	—
Total assets	$ 1,813,194	$ 2,795,427	$ 110,113	$ —
Liabilities and Members' deficit				
Current liabilities:				
Accounts payable	$ 210,068	$ 132,435	$ 60,941	$ —
Accrued liabilities	572,779	868,067	129,436	—
Accrued license fees	539,803	501,780	385,417	160,417
Due to managing member	254,965	340,702	121,294	434,278
Deferred revenue	2,095,396	2,187,062	—	—
Current installments of obligation under capital lease	17,030	16,758	—	—
Notes payable to managing member	7,389,500	6,019,578	601,179	—
Liability for warrants	4,795,419	4,655,345	—	—
Total current liabilities:	15,874,960	14,721,727	1,298,267	594,695
Capital lease obligation, excluding current installments	52,448	55,402	—	—
Total liabilities	15,927,408	14,777,129	1,298,267	594,695
Members' deficit accumulated during the development stage	(14,114,214)	(11,981,702)	(1,188,154)	(594,695)
Total liabilities and members' equity	$ 1,813,194	$ 2,795,427	$ 110,113	$ —

See accompanying notes to consolidated financial statements.

TYRATECH, INC.

(A Development Stage Enterprise formerly known as TyraTech, LLC)

Consolidated Statements of Operations
Two month period ended February 28, 2007 (unaudited), Years ended December 31, 2006 and 2005 and for the period from May 4, 2004 (inception) to December 31, 2004 and Cumulative for the period from May 4, 2004 (inception) to February 28, 2007 (unaudited)

	(Unaudited) February 28, 2007	2006	2005	2004	(Unaudited) cumulative from inception to February 28, 2007
Revenues:					
Option fees	$ —	150,000	—	—	150,000
Exclusivity fees	91,666	80,834	—	—	172,500
	91,666	230,834	—	—	322,500
Sales incentives provided in warrants	(81,828)	(495,889)	—	—	(577,717)
Total revenues	9,838	(265,055)	—	—	(255,217)
Operating expenses:					
General and administrative	$ 747,275	$ 1,366,789	424,472	33,258	2,571,794
Business development	173,867	1,231,322	551,855	60,988	2,018,032
Research and technical development	1,243,474	4,505,042	2,612,373	500,449	8,861,338
Total operating expenses	2,164,616	7,103,153	3,588,700	594,695	13,451,164
Other (income) expense:					
Interest expense	$ 397,624	$ 1,593,908	6,995	—	1,998,527
Change in fair value of warrant liabilities	58,246	2,228,646	—	—	2,286,892
Total other expense	455,870	3,822,554	6,995	—	4,285,419
Loss before income taxes	(2,610,648)	(11,190,762)	(3,595,695)	(594,695)	(17,991,800)
Income taxes	—	—	—	—	
Net loss	$ (2,610,648)	$ (11,190,762)	(3,595,695)	(594,695)	(17,991,800)

See accompanying notes to consolidated financial statements.

TYRATECH, INC.

(A Development Stage Enterprise formerly known as TyraTech, LLC)

Consolidated Statements of Members' Deficit
Two Month Period Ended February 28, 2007 (unaudited), Years ended December 31, 2006 and 2005 and for the period from May 4, 2004 (inception) to December 31, 2004

	Units	Amount
Members' deficit, as of May 4, 2004	—	$ —
Net loss	—	(594,695)
Members' deficit at December 31, 2004	—	(594,695)
Member contributions	17,500,000	3,000,000
Compensation costs related to unit grants	—	2,236
Net loss	—	(3,595,695)
Members' deficit at December 31, 2005	17,500,000	(1,188,154)
Grant of units	1,380,000	13,800
Compensation costs related to unit grants	—	383,414
Net loss	—	(11,190,762)
Members' deficit at December 31, 2006	18,880,000	(11,981,702)
Grant of units (unaudited)	220,000	2,200
Compensation costs related to unit grants (unaudited)	—	475,936
Net loss (unaudited)	—	(2,610,648)
Members' deficit at February 28, 2007 (unaudited)	19,100,000	$(14,114,214)

See accompanying notes to consolidated financial statements.

TYRATECH, INC.

(A Development Stage Enterprise formerly known as TyraTech, LLC)

Consolidated Statements of Cash Flows
Two month period ended February 28, 2007 (unaudited), Years ended December 31, 2006 and 2005 and for the period from May 4, 2004 (inception) to December 31, 2004 and Cumulative for the period from May 4, 2004 (inception) to February 28, 2007 (unaudited)

	(Unaudited) February 28, 2007	2006	2005	2004	(Unaudited) cumulative from inception to February 28, 2007
Cash flows from operating activities:					
Net loss	$ (2,610,648)	$(11,190,762)	$ (3,595,695)	$ (594,695)	$(17,991,800)
Adjustments to reconcile net loss to net cash used in operating activities:					
Depreciation and amortization	307,683	1,356,025	1,518	—	1,665,226
Exclusivity fees	(91,666)	(70,834)	—	—	(162,500)
License maintenance fees	38,023	116,363	(179,051)	160,417	135,752
Fair value of warrants issued	81,828	495,889	—	—	577,717
Change in fair value of warrants	58,246	2,228,646	—	—	2,286,892
In-process research and development	—	—	1,404,051	—	1,404,051
Non cash compensation to employees and non employees	478,136	397,214	2,236	—	877,586
Changes in operating assets and liabilities:					
Accounts receivable	9,979	(36,600)	—	—	(26,621)
Inventory	—	(219,180)	—	—	(219,180)
Prepaid expenses	(661)	(19,996)	—	—	(20,657)
Accounts payable and accrued liabilities	(262,996)	810,125	190,377	—	737,506
Deferred revenue	—	2,100,000	—	—	2,100,000
Due to affiliate	(85,736)	219,408	(312,984)	434,278	254,966
Net cash used for operating activities	(2,077,812)	(3,813,702)	(2,489,548)	—	(8,381,062)
Cash flows used for investing activities:					
Purchases of property and equipment	(18,482)	(618,301)	(81,022)	—	(717,805)
Net cash (used) for investing activities	(18,482)	(618,301)	(81,022)	—	(717,805)
Cash flows from financing activities:					
Borrowings on notes payable	1,098,120	6,062,002	601,179	—	7,761,301
Payments made under capital lease	(2,682)	(3,942)	—	—	(6,624)
Contributions	—	—	2,000,000	—	2,000,000
Net cash provided by financing activities	1,095,438	6,058,060	2,601,179	—	9,754,677
Net increase in cash	(1,000,856)	1,626,057	30,609	—	655,810
Cash, beginning of period	1,656,666	30,609	—	—	—
Cash, end of period	$ 655,810	$ 1,656,666	$ 30,609	$ —	$ 655,810

See accompanying notes to consolidated financial statements.

TYRATECH, INC.

(A Development Stage Enterprise formerly known as TyraTech, LLC)

Consolidated Statements of Cash Flows
Two month period ended February 28, 2007 (unaudited), Years ended December 31, 2006 and 2005 and for the period from May 4, 2004 (inception) to December 31, 2004 and Cumulative for the period from May 4, 2004 (inception) to February 28, 2007 (unaudited)

	(Unaudited) February 28, 2007	2006	2005	2004	(Unaudited) cumulative from inception to February 28, 2007
Supplemental disclosures:					
Cash paid for interest	$ 119,689	$ 260,860	1,179	—	381,728
Non-cash investing and financing activities:					
The Company incurred a capital lease obligation that was capitalised to property and equipment	$ —	$ 76,102	—	—	76,102
The Company issued warrants to acquire its member units in connection with financing obtained, which was recorded as a discount to the debt and a non-cash warrant liability	$ —	$ 1,930,810	—	—	1,930,810
The Company recorded a receivable and deferred revenue related transaction with a related party	$ —	$ 157,896	—	—	157,896
The Company incurred offering costs which were capitalised to offering costs and included in accounts payable	$ 45,342	$ —	$ —	—	45,342

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies and Practices

Description of Business

TyraTech, Inc. (formerly known as TyraTech, LLC, a limited liability company) (the "Company" or "TyraTech") is engaged in the manufacture, marketing and sale of proprietary natural pesticides and health care products, through the utilisation of natural active ingredients. Initially, TyraTech is focused on developing safer natural products with plant essential oils to be used in a wide variety of pesticidal and parasidic applications. These new synergistic formulations target specific receptors unique to invertebrates.

Basis of Presentation

Since inception on May 4, 2004, the Company has been considered to be in the development stage as defined by Statement of Financial Accounting Standards (SFAS) No. 7, *Accounting and Reporting by Development Stage Enterprises.*

The financial information presented in these financial statements is in respect of TyraTech, LLC., prior to being recapitalised from a limited liability company to a corporation.

The consolidated financial statements of the Company have been prepared in accordance with US generally accepted accounting principles (US GAAP). The consolidated financial statements include the accounts of TyraTech, LLC and the wholly owned subsidiaries TyraTech Holdings India, LLC. (a Delaware limited liability company) and TyraTech India Pvt. Ltd. References to the Company in these financial statements refer to the consolidated entity and not to the Company on a standalone basis. All inter-company balances and transactions have been eliminated.

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

Cash

All highly liquid securities with original maturities of three months or less when acquired are presented as cash and cash equivalents.

Trade Accounts Receivable

Trade 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.

Inventories

Inventories, consisting of items purchased for resale, are stated at the lower of cost or market value. Cost is determined using the first-in, first-out method (FIFO).

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortised over the lesser of the useful lives of the assets or the lease term.

Impairment of Long-Lived Assets

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 recognised 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.

Discounts on Debt

Discounts on debt are amortised to interest expense on a straight-line basis over the estimated life of the respective debt.

Revenue Recognition

The Company recognises revenue when products are shipped and the customer takes ownership or assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. The Company has agreements for development activities with multiple deliverables or elements under a bundled agreement which the Company accounts for in accordance with Emerging Issues Task Force Issue 00-21, ''Multiple-Deliverable Revenue Arrangements'' (''EITF 00-21''). If the separate deliverables or elements meet the requirements listed in EITF 00-21, the Company recognises the revenue associated with each deliverable or element separately. If the deliverable or elements within a bundled agreement are not considered separate units of accounting, the delivery of an individual deliverable or element is not considered to have occurred if there are undelivered elements that are essential to the functionality. Also, if the development agreement has provisions related to customer acceptance under a milestone, revenue is not recognised unless this obligation is satisfied. As of February 28, 2007 and December 31, 2006, $2,095,396 (unaudited) and $2,187,062 respectively of revenue was deferred and will be recognised over the remaining term of the development period to which it relates or when the customer takes ownership or assumes the risk of loss. Sales incentives, including sales incentives in warrants issued for which the consideration received does not have an identifiable benefit (i.e. does not constitute the provision of goods or services) are recognised as a reduction to revenue within the year of issue. Such arrangements may give rise to negative revenue.

Equity Based Compensation

Effective July 1, 2005, the Company adopted SFAS No. 123 (revised 2004), *Share-Based Payments* (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 recognised in the statement of operations based on their fair values.

All units granted by the Company were issued after July 1, 2005 and therefore all were accounted for in accordance with SFAS 123R.

Research and Technical Development

Research and technical development costs are expensed as incurred. During the year ended December 31, 2005, the Company obtained the use of certain intellectual property (IP) valued at $1,404,051 in exchange for a 33% interest in the Company and a future payment stream over a period of approximately 9 years (see note 5). The IP was charged to in-process research and development and is included in research and technical development operating expenses.

Income Taxes

Under provisions of the Internal Revenue Code and certain applicable state laws, the Company was not directly subject to income taxes while it was treated as a partnership for US federal income tax purposes; the result of its operations were includable in the tax returns of its members. Therefore, no provision for income taxes has been included in the accompanying financial statements.

Because many types of transactions are susceptible to varying interpretations under federal and state income tax laws and regulations, taxable income, assets and liabilities may be subject to change at a later date upon final determination by the taxing authorities.

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.

(2) Liquidity and Capital Resources

The Company has funded operating and investing cash requirements principally through borrowings from members. As of February 28, 2007 and December 31, 2006, the Company had $655,810 (unaudited) and $1,656,666 million in cash and indebtedness of $6,663,1817,761,301 (unaudited) and $6,663,181. The Company plans to repay its outstanding debt balance from the cash proceeds of the sale of securities, which is expected to occur in June 2007.

The Company has had significant negative cash flows from operating activities since inception. The Company believes that its existing cash balances, together with the proceeds from the sale of securities will be sufficient to meet the working capital and capital expenditures needs of the Company in the foreseeable future.

(3) Property and Equipment

Property and equipment and related accumulated depreciation and amortisation consist of:

	(Unaudited) February 28,	December 31,			
	2007	2006	2005	2004	Estimated useful lives
Leasehold improvements	$ 394,986	$ 394,986	$ —	$ —	3 years
Furniture, fixtures and equipment	354,347	338,053	75,870	—	4-7 years
Computer equipment	44,574	42,387	5,152	—	5 years
	793,907	775,426	81,022	—	
Less accumulated depreciation	106,219	70,337	1,518	—	
	$ 687,688	$ 705,089	$ 79,504	$ —	

(4) Leases

During the year ended December 31, 2006, the Company entered into a capital lease for certain equipment that expires in September, 2010. As of February 28, 2007, the gross amount and related gross amortisation of the equipment recorded under capital lease amounted to $76,102 (unaudited) and $6,342 (unaudited), respectively. As of December 31, 2006, the gross amount and related gross amortisation of the equipment recorded under the capital lease amounted to $76,102 and $3,171, respectively. Amortisation of assets under the capital lease is included within depreciation expense.

The Company has noncancellable operating leases for office space and equipment that expire during April 2009. Rental expense for operating leases during the two month period ended February 28, 2007 and years ended December 31, 2006, 2005 and for the period from inception to December 31, 2004 was $10,020 (unaudited), $41,320, $0 and $0, respectively.

Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) and future minimum capital lease payments as of December 31, 2006 are:

	Capital Leases	Operating Leases
Year ending December 31:		
2007	$ 23,040	$ 56,808
2008	23,040	58,746
2009	23,040	4,909
2010	17,279	
Total minimum lease payments	86,399	$ 120,463
Less amount representing interest (at 9.72%)	14,239	
Present value of net minimum capital lease payments	72,160	
Less current installments of obligations under capital leases	16,758	
Obligations under capital leases excluding current installments	$ 55,402	

(5) Related Party Transactions

Notes Payable to Managing Member

Notes payable consist of:

	(Unaudited) February, 28	December, 31		
	2007	2006	2005	2004
$2,000,000 secured note payable, interest payable @ Libor plus 4.0%, (5.24% at December 31, 2006)	$ 2,000,000	2,000,000	601,179	—
$10,000,000 secured note payable, interest payable @ Prime plus 3.0%, (8.50% at December 31, 2006)	5,761,301	4,663,181	—	—
	7,761,301	6,663,181	601,179	—
Discount on debt	(371,801)	(643,603)	—	—
	$ 7,389,500	6,019,578	601,179	

On October 31, 2005, the Company entered into a $2,000,000 secured note agreement with the managing member which matures on the earlier of the termination date, a qualified public offering, the sale of all assets of the Company or December 31, 2009. The note is secured with Company assets and personal property. The note requires the Company to pay the managing member on a monthly basis the interest on the unpaid and outstanding principal amount at a rate of LIBOR plus 4%. Unpaid interest is accrued and treated as a draw in the following month. The Company has the option to prepay the note at any time in whole or in part with accrued interest without penalty. As of February 28, 2007 and December 31, 2006 and 2005, $14,687 (unaudited), $10,104 and $5,816 respectively of accrued interest is payable and included in accrued liabilities.

On May 1, 2006 the Company entered into a $10,000,000 secured note agreement with the managing member which matures on the earlier of the termination date, qualified public offering, sale of all assets of the Company or December 31, 2009. The note is secured with Company assets and personal property. The note requires the Company to pay the managing member on a monthly basis the interest on the unpaid and outstanding principal amount at a rate of Prime plus 3%. Unpaid interest is accrued and treated as a draw in the following month. The Company has

the option to prepay the note at any time in whole or in part with accrued interest without penalty. As of February 28, 2007, and December 31, 2006, $44,286 (unaudited) and $42,734 of accrued interest is payable and included in accrued liabilities.

Support Services from Managing Member

During the two month period ended February 28, 2007 and years ended December 31, 2006, 2005 and the period from inception to December 31, 2004, the Company received support under a services agreement with the managing member. These services include support in the form of personal labor, management, research and development activities and various other administrative functions including payroll processing, accounts payable processing, and other record keeping tasks. Services were billed to the Company based on actual costs of these support services, including overhead for various support functions provided. Additionally, the services agreement included a charge for usage of office facilities in Melbourne, Florida. These services and terms upon which they were provided were outlined in a formal services agreement between the Company and the managing member.

Fees charged for services amounted to $393,853 (unaudited), $2.5 million,, $1.3 million and $434,278 for the two month period ending February 28, 2007 and the years ended December 31, 2006 and 2005 and for the period from inception to December 31, 2004, respectively.

As of February 28, 2007, December 31, 2006, 2005 and 2004, $254,965 (unaudited), $340,702, $121,294, and $434,278, respectively, was payable to the managing member under this agreement.

License Fee and Assignment Fee

On June 4, 2004 the Company entered into an agreement with Vanderbilt University (Vanderbilt), a member of the Company, to acquire an exclusive license to develop the licensed technology leading to the creation of marketable products. In consideration for this license, the Company agreed to pay a license maintenance fee in the amount of $50,000 per year effective on the first anniversary of the agreement date and increasing by $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 issue a 33% interest in the Company to Vanderbilt for the contribution of licensed intellectual property (IP) noted above into the Company. The intellectual property was valued at $1,404,051 and has been recorded as a $1.0 million capital contribution and $404,051 of licence 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.

Prior to June 5, 2005, the Company accounted for the license maintenance fee agreement on a straight-line basis over the expected term of the agreement. Pursuant to the amended and restated Operating Agreement, the Company has prospectively amended the accounting treatment for the license fees, which were being recognised on a straight-line basis over the period of the original agreement. A liability of $404,051, being the present value of the remaining future payments under the licence maintenance fee agreement, has been recorded as at June 5, 2005, as described above.

This 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 February 28, 2007, December 31, 2006, 2005 and 2004, the license maintenance fee liability on the balance sheet was $539,803 (unaudited), $501,780, $385,417 and $160,417, respectively.

Product Sale to Affiliate of Managing Member

During the year ended December 31, 2006, the Company deferred revenue of $157,896 for products shipped to an affiliate of the managing member. The products shipped to the affiliate of the managing member were products originally purchased from an unrelated third party under an exclusive purchasing agreement. At February 28, 2007 (unaudited) and December 31, 2006, $157,896 due from the affiliate of the managing member was included in receivables and deferred revenue. The receivable is non interest bearing.

(6) Deferred Revenue

On December 5, 2006, the Company entered into a technology sublicensing agreement with a commercial partner, an unrelated third party, to co-develop certain products for specified indications and markets. In consideration for this agreement our commercial partner has paid an exclusivity fee of $2.0 million, of which $1.5 million, is non-refundable under the agreement.

The $2.0 million has been recognised in the balance sheet as deferred revenue, and the non-refundable portion will be amortised on a straight-line basis over the expected term of the agreement. The refundable portion will be amortised on a prospective basis, over the remaining term of the agreement, when the performance conditions have been safisfied such that this becomes non-refundable.

Further payments will be received from our commercial partner as prescribed co-development activities are completed in accordance with contractual milestones and royalties will become payable when marketable products are sold.

Warrants have been issued to our commercial partner as a sales incentive, see note 7.

(7) Warrants

In connection with the $10.0 million secured note payable to the managing member, the Company entered into a purchase option agreement by which the managing member was granted an option to purchase equity in the Company. Under the purchase option, the Company granted to the managing member the right to purchase a variable number of units based upon the amount of the note payable drawn down by the Company at the qualified public offering date and the qualified public offering initial share price. The warrants were originally 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 date of grant was $1.9 million. The warrant is re-measured at fair value at each reporting date with subsequent changes to fair value recorded in the statement of operations. The fair value of the warrant as of February 28, 2007 and December 31, 2006 was $4.2 million (unaudited) and $4.1 million, respectively.

The fair value of this purchase option was determined by using a modified Black-Scholes option-pricing model with the following assumptions: no dividends, risk-free rate of 4.8%, 4 year life, volatility of 100% and a discount factor related to the probability of a qualified offering not occurring of 0% at February 28, 2007 and December 31, 2006 and 55% at the date of grant.

In connection with a technology sublicensing agreement (note 6), the Company granted warrants to purchase a variable number of units of the Company equal to $2.0 million divided by the per share price to the public in a initial public offering or the price paid in a private placement for each unit of equity securities of the Company. The $2.0 million of warrants were divided into two parts: $1.0 million of the warrants are exercisable upon the closing of a qualified equity investment offering and the remaining $1.0 million of warrants are exercisable upon successful completion of prescribed co-development activities in accordance with the technology sublicensing agreement. At the date of grant, the first $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 $1.0 million of warrants as of February 28, 2007 and December 31, 2006 was $577,717 (unaudited) and $495,889, respectively. The remaining $1.0 million of warrants are recorded at fair value to a warrant liability and included as a reduction to revenue as a sales incentive to the extent that our commercial partner makes progress or contributes towards completion of the prescribed co-development activities. The warrant liability for the second part of the warrants granted was $0 (unaudited) and $0 as of February 28, 2007 and December 31, 2006, respectively. The warrants are re-measured at fair value at each reporting date with subsequent changes to fair value recorded as a reduction to revenue, as a sales incentive in warrants.

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

(8) Unit Grant – Based Payments

Since inception, the Company has granted a total of 1.6 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 $0.01. The fair value of these grants are

determined by the Company at the grant date. The fair value is amortised to compensation expense on a straight line basis over the vesting period.

As of February 28, 2007 and December 31, 2006, the total unrecognised compensation cost for these unit grants was $8.6 million (unaudited) and $6.7 million which is being amortised over the remaining weighted average vesting period of 3.77 years. The compensation recognized for unit grants since inception totalled $540,684 (unaudited) of which $368,534 (unaudited), $169,914 and $2,236 were included in operating expenses in the two month period ended February 28, 2007 and the years ended December 2006 and 2005, respectively. Since inception to February 28, 2007, 35,000 (unaudited) units granted to employees 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 two month period ended February 28, 2007 and the years ended December 31, 2006 and 2005 was $4.0 million (unaudited), $3.1 million and $0, respectively.

In 2006, the Company granted 65,000 units to several non-employees 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 $0.01 per unit. The fair value of these grants are recognised as the performance terms of the contract have been met. The compensation recognised for unit grants since inception totalled $320,902 of which $107,402 (unaudited) and $213,500 were included in operating expenses in the two month period ended February 28, 2007 and the year ended December 31, 2006.

During the two month period ended February 28, 2007 and the year ended December 31, 2006, 35,000 (unaudited) and 25,000, respectively of the 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 nonemployees.

The Company determined the estimated unit price of the Company as the measurement date by using an independent valuation of the Company units. Prior to December 31, 2006, the valuation of unit grants was determined internally based on historical costs and the cost approach to valuation.

A summary of unit grant activity from inception to February 28, 2007 is presented below:

	Number Of Units
Inception	—
Granted	—
Repurchased	—
Outstanding at December 31, 2005	—
Granted	1,410,000
Repurchased	(30,000)
Outstanding at December 31, 2006	1,380,000
Granted (unaudited)	220,000
Repurchased (unaudited)	—
Outstanding at February 28, 2007 (unaudited)	1,600,000
Units not subject to repurchase at February 28, 2007 (unaudited)	70,000

The total member units included in the statements of members' deficit include both vested and non vested units.

(9) Subsequent Event

Subsequent to the period ended February 28, 2007, TyraTech LLC has been converted from a limited liability company to a corporation, known as TyraTech Inc. As a result income taxes will become payable by the corporation and deferred tax assets and liabilities will be recognised for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax

credit carryforwards. Deferred tax assets and liabilities will be 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.

On 30 April 2007, the Company entered into an agreement under which Vanderbilt assigned outright the ownership of the patent and all patent applications under licence to the Company with such assignment to be effective as of the Admission Date. In exchange, the Company has agreed to pay Vanderbilt, on the Admission Date, the present value of the remaining licence fee payable, in the form of cash and Common Shares as follows: $470,000 in cash, and Common Shares to the value of $651,000.

At February 28, 2007 and December 31, 2006, $539,803 (unaudited) and $501,780, respectively, were recorded in the balance sheet as accrued licence fees, being the present values of the remaining license fees payable at each of those dates, which were determined using a discount rate of 55 per cent., which corresponded with the stage of development of the Company at the time of entering into the amended and restated Operating Agreement, on June 5, 2005.

Therefore, an additional contractual obligation of $581,197 has arisen since the period ended February 28, 2007.

PART XI UNAUDITED PRO FORMA FINANCIAL INFORMATION

Pro forma statement of net assets – US GAAP

The unaudited US GAAP consolidated *pro forma* statement of net assets set out below has been prepared to illustrate the effect of the Placing on TyraTech's net assets as if the Placing had taken place on 31 December 2006. The information, which is produced for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the actual financial position of the Group. The unaudited US GAAP *pro forma* statement of net assets is extracted from the audited US GAAP consolidated balance sheet of TyraTech as at 31 December 2006, as set out in the US GAAP Financial Information in Part X.

Pro forma balance sheet statement for TyraTech as at 31 December 2006

	Note	As at 31 December 2006 $	Net proceeds of placing[(1)] $	Pro forma net assets as at 31 December 2006 $
Assets				
Current assets:				
Cash		1,656,666	38,045,706	39,702,372
Receivables		194,496	—	194,496
Inventory		219,180	—	219,180
Prepaid expenses		19,996	—	19,996
Total current assets		2,090,338	38,045,706	40,136,044
Property and equipment, net of accumulated depreciation		705,089	—	705,089
Total assets		2,795,427	38,045,706	40,841,133
Liabilities				
Current liabilities:				
Accounts payable		(132,435)	—	(132,435)
Accrued liabilities		(868,067)	—	(868,067)
Accrued license fees		(501,780)	—	(501,780)
Due to managing member		(340,702)	—	(340,702)
Deferred revenue		(2,187,062)	—	(2,187,062)
Current installment of obligation under capital lease		(16,758)	—	(16,758)
Notes payable to managing member		(6,019,578)	6,019,578	—
Liability for warrants		(4,655,345)	—	(4,655,345)
Total current liabilities		(14,721,727)	6,019,578	(8,702,149)
Capital lease obligation, excluding current installments		(55,402)	—	(55,402)
Total liabilities		(14,777,129)	6,019,578	(8,757,551)
Net (liabilities)/assets		(11,981,702)	44,065,284	32,083,582

(1) Placing proceeds of $49,727,500 million less directly attributable expenses of $5,662,216 million. In addition, on listing, the promissory notes issued to XLTG will be repaid in full.

PART XII EXPERTS REPORT

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25 May 2007

Dear Sirs

1 BACKGROUND AND INTRODUCTION

Cambridge Consultants Ltd (''Cambridge Consultants'') is a leading international technology consulting company, which serves a wide client base including biotechnology, consumer products, pharmaceutical, medical product and medical diagnostics companies. It employs specialists with knowledge of science, technology, engineering, product development, markets and business issues in these industries. Cambridge Consultants has conducted technical due diligence studies associated with mergers, acquisitions, flotations and other financing exercises.

Nomura Code Securities Limited and Jefferies International Limited on behalf of the Directors of TyraTech have instructed Cambridge Consultants to prepare an independent technical Expert's Report for inclusion in the Admission Document, to be issued by the Company in connection with the proposed offering of shares in TyraTech and its admission to trading on the AIM market. This report has been prepared pursuant to, as appropriate, the ''AIM Rules'' issued by the London Stock Exchange covering certain aspects of TyraTech (''TyraTech'' or the ''Company'') business namely:

- the merits of the Company's products, and comment on its pipeline and technology
- the Company's business plan including the critical path and timescale to commercial exploitation and any projections of the market potential for the Company's products
- the risk factors which might affect the Company's business plan

In preparing this report, Cambridge Consultants has met with or interviewed certain of the Company's staff, officers, manufacturers, external contractors and partners. We undertook reviews of certain documentation prepared or held by the Company, including plans, correspondence, scientific reports and other publications. These were augmented by internal database searches, use of in-house know-how and interviews with professionals in this field. We visited TyraTech's facilities in Melbourne, Florida, USA.

This report has been prepared based upon information that was furnished by TyraTech at the time of preparation of this report. Cambridge Consultants has no reason to doubt the veracity of the information provided but has only verified it to the extent identified above. Changes in circumstances may render such information invalid at any time or may materially affect conclusions reached herein. Cambridge Consultants does not express any opinion as to TyraTech ownership or rights to use intellectual property (if any) nor, where we refer to the Company's agreements, do we express any opinion as to the legal validity of those agreements nor on any aspect of the Company's financial record or future financial prospects or performance. This report is limited to the matters set out above and Cambridge Consultants is not advising generally on the merits or otherwise of an investment in TyraTech.

2 OVERVIEW

TyraTech LLC, which was created by XL TechGroup in May 2004, is developing a range of insecticides using natural active ingredients. The ingredients are based on natural plant oils, which are environmentally friendly, harmless to humans, animals and the environment. TyraTech is able to quickly evaluate natural ingredient combinations by utilizing a proprietary screening process, developed at Vanderbilt University, Tennessee, US, that predicts efficacy levels. TyraTech's development has been progressing rapidly into both insecticidal and related human healthcare applications. The screening technology is focused on certain cellular receptors belonging to G-protein coupled receptors (GPCRs). TyraTech cloned selected GPCRs of insects and reproduced them in different cell models, allowing rapid screening of thousands of potential insecticides.

TyraTech's business strategy is to develop its own products as well as to secure partnerships which will generate upfront exclusivity fees to access its technology and receive milestone payments on successful completion of each designated stage, followed by royalties based on product sale revenues when new products are launched into key markets. In executing this strategy TyraTech has already secured partnerships with three major players, an option agreement with a fourth in this sector and two distribution agreements into developing countries where there is a continued need for insect control. TyraTech has:

- A licensing agreement with Syngenta Crop Protection AG ('Syngenta'), granting Syngenta rights to license TyraTech's screening technology platform, allowing the rapid development of new formulations targeted at specific insecticide applications.
- An option agreement with the The Scotts Company LLC ('Scotts'), who will work together with TyraTech to conduct product development and technical evaluation of TyraTech's natural pesticide technologies relating to a number of specific insects in certain consumer applications. The agreement gives Scotts an option to pursue consumer products based on the results of the development phase.
- A global licensing and co-development agreement with the North American subsidiary of Japan based crop protection and life science group Arysta LifeScience North Amercia Corp ('Arysta'), whereby Arysta has an exclusive license to manufacture and market a number of specific horticultural insecticide products.
- An exclusive co-development agreement with Kraft Foods Holdings, Inc (Kraft), whereby Kraft will develop compounds used in functional foods and beverages intended to help prevent human parasitic infection in the developing world.
- An exclusive supply and distribution agreement with Mexican company Terra Quest SA de CV (Terra Quest) and Indian company Accudigm Biomed Trading Pvt.Ltd (Accudigm) to provide access to local governmental and commercial opportunities.

In addition to the partner-derived revenue, TyraTech is planning to secure further revenues through the direct sales of it active ingredients to its partners and distributors.

TyraTech is based in Melbourne, Florida, US with additional research and development facilities at the Vanderbilt University Tennessee, US.

3 SCREENING TECHNOLOGY

3.1 Merits and status

Many of the synthetic pesticides currently used are highly efficacious; some have significant adverse issues, namely the build-up of resistance amongst the pest population, ecological persistence and significant toxicity against mammals. An ideal pesticide would target specific pests whilst being non-toxic to other organisms (particularly mammals), not persist in the environment and lower the development of insect resistance. TyraTech's proprietary screening technology aims to address each of these needs by creating molecularly targeted pesticides from non-toxic, plant-derived essential oils.

TyraTech's molecular screening technology can be used to assay putative pesticides for activity against a number of specific receptors. Currently, the screening platform includes three receptors which have been cloned into *Drosophila* cell lines: the tyramine neurotransmitter receptor, solely expressed in invertebrates, and two insect olfactory receptors (Or83b and Or43a). By measuring receptor binding and secondary messenger activation, the potency of a compound, or the synergy of a particular mixture, can be evaluated. In this way, pesticide blends can be rationally designed, screened and repeatedly re-blended to maximise the efficacy and optimise the response against an invertebrate pest. By blending compounds to target multiple specific insect receptors, it may take longer for resistance to develop against the TyraTech pesticide blends. TyraTech is primarily focussed on botanical essential oils due to their broad spectrum activity and excellent safety profile.

3.2 Essential oils

Essential oils are volatile substances that can be extracted from plants and are commonly used in the food and perfume industries as flavours and fragrances. Oils may be steam-distilled directly from the named plant or manufactured with a chemical structure identical to that found in nature ('nature identical'). There are around 17,500 naturally occurring aromatic compounds in higher plants which serve a range of functions within the plant including toxicity and repellency towards pests, pathogens and predators.

Insects have a highly developed olfactory sensory system with sensitivity to volatile substances. Many essential oils exhibit attractant, repellent, antifeedant, neurotoxic and ovipositional stimulant activities against insects. Essential oils can act as insecticides either by olfactory chemoreception or through direct contact chemoreception and absorption through the cuticle.

Essential oils are volatile and therefore do not persist in the environment. They are typically aromatic compounds which do not dissolve readily in water, minimising aquatic toxicity. Many essential oils are non-toxic to mammals and have exemption from registration requirements by the US Environmental Protection Agency (EPA) as they pose little or no risk to humans or the environment.

TyraTech is focusing on formulating blends of essential oils, as novel safe pesticides, identified through its screening platform.

3.3 Screening assays

Pesticides may interact with specific molecular targets, such as chemosensory receptors, to kill or repel insects and other pests. Molecules that bind such receptors activate a downstream signalling cascade leading to various responses, such as repulsion, loss of conscious control of forward movement (knock-down) or death.

Many chemosensory receptors belong to the G protein-coupled receptor (GPCR) super-family of cell surface proteins, which play a central role in signal transduction in eukaryotes. GPCRs span the cell membrane. When an extracellular ligand binds the receptor, it causes a conformational change within the protein, which in turn induces a signal cascade via secondary messenger activation. A broad spectrum of GPCR ligands are recognised by specific receptors, including biogenic monoamines, flavours and fragrances.

Multiple GPCRs have been identified in the genome of the fruit fly *Drosophila*, including neurotransmitter and hormone receptors, as well as olfactory (smell) and gustatory (taste) receptors. A number of these are thought to be expressed in all insects and respond to specific

ligands to produce a functional response which is exclusive to invertebrates. Such receptors could offer a specific molecular target for pesticides as they are not present in mammals.

The proprietary screening technology developed by Dr Essam Enan at Vanderbilt University, Nashville, Tennessee, US provides a method for assaying the effect of potential pesticides including essential oils on specific invertebrate GPCRs, including neurotransmitter and olfactory receptors. By expressing these proteins on the surface of specifically engineered cell lines, the binding kinetics of putative ligands and their effect on downstream secondary messenger activation can be assessed in a controlled manner.

Each receptor is coupled to multiple independent secondary messenger systems which respond differentially to different ligands. Molecules that show significant receptor binding and activate the desired downstream signalling cascade can then be combined to make a pesticide blend. Relative to the individual constituents, these blends may act synergistically, either through enhanced interaction with the same receptor or simultaneous interaction with multiple receptors.

TyraTech's screening assay is based on two classes of GPCRs isolated from *Drosophila melanogaster*.

- Neurotransmitter receptors for the neurotransmitters/ neurohormones tyramine and octopamine which have been identified in numerous insects and nematode worms. Neurotransmitter receptors have been suggested to be an ideal target for insecticides as they are responsible for communication within the central nervous system; tyramine also has a functional role within the olfactory system. TyraTech is using the tyramine receptor for identifying essential oils with pesticide activity.
- Olfactory receptors Or83b and Or43a, are highly expressed in *Drosophila*. Or83b is widely expressed in insects and is over 60 per cent. identical in different insect species. It believed to be critical to insect olfaction by mediating responses to odours. It is also expressed in larvae. Or43a is present in *Drosophila* with high sequence similarity to putative olfactory receptors in other insects. These receptors have not yet been identified in worms.

The Company has shown that the insecticidal activity of a number of essential oils is mediated through these insect-specific neurotransmitter receptors, octopamine and tyramine. They also bind a number of olfactory receptors. Identifying and targeting proteins involved in olfaction, including Or83b and other olfactory receptors, has been suggested as a strategy for rational design of insect repellents.

TyraTech has cloned the *Drosophila* genes for the receptors; each gene was inserted into separate plasmids. For screening purposes, *Drosophila* cells were transfected with one of these plasmids and cultured to express the membrane-bound receptor proteins at their surface.

For each essential oil, and combination blends, several assays are carried out on each of the receptors (i.e. each cell line) separately to generate dose-response curves, and the results used to inform the blending process. These assays include a receptor binding assay and two secondary messenger assays, cyclic adenosine monophosphate (cAMP) and intracellular calcium, to evaluate the functional activation of the receptor.

3.4 Blending

We understand that individual essential plant oils are selected for testing based upon various factors including geographical origin, prevalence and when available, reports suggesting insecticidal or nematicidal activity. Depending upon the required function of a particular pesticide, individual essential oils (or their nature identical components) are blended based on receptor potency, both in terms of binding and secondary messenger activation, and price. By comparing the effect of each essential oil component against each of the receptors, combinations of these oils in specified ratios (referred to as "**blends**") can be created to enhance repellent activity or speed of knock-down or kill.

The screening platform can also be used to investigate the potency of traditional synthetic pesticides against the screening receptors and any synergistic behaviour with essential oils. Synthetic molecules showing significant synergy with essential oils, such as deltamethrin, can be added to a blend to produce more efficacious formulations. It is understood that these products

could combine the fast, broad-spectrum activity of essential oils with the complementary long residual activity of certain synthetics, thus resulting in a potential reduction in the amount of toxic synthetic pesticides used. This is the basis behind TyraTech EXTEND products.

By targeting multiple specific insect receptors simultaneously, it may take longer or be less likely for resistance to develop, as this would require concurrent mutations in multiple different genes. Although to date there is little evidence to support this hypothesis, this approach has also been proposed by other groups working on blending novel targeted mosquito repellents.

TyraTech pesticide blends are designed to target one neurotransmitter receptor (tyramine) present in all invertebrates and two olfactory receptors commonly found in insects. In our opinion, targeting multiple receptors with the blends could result in a slower development of insect resistance. However, it is our understanding that the same cannot be expected to occur in worms, where currently only the tyramine receptor is knowingly targeted, although the company reports it is in the process of cloning two additional types of receptors to allow for more robust screening in the near future.

Cambridge Consultants considers the fundamental science behind TyraTech's screening technology as a proficient selection platform that can quickly assess the suitability of a particular blend of an essential oil, bio-identical compound or synthetic chemical that can target and address a particular pest. It has the added benefit that it enables a particular blend to be re-blended rapidly. This is a positive feature.

3.5 Efficacy and toxicity testing

Following the cellular screening assays, potential blends are tested for efficacy against insects. Depending upon the results from these tests, blends can either go back to the screening stage for re-blending or onto larger external trials and toxicology studies.

3.5.1 Insects efficacy testing

The choice of organisms for initial evaluation of each blend depends upon the target pest with a large number of insects and nematode worms available for testing. There is a standard set of protocols that are used to test new materials on insects, which are generally carried out either by TyraTech or its external contractors:

- Speed of knock down and kill. Measured by spraying individual insects directly for one second with a particular blend and observing the response.
- Residual activity – measures the potency of a blend applied to a porous and an impervious surface by putting insects on each surface to which a particular blend was applied between 2 hours and 3 months previously.
- Fogging test – to evaluate the potency of a blend on multiple insects simultaneously by fogging an enclosed area.
- Fumigation test – to evaluate the potency of a blend on multiple insects simultaneously by vaporising the test blend using a heater.
- Repellency tests, including on skin and area repellency for mosquitoes, repellency against ticks and of treated surfaces. Repellents are substances that deter mosquitoes from biting without necessarily killing the insect.

3.5.2 Safety and toxicity testing

Once a blend and its formulation have been finalised, independent toxicity studies are undertaken. For EPA exempt active ingredients, only the formulation requires testing, which includes acute toxicity comprising oral toxicity, inhalation toxicity, dermal toxicity, dermal sensitization, dermal irritation and eye irritation commonly known as the 'six-pack'. Testing completed to date on the seven TyraTech formulations has shown low toxicity with the majority being classified under category IV, the lowest toxicity category.

Phytotoxicity of agricultural products is tested on multiple plant species.

4 MARKET OVERVIEW

4.1 Market trends

The global pesticide market in 2005 was valued at $26 billion, of which the US market accounted for around $8 billion. The global insecticide market, which accounts for around 28 per cent. of the total pesticide market, was predicted to grow with a CAGR of 0.3 per cent. from 2003 to 2008. The synthetic pesticide market is expected to show a 1.5 per cent. annual decline from 2006, whereas the bio-pesticides market, currently valued at $250 million, is expected to grow to more than $1 billion by 2011. The movement towards more natural products is largely driven by consumer pressure. There is renewed interest in botanical pesticides because they are generally regarded as much safer than the synthetic pesticides, both to the environment and to humans.

There are currently 64 banned or severely restricted synthetic pesticides on the United Nations and the EPA Prior Informed Consent (PIC) list. Over 160 synthetic pesticides are listed as possible carcinogens and synthetic pesticides have been linked to lymphoma, leukaemia, breast cancer, asthma, and Parkinson's disease. An estimated 3 million cases of pesticide poisoning occur globally every year, resulting in an excess of 250,000 deaths. There is therefore a significant drive towards less toxic control agents that are more readily biodegradable.

The development of resistance is also prompting a high demand for innovation in this sector. In 1998, it was reported that at least 447 species of insects and mites were resistant to chemical pesticides. It has been suggested that the use of more complex biologically derived pesticides, which contain more than one active ingredient, may make it harder for pests to develop resistance.

4.2 US Regulations

The EPA defines a pesticide as 'any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest'.

A pesticide may be a chemical substance or biological agent (such as a virus or bacteria) used against pests including insects, plant pathogens, weeds, molluscs, birds, mammals, fish, nematodes (roundworms) and microbes that compete with humans for food, destroy property, spread disease or are a nuisance. Many pesticides are poisonous to humans.

In most countries, in order to sell or use a pesticide, it must be approved by a government agency of the country. Depending on the product, complex and costly studies must be conducted to indicate whether the material is effective against the intended pest and safe to use. During the registration process, a label is created which contains directions for the proper use of the material. Based on acute toxicity, pesticides are assigned to a Toxicity Class. Pesticide misuse is illegal in most countries.

In the US pesticides are regulated by the EPA under the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. 136 – 136y. Under FIFRA 24, the states are also given authority to regulate the sale and use of any federally registered pesticide. Before EPA may register any pesticide, it must determine that the pesticide will perform its intended function without causing *"unreasonable adverse effects on the environment*."

Assignment to a toxicity class is based typically on results of acute toxicity studies such as the determination of LD50 (Lethal Dose, 50 per cent.) values in animal experiments, notably rodents via oral, or sometimes inhaled, or external application. The US EPA has four toxicity classes named as Classes I, II, III, and IV. Classes I to III are required to carry a signal word on the label to warn users of the toxicity; Class IV requires no signal word and is generally deemed non-toxic. TyraTech is focusing on developing blends that fall within the scope of Class IV.

4.2.1 EPA exempt products

TyraTech is proposing a more rapid route to market than that available to conventional pesticides by developing products that fall under the FIFRA 25(b), which allows the Administrator of the EPA to *"exempt from the requirements any pesticide which the Administrator determines to be of a character which is unnecessary to be subject to this subchapter."* In 1996, EPA exempted certain minimum risk pesticides from the requirements of FIFRA (including the data and registration requirements) because it determined that these pesticides pose little or no risk to humans or the

environment. The products listed include numerous essential oils, including thyme oil, geranium oil, geraniol, citronella, mint oil, and rosemary oil.

These exempted pesticides may only contain minimum risk inert ingredients chosen from EPA Inert List 4A. While the EPA itself exempts this category of products from registration, the pesticide blends will all be subject to an acute toxicity six-pack testing and the company must keep the efficacy data supporting its claim on file. In 36 US States, some level of registration is required, and in most cases requires less than 2 months for state approval.

Acute toxicity testing is in the final stages for one of TyraTech's lead EPA exempt blends, and an application for registration is expected to be submitted in H1 2007.

4.2.2 Non EPA Exempt products

TyraTech plans to bring to the market several other types of products. These include products containing active ingredients exempt from EPA regulations under the FIFRA 25(b) rule in combination with synthetic pesticides; products that may contain essential oils that are currently registered as active ingredients with EPA, but which are not exempt under the FIFRA 25(b) rule; and products containing essential oils not currently registered with EPA. The timeline and cost to register each of these non EPA exempt product types differ, and involves a minimum 3 months testing and 6 months EPA review.

4.3 Competition

The pesticide market can be broadly divided into synthetic organic chemicals, inorganic chemicals, biologicals and naturals. Currently the use of natural pesticides is minimal and synthetic pesticides dominate the market, with organophosphates and synthetic pyrethroids representing 40 per cent. and 17 per cent. of the entire market respectively.

Table 1: Examples of various categories of pesticides

Pesticide	General comments
Synthetic Organics Organochlorines – chlorinated hydrocarbons e.g. DDT, fiprinil Organophosphates – derivatives of phosphoric acid Carbamates – derivatives of carbamate Synthetic pyrethroids – similar to natural pyrethrum e.g. deltamethrin Synthetic nicotinoids – similar to natural nicotine e.g. imidacloprid Others – e.g. DEET	Highly toxic or repellent to pests throughout life-cycle Toxic to mammals Long residual activity Persistent in environment Broad spectrum Low cost
Inorganics Sulphur dust Heavy metals – e.g. mercury, lead Boron derivatives – e.g. boric acid Silica gels – may be fortified with other pesticides	Stable Water soluble Long residual activity Some toxic to mammals
Biologicals Microbial – including fungi, bacteria and viruses Plant incorporated protectants (PIP) – derived from genetically engineering plants Biochemicals – including pheromones and growth regulators	Selective toxicity possible Safe for environment
Naturals (plant secondary metabolites) Terpenoids – including essential oils and natural pyrethrum, e.g. neem oil, limonene, citronella oil Alkaloids – e.g. nicotine, ryania Flavonoids – e.g. rotenone	Plant derived Rapidly degraded Broad spectrum activity Low mammalian toxicity Fast speed of action Batch-to-batch variation Relatively expensive

The concept of targeting insect neurotransmitter and olfactory receptors has been suggested by a number of people independently, and there are several academic groups working on developing molecular screening platforms for insecticides and repellents. EcoSMART Technologies, Inc, (Franklin, Tennessee, US) has several registered formulations of plant essential oils. EcoSMART is focussed on the agricultural and commercial markets. Its current portfolio includes products which are exempt from FIFRA and certified by the US Department of Agriculture (USDA) National Organic Program.

5 PRODUCTS IN DEVELOPMENT

5.1 Efficacy testing of insecticides

Testing and evaluation of TyraTech's products for use in insecticides has been conducted at a number of independent testing laboratories throughout the United States.

The blends have been shown to be efficacious to varying degrees against a range of pests including; Argentine ants, German cockroaches, bed bugs, and dust mites head lice, mosquitoes', white fly and aphids.

5.1.1 Crawling insects insecticides

Two versions containing a mixture of ingredients which are exempt from EPA regulations under the FIFRA 25(b) rule, known as 25(b)/4a have been developed. One version was developed to

maximise speed of knock-down and kill and the other to maximise the residual activity in a retail setting. The blends were tested against Argentine ants and German cockroaches on inert and porous surfaces. Comparisons on knock down, kill and residual activity were made with commercial products.

Speed of knock down and kill values against Argentine ants and German cockroaches were comparable to commercial products. The residual activity for Argentine ants on inert surfaces is up to 3 months; the residual activity for German cockroaches was more limited on porous surfaces and reformulation studies are ongoing to improve this.

The mixture of 25b/4a active ingredients has also been tested against bed bugs using both conventional and novel application technologies including spraying, fogging and plastics impregnating. Direct spraying resulted in 100 per cent. mortality after 2 days with 100 per cent. residual activity at 6 days on both inert surfaces and mattress covering on unpainted wood. Fogging was less effective, resulted in residual activity of 26 per cent.-28 per cent. above the control at 6 days. Plastic impregnation was more effective than fogging and resulted in residual activity of 60 per cent. above the control at day 14.

5.1.2 Mosquito repellent

The mixture of active ingredients (XL101) is present in the blend**.**

Results refer to XL101 and not to the blend, where the ratio of certain essential oils has been adjusted to optimise repellency. XL101 was tested *in vitro* using repellent treated blood membranes, where it was shown to be more effective than a commercially available product containing DEET (N,N-diethyl-meta-toluamide). The mosquito repellency data for XL101 at one, two and six hours has been shown to be superior to 5 per cent. DEET. *In vitro* evaluation of XL101 demonstrated that in terms of efficacy 5 per cent. XL101 was statistically indistinguishable from 5 per cent. DEET.

5.2 Toxicity testing

Toxicity testing is conducted by an independent testing laboratory.

Toxicity testing of the insecticide blend used against crawling insects is in progress. Toxicity studies to establish inhalation, eye irritation, acute oral and acute dermal irritation have been completed and dermal and skin sensitisation toxicity tests are pending. We understand that based on acute oral toxicity, acute inhalation toxicity and dermal irritation studies the blend has been classified as toxicity category IV which means that no specific toxicity warning is required on the label.

Toxicity testing of the insecticide blend as the mosquito repellent has been completed. For acute oral, acute dermal toxicity, acute dermal irritation and eye irritation it was assigned to toxicity category IV and therefore requires no specific toxicity warning on the label; furthermore the test product did not produce a skin sensitising reaction or significant inhalation toxicity.

5.3 Consumer insecticides

5.3.1 Merits and status

Chemical pesticides used or stored incorrectly can prove a health risk to humans, animals and useful insects; evidence shows that chemical pesticides cause a number of poisonings every year. Many consumer insecticides containing conventional insect repellents are not recommended for use on children due to possible damaging effects on brain cells. Products based on plant oils offer the potential of pest control without these drawbacks.

TyraTech's is targeting the consumer insecticide market and intends to access the market through partnerships. The Company has entered into an option agreement with Scotts.

TyraTech's mosquito repellent blend has been shown to be comparable with products containing up to 25 per cent. DEET. for mosquito repellency. The blend for crawling insect applications has been demonstrated, in laboratory tests, to show knock-down and kill values comparable with leading synthetic products.

Two lead blends are intended to be formulated as a rub-on repellent and a potential insect killing agent. Toxicity testing of the final blends has not been conducted. TyraTech is working towards a final formulation, and toxicity testing will not be conducted until the formulation meets with the identified market need. In our view this carries a low risk as earlier blends have been shown to be non-toxic.

5.3.2 Commercialisation plans and partners

TyraTech's is targeting the consumer insecticide market and intends to access the market through partnerships. TyraTech is aiming for the consumer insecticide market and proposes to address this market through partnerships. TyraTech's and its partner Scotts signed an Option Agreement in H1 2006 under which Scotts and TyraTech work together to conduct product development and technical evaluation of TyraTech's natural pesticide technologies relating to a number of specific insects in certain consumer applications. The agreement gives Scotts an option to pursue consumer products based on the results of the development phase. The Company intends to pursue additional business development relationships in the consumer products area.

We consider this partnership appropriate for TyraTech in this market as the products will support Scotts' corporate goal of eventually creating a product line that is 50 per cent. naturally derived. The key to progression is confirming the efficacy of the TyraTech's blends. The technical evaluation is still in an early stage and remains unproven. Evaluation is underway and the first milestone is expected in H1 2007. We understand this to be achievable with product revenues in H2 2008 as reasonable.

5.3.3 Market opportunity

The global consumer pesticide market is estimated to be $7.6bn including mosquito repellent. The United States consumer market for pesticides and fertilizers has grown by approximately 5 per cent. a year over the past two years with the market for household insecticides alone reported to be worth $1 billion in 2005. Recent reports suggest insect repellent sales, including mosquito repellents, have supported this growth; with much growth in the category coming from coils and citronella candles rather than sprays or lotions. Europe accounts for an estimated 29.5 per cent. of the world pesticide market which is dominated by Western Europe.

Insect/mosquito repellent

Mosquito-borne diseases have been reported to cause over one million deaths per annum worldwide, and mosquito bites can also cause skin irritation through an allergic reaction to mosquito saliva. Mosquito vectored diseases include malaria and viruses such as Dengue Fever and West Nile Virus both reported within the United States. The United States market for insect repellents, including mosquito repellents, was estimated to be worth $200m per annum in the US in 2003.

Crawling insects

The United States market for insecticides for use in home and garden, excluding insect repellents but including preparations to kill ants and cockroaches was estimated to be worth $850m in 2004, with $512m attributed to insecticide sprays and $338m attributed to other formulations such as powders. The market for insecticides for home and garden use, excluding insect repellents was forecasted to decline slightly (CAGR -1.4 per cent.) between 2004 and 2009 which has been forecasted to be worth $792m in 2009. The total value of the European home and garden pesticides market was estimated to be $520m in 2000, growing at a rate of approximately 5 per cent. per annum. Over two thirds of the market is shared by France, Germany and the UK, while Italy, Spain, the Benelux and other countries see smaller sales.

Head lice treatment

Each year in the US an estimated 6-12 million head lice infestations occur; head lice are particularly problematic for children aged 3-12 years and their families. Annual US sales of anti-louse shampoos have been reported to exceed $160m in 2006. European data on head lice infestations is not readily available however hundreds of millions of cases of louse infestation are reported annually worldwide, with an apparent increase over the past few decades. In a study of Belgium school children, the prevalence of head lice was 8.9 per cent. and the prevalence in

Turkish school children was 16.6 per cent.. Assuming a prevalence rate of 10 per cent. for European children this equates to over 7 million cases per year.

Dust mite

House dust mite allergen is a common cause of allergies and is a causative factor in conditions such as asthma, rhinitis and eczema. Of the 150 million people worldwide affected by asthma, 85 per cent. are allergic to house dust mite allergen.

5.3.4 Competition

Methods for dealing with adult mosquitoes in the consumer setting include traps, electrocutor lights and space sprays.

The market for mosquito repellents is highly competitive. Repellents are formulated in a variety of ways including aerosols, creams, solids (sticks) and liquids and generally contain chemical ingredients such as N,N-Diethyl-3-Methylbenzamide (DEET) or picaridin. Leading manufacturers of chemical insect repellents are S.C. Johnson that manufactures the OFF!® and Autan®, and Spectrum Brands that manufactures the Repel® and Cutter® brands of mosquito repellent.

Some repellents contain the chemical permethrin which does not offer protection from mosquitoes when applied to the skin; these are recommended for use on clothing, shoes, bed nets and camping gear.

Some repellents contain natural oils, an example of which is Repel® Lemon Eucalyptus. Oil of citronella is useful for space repelling and is the active ingredient in some candles, torches and coils; these are used to produce smoke that repels mosquitoes but are considered less effective than repellents applied to the body or clothing.

The following Table summarises some of the leading mosquito repellents according to their active ingredient.

Table 2: Leading Mosquito Repellents According to their Active Ingredient

DEET Containing Products	Picaridin Containing Products	Products Containing Natural Oils
OFF!® Skintastic (7% DEET)	Cutter Advanced™ (7% picaridin)	OFF!® Botanicals™ (p-Menthane 3,8 Diol from Eucalyptus)
OFF!® Deep Woods (25% DEET)	Cutter Advanced™ Sport (15% picaridin)	Repel® Lemon Eucalyptus (Oil of Lemon Eucalyptus)
OFF!® Sportsman (98% DEET)	Autan® (not sold in US)	Burt Bees Lemongrass Insect Lotion (Lemongrass Oil, Citronella Oil, Eucalyptus oil and Rosemary Oil)
Repel®Sportsmen Formula® Insect Repellent		Bite Blocker™ (Coconut oil, Geranium Oil and Soyabean Oil)
Repel® Sportsman Max Formula™ Insect Repellent		Buzz Away™ (Peppermint Oil, Lemon grass and Rosemary Oil)
Repel® 100 Insect Repellent Pump Spray (100% DEET)		Natrapel® (Geraniol)
Repel® Insect Repellent Family Formula™ (23% DEET)		All Terrain Herbal Armor™ (Citronella, Peppermint, Cedar, Lemongrass and Geranium oils)
Repel® Sportsman Formula® Insect Repellent®		Bygone Bugzz™ (Sunflower, Eucalyptus, Rosemary, Birch, Peppermint, Geranium)
Repel® Sportsman Max Formula™ Insect Repellent (20-40% DEET)		NeemAura Herbal Outdoor Spray (Neem, Coconut, Lemongras, Orange, Citronells, Lavender, Anise, Cedarwood)
Sawyer Controlled Release (20% Microencapsulated DEET)		LiquidNet® (Lemon grass, cedarwood and citronella oils)
Skinsations® (7% DEET)		
3M™ Ultrathon™ Lotion (34% Microencapsultated DEET)		
Ben's® 30 Wilderness Formula (30% DEET)		

Products used to kill insects for home and garden use include Raid® (S.C. Johnson & Son Inc), a leading household insecticide. Scotts is another a leading supplier of consumer garden insecticides. There is also wide range of natural insecticides for crawling insects on the market including Poison-Free®, Safer®, and Victor® (Woodstream Corporation), EcoEXEMPT™ (EcoSMART Technologies) and Bug-A-Tak™ (Natura). Ecosafe Natural Products Inc. has also produced a number of insecticidal products based on plant essential oils.

Conventional chemical approaches to the treatment of head lice include the use of OTC pediculicides several of which contain pyrethrins or permethrins and prescription pediculicides such as lindane, malathion and ivermectin. Increasing resistance of headlice to conventional approaches has resulted in more natural treatments whose active ingredients incorporate plant oils**.**

Treatment of bed bugs is normally conducted by professional pest control operators using conventional chemical agents such as Acarosan®; however some household insecticides are available containing naturally derived products including EcoEXEMPT™ KO contact insecticide from EcoSMART.

The lead TyraTech products for crawling insects have been demonstrated in the laboratory to be comparable and better than examples of conventional competitive products such as Raid Earth

Options™, Raid® Max Roach and Ant Killer, Raid® Ant and Cockroach Killer and Acarosan®. In our opinion this presents a feasible alternative to the market.

5.4 Insecticides for use in Institutions

5.4.1 Merits and status

Growing concerns over health and environmental issues are driving the use of alternative methods by professional pest control organisations (PCO). Agents derived from plant oils provide a potential alternative to conventional chemical approaches; consequently this has resulted in TyraTech's targeting institutional insecticide applications. Research conducted in California in 2003 found that 81 per cent. of current users of professional pest control would be likely to switch to an environmentally friendly pest control provider. In the same study one third of homeowners that did not use a pest management professional said they were likely to hire an environmentally friendly pest management professional but not a traditional one. TyraTech believes that this market can be served by both direct sales of products to the institutions, as well as providing its products to PCOs.

The lead blend for this market is an insecticide spray for crawling insects. Various formulation studies of this product are underway to provide knockdown and kill, as well as to improve the residual activity of this blend. Broad-based testing of the blend is planned in 2007 with centres of excellence and co-operator PCOs.

5.4.2 Commercialisation plans and partners

TyraTech has entered into an agreement with Syngenta, a global supplier of crop protection which also provides general pest control via professional pest control operators and vector pest management via government and institutional channels. Under the terms of the Technology Sublicense Agreement between the two companies, entered into in H2 2006 the agreement gives Syngenta initial rights to TyraTech's technology platform, allowing the rapid development of new formulations targeted at specific insecticide applications, providing Syngenta with a natural active ingredient development platform for certain insecticide categories. The agreement provides milestones for business planning, formulation selection, registration and product launch. The partnership is on schedule to meet its first milestone in H1 2007. This Agreement does not preclude direct sales by TyraTech to governmental, institutional or commercial customers who only purchase products for the sole application and use within their own facilities.

The vector control element of this partnership is still in the early stages of screening for an active blend. Once a preferred blend is identified, formulation and optimisation will begin followed by field efficacy tests in H2 2007.

We consider that Syngenta represents a suitable partner for TyraTech in this market. Technical evaluation has been achieved in the laboratory and field trials are expected to commence in H1 2007, following further formulation. We consider the first product revenues expected at the start of H2 2007 as ambitious.

5.4.2.1 Other institutional sectors

TyraTech is seeking direct sales in a number of markets segments including hotels, restaurants and retail retail/grocery outlets for its EPA exempt blend. Potential products containing this blend are expected to provide pest control with disinfectant cleaning. These products are expected to be formulated as floor washes or broad spectrum sprays depending on the application area.

Evaluation by a US hotel chain for a crawling insect spray for both indoor and outdoor use has been concluded. The results were comparable to current treatment. As a result the hotel chain is proposing to purchase the blend when EPA registration has been confirmed. We consider the revenues from direct sales as aggressive for 2007 considering the blend has not achieved registration and evaluation from institutions is still required. We understand that interest has been expressed in a floor wash insecticide by a major retailer.

5.4.3 Market opportunity

Commercial and institutional pesticide demand in the United States is estimated at $1.35 billion in 2006 and is projected to grow to $1.62 billion by 2011. The European commercial and institutional market was estimated at $485 million in 2006. The main channels to market are via professional

pest control operators or through direct sales to institutions such as hotels and retail/grocery stores.

Professional pest control

PCOs in the United States control or exterminate birds, mosquitoes, rodents, termites and other insect pests. Establishments providing fumigation services are included in this industry. It is estimated that the exterminating and pest control services industry will generate approximately $8 billion in 2006, up 2.6 per cent. on the previous year. The major market segments served by this industry are residential, commercial and government/institutions. The major demand is for crawling insects, with ants, termites and cockroaches together accounting for approximately 81 per cent. of services; mosquitoes and flying insects accounting for approximately 5 per cent. with the balance relating to rodents, wildlife and other services.

The market for formulated products for pest control through a service provision such as PCOs is estimated to be $1 billion, with 50 per cent. of the market in the US. We understand that TyraTech's products will target a third of this market. TyraTech plans to access this market via its partnerships.

Additional opportunity in the market comes from direct sales of pest control products for use in the hospitality sector.

5.4.4 Competition

There is a wide range of chemical agents in use by PCOs including insecticide concentrates, fogging agents, dusts and granules. Many of the available products are synthetic pyrethroids such as cypermethrin present in Demon WP, permethrin contained in Permethrin Pro, deltamethrin contained in DeltaDust®, bifenthrin contained in Talstar® Granules and cyfluthrin contained in Tempo WP. Some of the major pest control operating chains also offer their own product ranges e.g. BASF professional pest control Termidor® and Phantom® products and Bayer Maxforce®, Suspend® and Tempo® products, although neither currently offer natural solutions.

In addition to these traditional agents there are also a number of companies supplying products incorporating plant oils available and in use for professional pest control these include: Dr T's Nature Products Inc. (Georgia, US), whose product range includes mosquito repelling granules and liquid insect repellents incorporating lemongrass, mint and garlic oils; EcoSMART Technologies, Inc (Tennessee, US), product range including its EcoPCO® product line which contains botanical active ingredients and EcoExempt® which are exempt from federal registration; NatureLine Products (Oregon, US) containing botanical oils; Orange Guard® Natural Insect Killer and Repellent containing d-limonene by Eco Safety Products (Arizona, US); Mosquito Barrier ® containing garlic extract; C-M Powdergard containing mint extract made by SuperZyme (California, US).

The TyraTech blend has already demonstrated comparable effect to existing products when evaluated by a US hotel chain. We consider this to be encouraging.

5.5 Insecticides for India and Mexico (Government)

5.5.1 Merits and status

There is a need for safe, cost-effective and operationally acceptable pesticides for public health use. Vector-borne diseases and those with intermediate hosts are among the major causes of illness and death in many tropical and subtropical countries. Vector control plays a key role in prevention and control of major vector-borne diseases such as malaria, Dengue and Chagas disease. Chemical control pesticides are still the most important element in the integrated approach to vector control. TyraTech is formulating several products to address vector control in India and in Mexico.

In India, TyraTech has a non-exclusive distribution agreement with Accudigm for a blend for use as a mosquito repellent and insecticide by the Government of the State of Assam and other Government organisations only. Evaluation of this product as an active ingredient has been undertaken in India and we understand that the results have been encouraging. Indian regulations for pesticide use are stringent and final approval is required.

In Mexico, TyraTech has an exclusive distribution agreement with Terra Quest for a blend for crawling insects and larvacide and for a blend for head lice, limited to government and intuitional business and excluding any consumer applications.

For head lice, Terra Quest has developed a shampoo. The testing has shown to be 99 per cent. kill rate for head lice adults and eggs. Toxicity studies still have to be performed on the final blend and formulation.

Products are expected to require registration with the Mexican authorities and to comply with the North American Free Trade Agreement (NAFTA) regulations.

5.5.2 Independent testing/evaluation

In vivo toxicological testing in India, of the lead blends showed that it was non-toxic at a dose of 2000mg/kg body weight, safe in inhalation tests, and non-irritant to the skin. Repellency testing showed no bites after 3 hours of treatment compared to 4 bites with the control. We understand that similar improvements were shown when used with the Indian Army.

In vitro testing of the head lice product showed that there was 100 per cent. kill of the head lice. An Egyptian study on 20 volunteers with head lice infestation showed that the TyraTech product was effective after first treatment as judged by the reduction in the number of adults, nymph and nits. After two week treatment protocol all children were free from nits after the 3rd to 4th treatment and there were no complaints of skin irritation or allergy to date in study participants.

5.5.3 Regulations

There are significant regulatory hurdles which any new products in India must comply with. A consultant has been engaged to support the regulatory filings in India and identify Independent Indian Government approved laboratories to facilitate the necessary testing.

In Mexico, COFEPRIS is the agreement between the Secretaries of Labor (STPS), Transportation (SCT), Health (SSA), and Agriculture (SAGARPA) for the control of the Importation of Pesticides, Fertilizers, and Toxic Substances. We understand that there are equivalent US EPA exempt products in Mexico; independent laboratory testing is required and these must show the products to be effective and safe. We understand that Terra Quest will support the necessary registration, although no explicit consulting contract to execute this is in place.

5.5.4 Market opportunity

In India, malaria, filaria and Dengue are the most prevalent diseases spread by mosquitoes. In 2005, around two million new cases of malaria were are reported. Mosquito borne malaria is found in almost all the areas of India, except the highest elevations in the northernmost part of the country. Malaria continues to be transmitted in all major cities in India, as well as all rural areas. Currently insecticide is used in the northern parts for 7-8 months of the year, whereas in the southern parts it is used all year round. In India the market for mosquito control is estimated to be $45.2m in 2005.

The leading product for head lice in Mexico contains lindane, which is gradually being removed due to the toxic side effects. Currently it is estimated that 15 per cent. of the population in Mexico suffers from lice which is approximately 16.5 million people.

We consider the approach by TyraTech to provide affordable natural pesticides to developing countries through partners and distributors as an appropriate way to expand its market. TyraTech is building local partnerships to facilitate the use of its products. The partnerships are at an early stage. Clarity of communication will be key to understanding the local market as well as patience in achieving the regulatory hurdles.

5.5.5 Competition

DDT (dichlor-diphenyl-trichlorethylene) was extensively used for malaria vector control in Mexico and Central America during the 60s and 70s, but the sprayings were gradually discontinued during the 80s and 90s. Successful experiences of integrated malaria vector control without the use of DDT have been developed in Mexico and several countries of Central America. The effectiveness of alternative strategies that promote community participation and partnership between governmental institutions, NGOs, and civil groups are encouraged in Mexico.

Two methods used in India are mats and coils. Mats are heaters used as mosquito repellent and only work for two years at temperatures greater than 150°C and suitable for rooms of 30 cubic meters. Coils are effective for about 8-10 hours when burnt with no airflow. Any breeze will reduce the length of effectiveness.

Other products under consideration by the World Health Organisation Pesticides Evaluation Scheme (WHOPES) for developing countries in the laboratory and in field testing are listed in the Table 3 below,

Table 3: Pesticide products and equipment under WHOPES laboratory and or field testing and evaluation

Product	Manufacturer	Application
Alpha-cypermethrin LN	BASF Germany Clarke Mosquito Control Products, USA	Malaria prevention Malaria prevention
Bti GR	Nature Bio Tech., Iran	Mosquito larvicide
Cyromazine WP	Syngenta Switzerland	Mosquito larvicide
Deltamethrin LN	Hiking Group Shandongtex Genfont, China Intelligent Insect Control, France Netto Group, Thailand Tana Netting, Thailand Tianjin Yorkool, China	Malaria prevention
Deltamethrin WT + binder	Bayer, Germany	Long-lasting treatment of mosquito nets
Lambda-cyhalothrin CS	Syngenta, Switzerland	Indoor residual spraying
Lambda-cyhalothrin LN	Syngenta, Switzerland	Malaria prevention
Lambda-cyhalothrin CS + binder	Syngenta, Switzerland	Long-lasting treatment of mosquito nets
Pyrethrum EC	Pyrethrum Board of Kenya	Indoor residual spraying; Treatment of mosquito nets; and space spraying
Spinosad SC, GR	Dow AgroSciences	Mosquito larvicide

CS = capsule suspension; EC = Emulsifiable concentrate; EW = emulsion, oil in water; GR = granule; LN = long-lasting insecticidal net; SC = suspension concentrate.

The largest threat to TyraTech comes from existing products under evaluation and field testing, especially by the multinational companies. However, TyraTech's blend has already demonstrated encouraging results and we regard this as presenting an alternative to the competition.

5.6 Agriculture and horticulture

5.6.1 Merits and status

Minimising the environmental impact and cumulative toxicity of synthetic insecticides is a goal of the EPA which is driving the need to develop selective and non-toxic insecticides. Blends of natural essential oils may address this need. Historically 'natural' insecticides have fallen short of conventional synthetic products on performance; however initial laboratory testing data as carried out by the independent testers have shown the blends are performing well compared with previously available plant derived products. For example, the lead blend showed a 70 per cent. to 78 per cent. reduction against root knot nematode compared to the Temik®, a product marketed

by Bayer. TyraTech is targeting the agricultural and horticultural markets through partnerships. TyraTech has an agreement with one of the top ten global horticultural suppliers, Arysta.

The leading blends in this partnership have shown activity in laboratory tests against a range of either insects or nematodes. Field testing has been conducted with an earlier blend with positive results for fruit.

5.6.2 Independent testing results

Independent testing for agricultural and horticultural applications has been conducted on the lead blends, against a range of agricultural pests and nematodes. The TyraTech products have proven effective against a spectrum of insects.

An earlier formulation of the lead blend has been tested as a foliar spray on a range of plants with no discernable phytotoxicity. It has also been evaluated for its efficacy against a range of insects and worms including army worm and tobacco budworm, where a reduction in crop damage was noted. This indicates the blend has potential for application against selected insect and worm species. Toxicity testing has been completed and the blend has been assigned category IV. The blend was developed as lower cost version to the earlier formulation and is currently being evaluated by TyraTech's partner.

Another blend has been tested against army worm, fungus gnat, white fly and green peach aphid. It was shown to be effective against all except white fly, where only minimal control was noted for this specific blend. The blend showed significant phytotoxicity. Severity of damage was dose related, and unacceptable at the lowest concentration. Reformulation studies have shown significant reduction in phytotoxicity. In our view this reformulation is encouraging.

A further blend has been tested for activity against a wide variety of insects and nematodes, where it has been shown to be effective. It can be applied as a foliar spray onto pepper, tomato, kale, vinca, snapdragon and marigold where it was shown to be an appropriate method of application.

5.6.3 Field trial data

Field testing of the lead blend for this partnership has been conducted by the partner. Testing has been underway since H2 2006 by Arysta and further laboratory, greenhouse and field trials are planned for 2007 with results expected in H1 2007 ahead of a milestone in H2 2007.

5.6.4 Commercialisation plans and partners

TyraTech's lead partner in the agriculture and horticulture category is Arysta. Under the terms of the Technology Sublicense Agreement between the two companies, signed H1 2006, Arysta is granted a sub-license to manufacture and market a number of specific horticultural insecticide products. TyraTech will receive payments from Arysta covering development milestones, followed by a revenue based royalty structure following product launch.

Field testing is ahead of schedule. We consider this encouraging, and the projected revenues at H2, 2008 relating active ingredients as achievable.

5.6.5 Market opportunity

The global agrochemical market was valued at $32.7 billion in 2004, of which Western European and US markets accounted for around 24 per cent. and 27 per cent. respectively. The US market for pesticides used in agriculture was estimated to be approximately $5.1 billion in 2004 and this market is predicted to rise to approximately $5.4 billion by 2009, a CAGR of 1.2 per cent. Natural pesticides account for 1 per cent. of this market. The agricultural pesticide market can be divided into the four main categories: herbicides (45 per cent.), insecticides (28 per cent.), fungicides (22 per cent.) and other products (5 per cent.). Over 90 per cent. of fruits and vegetables are sprayed with insecticides. In contrast with the pesticide market, the insecticide markets in both Europe and the US are experiencing a decline, with a predicted CAGR of -1.1 per cent. and -0.3 per cent. from 2003 to 2008 respectively, due to increasing regulation following fears over environmental impact.

There is increasing consumer pressure to use natural pesticides which are environmentally friendly and non-toxic to humans. There is also increasing pressure from consumers in industrialised countries for organically-grown produce, which allows very few synthetic pesticides and fertilisers to be used. The value of US organic food sales in 2003 was $10.4 billion and the market has shown

consistent annual growth of around 20 per cent. since 1997. There is therefore a significant market opportunity for TyraTech in the agriculture and horticulture market.

5.6.6 Competition

Six multinational corporations control approximately 80 per cent. of the global agrochemical market: Bayer CropScience AG (the market leader in 2004), Syngenta AG, BASF, Dow Chemical Company, Monsanto Company and DuPont. These companies currently have a limited presence in the naturals insecticide market, but are thought to be moving into this market and developing competitive products due to mounting consumer pressure.

Various alternatives to synthetic insecticides are available. One of the most common forms of natural agricultural pest control is *Bacillus thuringiensis* (Bt), a naturally occurring bacterial disease of insects. Its major advantage is high specificity making it safe to number of beneficial, non-target insects and mammals. Various companies supply Bt.

A number of companies offer essential oil blends as pesticides for agricultural use:

- EcoSMART (Tennessee, US) – a company offering blends of botanical essential oils selected for significant activity against the octopamine receptor. The current products are exempt from FIFRA, certified by the USDA National Organic Program, and are focussed in the agricultural and commercial market including insecticides, fungicides and herbicides.
- McLaughlin Gormley King Company (MGK®, Minnesota, US) – produces synthetic pyrethroids and natural pyrethrum (essential oil from Chrysanthemum flowers). It has a number of botanical products including PyGanic®, an agricultural insecticide listed by the Organic Materials Review Institute (OMRI) for use in organic production. It is approved for use on all growing crops, landscape and ornamental plants, in homes and other structures.
- Codena Inc. (owned by AgraQuest, Quebec, Canada) – a company focussed on plant based pesticides from natural oils for agricultural and garden applications. Three formulations have been developed: an emulsified concentrate, a microemulsion and a ready-to-use formulation.
- Certis (Maryland, US) – a company that manufactures and supplies various different pesticides, including pheromones, microbes, botanical extracts and synthetic chemicals. The Trilogy® miticide is a neem oil extract for agricultural use, and carries a phytotoxicity warning.
- Dr T's (Georgia, US) – a company offering a range of essential oil repellents aimed at various pests including aphids, caterpillars and damaging insects, for both the consumer and commercial markets.

TyraTech's blends have shown to be effective against a wide spectrum of insects offering a potential alternative to conventional chemical based insecticides. Additionally, recent data indicated that on re-blending they appear not to be phytotoxic. In our opinion, this is encouraging for a potential product.

5.7 Parasite control

5.7.1 Merits and status

It has been estimated that more than 2 billion people globally are infected with intestinal helminth parasites, including tape worms and round worms, causing significant morbidity. Although current drug treatments are adequate to treat infection, a preventative strategy is needed to break the cycle of re-infection. TyraTech's approach is to formulate a product aimed at treating and preventing intestinal parasites which can be placed into food for human ingestion. It is anticipated that the active ingredient would be used prophylactically in high risk populations. This project is at an early stage, with preliminary results indicating that essential oil blends can be used to kill intestinal worms *in vivo.* TyraTech has signed a co-development agreement with Kraft and *in vivo* trials as an oral prophylactic treatment are due to start imminently.

5.7.2 In vivo trials

TyraTech's current focus is on helminth parasites, represented by the cestode *Hymenolepsis nana* (dwarf tapeworm) and the nematodes *Ascaris lumbricoides* (roundworm) and *Trichuris trichiura* (whipworm).

Initial *in vivo* studies were carried out at the University of Alexandria in Egypt on *H. nana*. Essential oils were selected on their pharmacological behaviour with either the tyramine receptor, which is universal to all invertebrates, or the olfactory receptor Or83b, which has not yet been identified in worms. Each of the successful oils were tested separately and then blended together in a ratio based on their potency against receptor activation. Small gel capsules were used as an oral delivery device for the tests to ensure delivery of the blend to the gut. The current blend showed significant synergy and achieved 100 per cent. cure rate (no worms or eggs) following 5 consecutive days of treatment.

The next stage of the development will include testing different dosages of the blend as a prophylactic treatment and as well as a cure for *H. nana* and *Trichura muris*. Efficacy will be assessed versus the standard treatment niclosamide. Signs of toxicity will be evaluated followed by standard toxicity testing. Testing is expected to start in H1 2007. Although there are no safety and toxicity data on essential oil blends for consumption, the essential oils included in the blend are FDA approved food additives or are on the EPA's minimal risk Lists 3, 4A or 4B.

5.7.3 Commercialisation plan

TyraTech's proposes to commercialise this application by partnering with a multinational food manufacturer, Kraft. In H2 2006 TyraTech entered into a Technology Sublicense Agreement with Kraft which grants Kraft an exclusive commercial license. The agreement gives Kraft rights to TyraTech's innovative technology platform for food additives targeted at human parasites

The project for the development of TyraTech's blend into the final product has been divided into four development stages and the license is dependent upon the timely completion of these milestones. Launch of the first product to selected market is targeted as early as 2010-11 by Kraft. Upon completion of each of these milestones, additional exclusivity payments will be made to TyraTech. TyraTech will receive royalties, and initially supply, through a sales agreement, the active blends to be used as food additives.

Revenues from fees based on the achievement of the first milestone are expected in 2007. The first milestone is expected in H2, 2007. Subsequent milestones, with completion dates are to be mutually agreed following completion of each stage. We consider this first milestone to be achievable but the overall timetable to be challenging including the schedule for product revenue in H1 2010, given that human trials need to be undertaken, which for prophylaxis may be lengthy.

5.7.4 Market opportunity

Over 2 billion people worldwide are estimated to be suffering from helminth infections. Of these, *Ascaris lumbricoides* accounts for 1.2 billion and *Trichuris trichiura* accounts for 800 million. Although these intestinal parasites result in approximately 150,000 deaths per annum, the burden of the disease causes significant chronic and insidious effects on the host's health and nutritional status. In children, who represent around 50 per cent. of infections, the disease can result in faltering growth, decreased physical fitness and impaired cognitive function.

Major markets include India and China, with populations of around 1.1 and 1.3 billion people respectively. In regions of India, the overall prevalence of parasitic infection has been estimated at 97 per cent., with the majority of people being infected with multiple parasites, whilst in China, prevalence of intestinal nematode infections exceeds 50 per cent. in some areas. These countries offer a large combined market for treatment and a potentially much larger market for prophylaxis.

The majority of the functional food market in the developed world is not directly comparable, as it is aimed at general health and wellbeing rather than preventing specific diseases. There are no functional foods currently aimed at preventing human parasites.

5.7.5 Competition

Antiparasitic drugs are the most common method of parasite control. There are several, well established and low cost anti-parasitic pharmaceuticals used to treat helminth infections, specifically albendazole, mebendazole and ivermectin for nematodes and praziquantel, niclosamide and nitazoxanide for cestodes. These drugs are manufactured by a number of pharmaceutical companies and either donated or sold very cheaply to developing nations. Prices typically vary between $0.03-0.51 per treatment depending upon the country and distribution method and

treatments are given once over 1-3 days. Each drug has a good safety record and resistance is rare at present.

There are also a number of natural products on the market which claim to treat human parasitic infections, including a blend of essential oils. None are recommended by the World Health Organisation (WHO).

Treatment can be followed by chemoprophylaxis to prevent re-infection, if a suitable drug is available. The WHO has recently released a manual detailing preventative chemotherapy in human helminthiasis, in which it advises that large-scale interventions would need to be administered to entire communities at high risk, not just infected individuals. The prophylactic drugs are primarily those recommended for treatment which would be administered once or twice annually to high risk communities.

There is currently a significant need for prophylactic interventions, and it has yet to be seen what impact the WHO recommended preventative regime will have upon infection rates as re-infection may occur between recommended doses. Prophylactic functional foods could be complementary to a curative chemotherapeutic regime. We are unaware of any prophylactic treatments currently available or under development, or any preventative treatments for continuous use through foods. There is a therefore significant market available for such a product, provided it is efficacious, safe and cheap for which the cost of the product can only be determined once the dosage regime is determined

5.7.6 Risks

The specific risks associated with this early stage program are listed below;

- Essential oils may not be efficacious against intestinal nematodes (*Ascaris* and *Trichuris*) in man, and experiments to demonstrate the use of TyraTech's products for prophylaxis of intestinal worms are pending. No human clinical work has been done. However, there are limited *in vivo* data suggesting that a blend of essential oils is a treatment for the intestinal parasitic nematode *H. nana*.
- Essential oil blends may not be prophylactic for intestinal worms. The Company is expected to start initial testing.
- Parasitic worms may develop resistance against TyraTech's essential oil blends as the blends are currently only targeted against one known worm receptor (tyramine). Given that the foods are intended for frequent consumption, the risk of resistance is significant; particularly in light of recent findings that long-term exposure to low (sub-lethal) doses of tea tree oil makes bacteria more resistant to antibiotics. The Company believes that the observed synergistic effect suggests that the blend could be interacting with multiple receptors and plans to clone several new worm receptors for screening purposes to reduce the chance of resistance occurring.
- No safety or toxicology studies have been undertaken on the blend and toxicological issues may arise due to prolonged ingestion of a prophylactic dose. However, all the substances used in the blend are generally regarded as safe under FDA food guidelines.
- The size of the effective dose is not yet known; there is a risk that the price will be unachievable or prohibit the use of certain oils or formulation technologies. Re-blending and reformulation may allow TyraTech to reduce the cost if necessary.
- The preventative program recently recommended by the WHO may significantly reduce the infection level, and could be scaled up to include more frequent doses of anti-parasitic drugs to prevent re-infection. It is unlikely, however, that such a program would entirely remove the opportunity for prophylactic treatments through functional foods.
- The active ingredients may not be formulated into palatable and appealing final formulation, either for integration into foods or beverages. TyraTech's lead partner in this area has extensive experience formulating foods and beverages to mask any unappetising flavours.

6 TYRATECH STRATEGY AND CAPABILITIES

6.1 Management

TyraTech has an experienced senior management team led by a recently appointed professional biotechnology industrialist with a track record in corporate management and public companies. The senior management team draws upon a broad range of experiences covering, research and development in molecular biology, in invertebrate science, chemistry, blending and formulation as well as manufacturing and supply chain management necessary to drive the strategy with its corporate partners and direct clients. The senior management has developed effective working relationships with its partners. TyraTech is able to supplement its management resources by drawing on the capabilities and processes within the XLTech Group.

6.2 Research and Development

TyraTech's ongoing research and development goal is to continue to identify molecular components required for insect behavior and survival. By using its screening platform, the Company intends to provide a means to develop molecularly targeted active ingredients, or blends which may replace traditional synthetic insecticides. TyraTech plans to continue the development of its screening platform by cloning more invertebrate receptors. With this capability, the Company can respond to pesticide opportunities and thus enable the Company to generate a pipeline of future blends.

TyraTech currently operates the screening platform and R & D functions from Vanderbilt University, Tennessee, US and safety and efficacy studies are being carried at the Melbourne facility alongside their Independent Testing sites. Cambridge Consultants understands that the Company is in the process of relocating the screening platform, and R&D functions from Vanderbilt University to the Melbourne facilities. In our view, relocation of the screening platform to the Company and broader dissemination of the background and application of the platform in-house is required.

TyraTech has a number of development programs with its corporate partners to access its screening platform in order to identify active ingredients. These development programs are still in the early stages of evaluation.

Cambridge Consultants considers the Company's focus on achieving the development program with its partners as essential before embarking on new application activities. We further consider the ongoing research and development to clone more invertebrate receptors as appropriate to enhance the screening platform's capability.

6.3 Regulatory

The Company is aiming to develop, where possible active ingredients and blends that fall under the FIFRA 25(b) rule. By pursuing this route the Company can access the market quickly and cost effectively. The Company also plans to bring to market several other types of products under an EXTEND label. In this situation, there may be active ingredients that fall under the FIFRA 25(b) rule and other compounds that may contain essential oils, which are registered as active ingredients with the EPA, but are not exempt under FIFRA 25(b) rule. TyraTech's strategy is to select the most cost efficient regulatory route

TyraTech's regulatory strategy is further focused on understanding and satisfying the regulatory requirements in other geographical locations such as India and Mexico. The Company has appointed local specialists to facilitate the necessary regulatory requirements.

TyraTech utilises external specialist advisors. Cambridge Consultant considers this to be an effective approach and use of resources.

6.4 Manufacturing

TyraTech's manufacturing strategy is to outsource raw material supply, production and manufacturing to third parties and be a supplier of active natural ingredients which are used in blends and formulations for pest control.

Currently, all production and sourcing is provided by Millennium Specialty Chemicals (Jacksonville, Florida, US), a manufacturer of specialty chemicals, fragrance and flavours who have large scale manufacturing, EPA certification, the necessary quality procedures such GLP and ISO, global

logistics, export expertise and packaging as well as global sourcing of the ingredients. TyraTech intends to use other manufacturers as the production requirements increase and intends to bring components of the supply and manufacturing in house. The quality and product consistency of larger quantities is essential to fulfil their commercial goals. The Company will continue to identify quality materials at competitive prices, and plans to keep production and logistics options opened so as not to rely on one supplier or one source for its specialty chemicals. We consider this to be a sound strategy.

6.5 Commercialisation

TyraTech's strategy is to secure partnerships with international companies. The agreements with partners typically include upfront exclusivity fees for access to its screening platform to identify active ingredients from non toxic, plant derived essential oils as pesticides. On successful completion of each designated stages, TyraTech will receive milestone payments followed by royalties based on product sale revenues when new products are launched into key markets by the corporate partners. Additionally, the Company is planning to secure further revenues through direct sales of active ingredients from its own program of development work with key clients in selected markets.

TyraTech is also seeking to commercialise its products through local partnerships in developing countries, where insect control is essential to reduce the threat of disease and human suffering.

Cambridge Consultants considers these strategies adopted by TyraTech to commercialise its active ingredients as sound and resourceful.

7 RISKS

Cambridge Consultants considers that TyraTech will face certain risks in the realisation of its business plan. In particular, the pest control sector although driven by the consumer perception to seek more natural products is evolving and changes in circumstances, such as the regulatory, technical, manufacturing or commercial may occur. The blends may not prove to be commercially efficacious.

These risks should be read in conjunction with the sections on insecticides and repellents.

7.1 Research & Development

- TyraTech's molecular screening platform is being transferred from Vanderbilt University, Tennessee to the Melbourne facilities may not be reproduced. TyraTech is proposing to transfer both equipment and personnel.
- TyraTech's Research plan is still evolving. The Company is currently focusing on delivery against its development plans with its partners and distributors
- The blends developed by TyraTech are not targeted at particular pest organisms and may cause toxicity to non-target, beneficial invertebrates. Broadly, conventional insecticides are also non-specific. TyraTech is considering re-blending with further efficacy testing which may increase the specificity of each blend. Additionally, TyraTech is planning to target more specifically by cloning target and non-target organism receptors and screening for efficacy against one but not the other.
- Essential oils are volatile and thus the residual activity of the blends is generally low. TyraTech is exploring alternative formulations to extend the residual activity.
- Some of the blends used for agriculture and horticulture are phytotoxic. Recent blends appear not be phytotoxic and the data encouraging.
- Field testing for horticultural and agricultural use may show inadequate efficacy. Further formulation may be required.
- Insects may develop resistance to the blends. TyraTech has shown no change in insecticidal activity in five generations of a flying insect. Longer trials are in progress as well as early evaluation with other insects.

7.2 Manufacturing

- The quality of the raw ingredients will fluctuate depending upon the source of the ingredient and the suppliers. The Company can use the screening platform to identify discrepancies in the initial assessment process of the raw materials.
- The price of raw materials and its supply will fluctuate. TyraTech's proposes to use multiple external suppliers to minimise the dependency and spread its risk of supplies.
- Inconsistency and blend variability may occur. The Company is in the process of putting into place a quality control system.
- Scale of blends may not be achievable. TyraTech has already manufactured a couple of tonnes of a blend and is continuing to work with experienced manufacturing partners.

7.3 Management

- Loss of key personnel in technical development and commercialisation may occur. The recruitment and training of new industry experience personnel will minimise this risk as the Company progresses its partnership with its key partners.
- TyraTech has a large number of concurrent and varied projects which may have inadequate resources to manage them effectively. Recruitment and prioritisation will address this.
- Recruitment is challenging. A more aggressive public relations program to raise the profile of the company and the benefits of the area may help attract future employees.

7.4 Market and Commercialisation

- The competitive landscape will grow with an increasing number of companies providing natural products. TyraTech's proprietary screening platform should provide an advantage in being able to develop effective blends.
- Competition from others companies working on molecularly targeted insecticides could reduce TyraTech's position.
- TyraTech's partners may decide not to launch the products containing active ingredients from TyraTech. The Company has multiple partners and is also to sell directly to a number of distributors.
- The use of combination products (naturals plus synthetics) may degrade the marketing power of the 'naturally formulated' message. However, this can be presented as a reduction in the use of synthetic pesticides
- Natural pesticides have been perceived as ineffectual. The Company will need to address this with aggressive marketing and PR campaigns based on validated published scientific data.
- TyraTech is targeting developing countries where insect control is essential. There is no assurance that access to these countries will be maintained. The Company has put in place local suppliers and distributors.

7.5 Regulatory

- Regulatory approval may be delayed, limited or denied. Regulatory authorities in different part of so the world have specific and sometime differing requirement for the approval of a pesticide irrespective of whether it has been approved elsewhere. This may result in the demand for additional data, causing delays or result in approval for limited or different applications.
- The regulation for the active ingredients used in pesticides outside of the US and EU is unclear. TyraTech is using external consultants in emerging countries and key territories to advise them on regulations and product categories.

8 SUMMARY

TyraTech is a speciality chemical company developing a range of bio insecticides based on essential plant oils selected through its own screening process. TyraTech's approach to utilising essential oils as natural insecticides is an attractive approach to growing concerns over health and

environmental issues of insect control. The blends under development have a low regulatory hurdle and are perceived as being user friendly with reduced insect resistance.

Blends of active ingredients based on essential oils are under development as

- Insecticides against crawling insects such as ants, cockroaches in domestic, institution and hospitality sectors
- Insect repellents against mosquitoes
- Insecticides and nematocides for agricultural and horticultural use

TyraTech is also proposing to treat and prevent human parasitic nematodes infections.

Blends of essential oils tested by independent testing laboratories have shown efficacy. Toxicity testing is ongoing and the results to date are encouraging.

TyraTech's commercial strategy is to secure partnerships with international companies in insect control to generate exclusivity fees to access it screening platform, receive milestone payments on development programmes, followed by royalties based on product sales. The Company has secured partnerships with four major players and two distribution agreements into developing countries. These are:

- A licensing agreement with Syngenta granting rights to license TyraTech's screening technology platform targeted at specific insecticide applications.
- An option agreement with Scotts to conduct product development and technical evaluation of TyraTech's natural insecticide technologies for consumer applications.
- A global licensing and co-development agreement with Arysta to manufacture and market a number of specific horticultural insecticide products
- An exclusive co-development agreement with Kraft to develop functional food compounds
- An exclusive supply and distribution agreement with Terra Quest in Mexico and Accudigm in India to access to local government and commercial opportunities.

In Cambridge Consultants' view, this is an appropriate commercial approach.

The development of new natural insecticides carries risks and efficacy remains to be demonstrated more broadly in the field although early results are encouraging. The use of these insecticides and the perceived consumer demand does not guarantee commercial success even if the blends are efficacious and the products are approved.

Together, the Senior Management team combines leading knowledge of the insect receptor mechanisms coupled with commercial expertise. Cambridge Consultants considers that the Company should have the experience to implement its plans.

Yours faithfully

For and on behalf of
Cambridge Consultants

PART XIII: PATENT AGENT'S REPORT

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25 May 2007

Dear Sirs

Patent Agent's Report

Our Ref: HMJ04320QQ

Gill Jennings & Every LLP is a limited liability Partnership of European Patent Attorneys and European Trade Mark Attorneys. We are based in London and Munich. The firm advises on all aspects of Patents, Design rights and Trade Marks and has a large variety of clients in the UK and overseas over an extensive range of technologies.

Nomura Code Securities Limited and Jefferies International Limited on behalf of the Directors of TyraTech have instructed Gill Jennings & Every LLP to prepare a Patent Agent's Report for inclusion in the Admission Document, to be issued by the Company in connection with the proposed offering of shares in TyraTech and its admission to trading on the AIM market. This report has been prepared pursuant to, as appropriate, the ''AIM Rules for Companies'' issued by the London Stock Exchange covering certain aspects of TyraTech Inc.'s (''TyraTech'' or the ''Company'') business namely TyraTech's patent strategy, TyraTech's Patent applications and the patent cases assigned to it by Vanderbilt University, and whether the company's commercial plans are likely to be inhibited by third party rights.

Executive Summary

The patent portfolio assigned to the Company from Vanderbilt provides protection for the screening technology used by TyraTech. This should give TyraTech a competitive advantage over competitors who do not have access to the screening method in devising mixtures having the effect of repelling or killing insect or other invertebrates. Data from the screens should enable TyraTech to achieve reasonably broad protection (primarily from future filings but to an extent from existing applications) for mixtures of insecticidal oils so that TyraTech can control exploitation of specific compositions for which expensive trials are required.

The protection may enable TyraTech to prevent others from launching competing products that, being so sufficiently similar to TyraTech's mixtures, might rely on data from TyraTech's trials to provide marketing authorisations.

The patent portfolio is at a very early stage of its creation. On the one hand this means that there should still be a long period of potential protection. On the other hand none of the applications has been examined by any patent office and it is not certain what scope of protection will be granted.

TyraTech has exercised diligence and care in avoiding third-party prior rights. TyraTech's screening technology allows the company to work around any patents which are identified as being of concern. TyraTech's US patent counsel have assessed the lead compositions, which are currently scheduled for marketing and which have been described in the Expert's Report being prepared for the Company's admission to AIM, and have not identified any granted patents in USA owned by third parties which cover the compositions. Nor have any pending US applications which present a significant risk been identified. The investigations will likely be extended to cover other jurisdictions at an appropriate time.

Introduction

The Company is developing technology arising from research done at Vanderbilt University by Dr Essam Enan. Vanderbilt University has protected its innovations by filing patent applications in its name using its own patent attorneys. This patent portfolio was previously exclusively licensed to TyraTech, Inc. and has now been assigned to the Company. TyraTech owns the IP and has control over its exploitation in all fields of use, subject to a continuing licence to Vanderbilt to use the technology for non-commercial purposes and with reversion of rights to Vanderbilt in the event of abandonment by TyraTech or upon bankruptcy. Doctor Enan is seconded to TyraTech, and inventions made by him will be assigned to TyraTech. If Vanderbilt continues with research in this technology area (as is contemplated under a sponsored research arrangement), inventions arising under the terms of the continuing agreement between TyraTech and Vanderbilt are exclusively licensed to TyraTech as under the previous arrangement. The assignment will need to be recorded at the patent offices where each patent application has been filed, but this is a formality. Under the terms of the assignment, Vanderbilt has the right to register its collateral interest in the reversion rights granted to it.

TyraTech Inc is carrying out research and development of compositions and applications and has filed two patent applications on one of its inventions, in its own name. TyraTech is advised by a well-respected firm of US patent attorneys. TyraTech's IP Counsel have assisted in the development of the patent strategy for TyraTech, of reviewing the Vanderbilt portfolio, filing TyraTech applications, advising on best practice for protecting future developments, and assessing TyraTech's freedom to operate its planned commercial activities. We have been asked to produce this report for the Initial Public Offering on the London market. We have not had any involvement in TyraTech's or Vanderbilt's intellectual property before being involved in this project.

TyraTech's technology and commercial products are primarily based on its screening technology, involving receptors in target organisms and *in vitro* assays based on such receptors. A separate Expert's Report explains the basis for the efficacy of compositions which interact with these receptors in repelling or killing target organisms.

Patent Strategy

Under the terms of the exclusive licence agreement between Vanderbilt University and TyraTech, the two parties have discussed the general filing strategy to protect TyraTech's technology. Inventions made by Doctor Enan belonged to Vanderbilt University. Vanderbilt has protected inventions by filing patent applications, with the agreement of TyraTech. The portfolio which Vanderbilt had built up has now been assigned to TyraTech. Vanderbilt's practice was to file initially provisional applications in USA. The provisional application establishes a priority date for the subject matter disclosed in the application.

Provisional applications are often the first disclosures of a new invention, filed at a very preliminary stage in order to obtain an early filing date for a concept with potential value. To gain the benefit of the early filing date, a provisional application must be followed by a non-provisional application within a year. For some inventions, a series of provisional applications can be filed during the priority year, each containing successively more information about the invention.

It is not unusual for a first provisional application to have a relatively limited disclosure. Some provisionals that are filed without abundant data or working examples can benefit from use of "prophetic" examples or discussion of the invention. This is an approach that is specifically

recognised and accepted as an appropriate way of disclosing aspects or examples of an invention without the delay required by what may be weeks or months of ''proof of principle'' experiments.

Thus prophetic disclosures permit an inventor to create a record of the invention and what it will do, based in whole or in part upon the concept alone. Subsequent work and experimentation, during the provisional year, can generate data relating to the concept.

Within one year from the first provisional filing, further applications can be made claiming priority back to the filing date of the provisional application. The specification is supplemented at this stage by additional data to support the invention which is available. The further applications which have been filed on Vanderbilt's original inventions have been US national applications and International applications filed under the Patent Cooperation Treaty. The Patent Cooperation Treaty (PCT) system for filing International patent applications allows a single application to be filed which provides rights in all the contracting states which include all of Western and Eastern Europe, North America, Australia/New Zealand, much of Asia and parts of Latin America and Africa.

The PCT application is searched by an International Searching Authority, in this case the United Stated Patent & Trade Mark Office (USPTO), to identify prior art believed to be of relevance to the patentability of the claims. US provisional applications are not searched by the USPTO. US complete applications, which may be filed at any time within one year from a corresponding provisional application, are subjected to a search and examination by the USPTO. However the complete US applications are at an early stage of the patent prosecution and have not yet been searched by the USPTO.

Under the PCT system, at the end of the period two-and-a-half years from the first priority date, separate applications must eventually be pursued at the Patent Offices covering the jurisdiction where protection is required. Two of the applications have reached this, national stage, and applications have been pursued in jurisdictions where TyraTech perceives its greatest markets to be. The applications which have been pursued are listed in the schedules below. Final decisions as to the geographical scope of protection will be made on a case by case basis. Separate national applications have been pursued with direct US filings for the inventions. This has the advantage that the grant date in USA will be sooner than if the applications were pursued by the PCT system, as well as optimising rights accruing against parallel third party applications for protection in USA on the same invention (if any).

Before patents are granted in most jurisdictions, the local patent office carries out its own examination to determine whether the local requirements for patentability are met. For none of the applications has such examination started. Until examinations are complete, it is not possible to be certain that patents will be granted on the inventions. Indeed where there is no official search report available, it is too early to reach a view as to whether there is a good probability that a patent can be granted.

Applicants may file divisional applications during the period up to grant of an application. Such applications maintain the benefit of the priority and filing dates of the earlier (parent) application. Divisional applications are often pursued to protect subject matter which has been excluded from the scope of claims after amendments are made during examination. Amendments may be made to focus claims on one of several inventions initially claimed or disclosed, for instance.

The term of a patent is calculated from the filing date. When an application claims priority from an earlier, provisional application, it is the second filing date from which the term is calculated. When no priority is claimed, the 20 year term runs from the actual filing date. The maintenance of a patent in force is conditional on payment of maintenance fees in each country. Although formal action to enforce a patent may only be taken after grant, the rights of the proprietor are protected to a limited extent during the period up to the date of grant. Compensation may be awarded for infringement by third parties before the date of grant in a successful enforcement action initiated after the date of grant.

PCT applications and US non-provisional applications are published in the form in which they are filed eighteen months from the first priority date. From this date, therefore, the subject matter for which protection is sought is open to the general public. For applications which are within the first eighteen months of their priority date mentioned in the schedule below, we have avoided disclosing detailed information which could reduce TyraTech's commercial advantage in this period of confidentiality.

TyraTech has agreements with a number of third parties relating to supply of oils and development and marketing of compositions into several markets. These agreements involve IP licences. The agreements are described by the company elsewhere in the Admission Document and in the Expert's Report.

The geographical extent of protection sought by TyraTech via the Vanderbilt portfolio and which will be sought in future cover the major markets and manufacturing zones. The value of good protection in the US is probably at least as high than the value in the other countries combined. In some instances mentioned below there is a better chance of obtaining broader protection in the US than elsewhere.

Until an application has been progressed through prosecution in the respective patent office, it is not certain what scope of claim will be granted. All of the applications in this portfolio are at an early stage of prosecution and the limited extend of searching and official prosecution means that it is not possible to predict with certainty what claims will be granted.

Vanderbilt Portfolio

The patent applications which have been assigned from Vanderbilt to TyraTech are listed below.

First Invention

Table 1: Composition and Methods for controlling insects – Inventor Enan, Essam

Country	Application No. Publication No.	Filing Date Priority Date	Status Prospective Expiry
USA	10/832022	26 April 2004	Pending
	US 2005 0008714	24 April 2003	26 April 2024
Australia	2004 238220	26 April 2004	Pending
	AU 2004 238220	24 April 2003	26 April 2024
Brazil	2004 0010491	26 April 2004	Pending
	BR 2004 0010491	24 April 2003	26 April 2024
Canada	CA 2,523,489	26 April 2004	Pending
	CA 2,523,489	24 April 2003	26 April 2024
China	2004 80017369.8	26 April 2004	Pending
	CN 1809268	24 April 2003	26 April 2024
Europe	04750739.7	26 April 2004	Pending
	EP 1624881	24 April 2003	26 April 2024
Hong Kong	06109548.2	26 April 2004	Pending
	EP1624881	24 April 2003	26 April 2024
India	00093/MUMNP/2005	26 April 2004	Pending
	WO 2004 100971	24 April 2003	26 April 2024
Japan	2006-532475	26 April 2004	Pending
	WO 2004 100971	24 April 2003	26 April 2024
Mexico	NYK	26 April 2004	Pending
	WO 2004 100971	24 April 2003	26 April 2024
OAPI	13160	26 April 2004	Pending
	WO 2004 100971	24 April 2003	26 April 2024
Russian Federation	RU 2005 133393	26 April 2004	Pending
	RU 2005 133393	24 April 2003	26 April 2024
South Africa	ZA 2005/08646	26 April 2004	Pending
	WO2004 100971	24 April 2003	26 April 2024
USA	11/365 426	01 March 2006	Pending
	US 2006263403	24 April 2003	26 April 2024

The invention being protected is the identification of insect receptors which interact with oils, and the engineering of cell lines to express these receptors and act as an *in vitro* test method for screening oils for their potential activity in killing or repelling insects. In the worked examples several oil mixtures are tested. Also some complex oil mixtures and mixtures of oil components are tested for their repellency and insecticidal activity on some insects. There are several claims which are directed to compositions defined in various ways. There are also claims directed to methods for controlling insects. There are also methods directed to screening compounds and compositions using the engineered cells, to determine binding affinities and effect on intracellular cAMP or Ca^{2+}

levels within the cells, as well as to the reports generated from such screening methods. There are claims directed to ''a strain of *Drosophila schneider* comprising a nucleic acid sequence'' as disclosed, for the three receptors. These claims are probably intended to be directed to *Drosophila schneider* cell lines rather than the insects themselves but we believe that the claims could be amended during prosecution in order better to provide protection for the engineered cell lines.

TyraTech has identified protection of the screening method as the primary aim of this application. The screening method permits TyraTech to develop its commercial products. Other types of claims to be sought in divisional applications have the potential to enhance the IP position, but are generally secondary to protection of the screening method.

The first 24 April 2003 application was a US provisional application followed by a (US non-provisional) PCT application on 26 April 2004 which claimed priority from the US provisional application. The PCT application has been superseded by national application. Thus the list above includes the national application but not the superseded PCT application. A second US application with some further data has also been filed and is pending in parallel with the first 2004 application.

The PCT application was searched during the international phase (which ended in October 2005). The search report cited four references, categorised as being of potential relevance in determining whether the invention involves an inventive step. The application has not been searched by other patent offices. We believe it is reasonable to assume that the search would have found relevant prior art which referred to the involvement of these olfactory receptors in insect control had there been publications to this effect in the literature. With respect to the claims directed to the screening method, since the searches appear to be clear in this respect, we believe that claims directed to the screening method involving engineered cells, and the engineered cells themselves should be patentable. Claims directed to the screening method should help to prevent others form using the screening method to develop competing commercial products.

With respect to the claims directed to the reports produced by the screening method, in Europe we believe that such claims are likely to be rejected as being presentation of information and hence unpatentable. It is possible that these claims will be granted in the US. TyraTech had indicated that these claims are of minor importance only.

With respect to the broader claims directed to the composition and method of use, although the PCT search report has found few references, we believe that the broadest composition and method of use claims in this application are likely to be rejected as being anticipated. We believe that prior art relating to the use of complex oils, and mixtures of synthetic or isolated oil components used to repel or kill insects in the prior art may well anticipate the claims which define a mixture by reference to the components' targeting of the receptors. Dr Enan's discovery that these components interact with these receptors and affect intracellular Ca^{2+} and/or cAMP may help understand why existing oils and oil mixtures have insect control characteristics.

However, this discovery does not make the prior art compositions patentable. Since we believe the claims would be broad enough to cover mixtures which have been described in the prior art, it is likely that those broader claims directed to compositions will have to be limited if protection for the compositions and their use to control insects is to be validly claimed in this application. However TyraTech take the view that its strategy does not depend upon obtaining broad composition claims in this application. Thus, to the extent that the broadest composition claims must be limited, this would reduce TyraTech's ability to protect its products using this patent.

With respect to the more specific claims directed to compositions there may be sufficient support in the description to show that some mixtures of components have surprising results in terms of insect control activity. At this stage, however, since examination has not yet commenced in the national phase applications or indeed in the US applications, it has not been necessary to limit the scope of the claims to composition or methods of controlling insects. The applicant is reserving its rights over the broadest scope for composition and method of use claims at present. TyraTech's current strategy in the US is to pursue claims directed to the screening methods and cell lines to grant, and to gain protection for some specific compositions and their use to control insects through one or more divisional applications. TyraTech also intend to implement this strategy outside of the US. Divisional applications which retain the benefit of the early filing and priority dates might claim compositions in which significant trials need to be conducted in the future, which are adequately disclosed in this specification. For instance there are significant amounts of data concerning lilac flower oil and blackseed oil, such that compositions containing these oils may be protectable through composition or method claims derived from this application. Some of the

narrower claims which are less likely than the broadest claims to be vulnerable to invalidity because of prior art do encompass some lead compositions such as B5001 and B5002. Divisional applications could be pursued based on such claims. We are not convinced these claims have yet been adequately searched by the patent office examiners and, further searching is likely to be conducted on any divisional applications which are filed.

The international application contains examples which show that certain combinations of oils have synergistic effects. TyraTech could seek to gain protection for those particular mixtures basing claims on the narrower claims in the original international application in one or more divisional applications. The support for claims covering similar but not identical mixtures is limited, and leaves some risk that competitors could work around the protection afforded.

It will be some time before the final decisions are made regarding the patentability of such claims pursued in divisional applications. The protection achievable in US is likely to be broader than the other jurisdictions, notably Europe. TyraTech will have time to formulate the best scope of claims supported by the available data to protect its lead compositions such as B5001 and B5002 on an on-going basis.

TyraTech is confident that the cell-line-based screening test allows it to screen many compounds and put together many compositions at relatively low cost, thereby producing a composition for which there is a high level of probability of efficacy in insect trials. This provides a competitive advantage against companies which cannot carry out the screening tests. Since this patent case should be able to protect the screen and the cell lines used in the screen, TyraTech can prevent competitors from using the screen. This should provide a competitive advantage to the Company.

Second Invention

Table 2: Compositions and Methods for controlling insects related to the Octopamine receptor – Inventor Enan, Essam

Country	Application No. Publication No.	Filing Date Priority Date	Status Prospective Expiry
USA	US2005 0214267	21 March 2005	Pending
	11/086615	19 March 2004	21 March 2025
Australia	AU2005 226676	21 March 2005	Pending
	AU2005 226676	19 March 2004	21 March 2025
Canada	CA 2563886	21 March 2005	Pending
	CA 2563886	19 March 2004	21 March 2025
Europe	05728601.5	21 March 2005	Pending
	EP 1737478	19 March 2004	21 March 2025
New Zealand	550426	21 March 2005	Pending
	WO2005 092016	19 March 2004	21 March 2025
Singapore	200606476-1	21 March 2005	Pending
	WO2005 092016	19 March 2004	21 March 2025
South Africa	ZA 2006/08396	21 March 2005	Pending
		19 March 2004	21 March 2025

This application is based on the discovery that the ability of oils or oil components to interact with the octopamine receptor and/or affect calcium cAMP levels in octopamine receptor expressing cells could be of relevance to insect control activity. The claims are directed to cells which are engineered to express the receptor, the nucleic acid encoding the receptor and methods of screening compounds involving testing for binding with the receptor on the cells and/or measuring the effects of intra cellular cAMP or Ca^{2+} levels resulting from interaction with such compounds.

We understand that TyraTech's current lead products do not make use of this technology but that the application is being pursued in case future developments exploit this technology.

The first application was a provisional US application dated 19 March 2004, a non-provisional US and a PCT application, claiming priority from that application, were filed on 21 March 2005. The PCT application has been superseded by national phase application in the countries listed.

The claims have been somewhat amended for the European regional phase application. The emphasis is on claims directed to the screening method, rather than the isolated nucleic acid and transfected cells.

We are concerned that there does not seem to be direct basis in the specification for the provisional application for the revised claims. If an objection to this effect is made by the European Examiner, an opportunity will be given for the applicant to comment and, if necessary amend the claims.

The claims have been searched by the USPTO in the international phase of the PCT application. The Examiner found only a single reference, by Messrs. Bischof and Enan of Vanderbilt, published between the priority and PCT filing date.

The US application filed on 21 March 2005 is pending. As far as we know, it has not been searched. However we note that an Information Disclosure Statement has been submitted by the attorneys. This cites 40 US patent documents of possible relevance to patentability, as well as three PCT publications and 16 non-patent documents. Of these, it seems that at least three are authored or co-authored by Dr Enan. Dr Enan had, several years previously, established that octopamine receptor could have a role in interacting with insecticidal oils, but had used protein isolated from tissue rather than cells engineered to express the receptor.

The priority application (filed on 19 March 2004) was provisional application. It had limited support for the invention described as is often the case for US provisional applications as discussed above. In the specification filed on 21 March 2005 as a PCT and separate US application, there is some data and better support for the claimed subject-matter. The claims of the 2005 filings are not identical to the statements in the description of the 2004 application. As a result, in Europe, it is possible that the EPO will take the view that the claims are not entitled to priority from the 2004 filing. In such event, TyraTech would be given opportunity to convince the EPO that the claims are entitled to the 2004 priority date.

The Bischof *et al* reference discloses the same transfected cells as the present specification, and suggests that these may be useful to study interactions of insecticidal plant essential oils.

If TyraTech is unable to rely on the 2004 provisional application for priority, then this reference would be considered relevant prior art against the claims in jurisdictions other than the US. In the US, loss of priority would have no effect on the relevance of the Bischof *et al* reference, since the grace period in the US allows for the inventor's own publications to be excluded from the prior art for determination of novelty. It would be advisable for TyraTech to consider how the claims could be amended outside of the US, in case priority is lost.

It is possible that the claims could be revised to render them entitled to priority, or to ensure that they are not anticipated or obvious over the Bischof reference. It is possible at this stage to make amendments and submissions to the Examiner in Europe, for instance. It is also possible to make voluntary amendments later in Europe and elsewhere and we expect that the applicant will take advantage of such a possibility.

Table 3: US Provisional Applications on behalf of Vanderbilt University and assigned to TyraTech

Provisional Application Serial Number	Title	Filing Date	Description
US Provisional Application 60/805.963	Compositions for Treating Parasitic Infections and Methods of Screening for Same	27 June 2006	Parasitic treatment compound screening
US Provisional Application 60/822,067	Compositions and Methods for Treating Parasitic Infections	10 August 2006	
US Provisional Application 60/865,109	Compositions and Methods for Treating Parasitic Infections	09 November 2006	
US Provisional Application 60/891,813	Compositions and Methods for Treating Parasitic Infections	27 February 2007	
US Provisional Application 60/807,600	Compositions and Methods for Controlling Insects	17 July 2006	Essential oil/fixed oil compositions

Provisional Application Serial Number	Title	Filing Date	Description
US Provisional Application 60/828,420	Pet Food Mitocide Formulation	6 October 2006	Mitocide compositions and packaged goods
US Provisional Application 60/885,214	Compositions and Methods for Controlling Insects	16 January 2007	Compositions including at least one insect control chemical
US Provisional Application 60/885,403	Compositions and Methods for Controlling Insects	17 January 2007	
US Provisional Application 60/889,259	Systems and Methods for Controlling Insects	9 February 2007	
US Provisional Application 60/896,427	Formulation of Insect-Control Compositions Having Residual Activity and Methods for Production and Use Thereof	22 March 2007	Stabiliser/carrier
US Provisional Application 60/896,430	Water-based Formulations of Insect Control Compositions and Methods for Production and Use Thereof	22 March 2007	Water-Based formulations for control of crawling insects
US Provisional Application 60/896,436	Compositions Having Insect Control Activity and Methods for Use Thereof	22 March 2007	Controlling mosquitoes

None of the above applications have been published. At present decisions have not yet been made by the Vanderbilt or TyraTech attorneys regarding filing outside the US or completion of the applications in the US. All of the applications are still inside the first year from the first (Paris Convention) filing, so that PCT or other applications could be filed claiming priority from the US provisional applications.

In order to avoid disclosing information which might prejudice the benefit of the period during which filed applications are kept confidential we cannot describe these applications in detail. However from the formal titles and the brief descriptions given above the general areas covered by these specifications may be understood.

Several of the applications relate to particular products with inclusion of insect control components. Others relate to particular combinations of insect control components from oils, together with other ingredients, conferring useful activity in certain environments.

Other cases comprise particular combinations of isolated oil components found to have particularly good results when tested on insects of particular species, such as mosquitoes. In several of these applications the examples are prophetic. It is likely that, if full applications are to be filed in USA or elsewhere, then priority may be claimed from all the related applications in a single follow up application. Such non-provisional US or PCT applications may be supplemented by appropriate data. Such full applications may give protection covering, for instance, the combination of oils in B5004 and B5015.

Other applications relate to composition for treating parasitic infections. There are some data showing the efficacy of some compositions on specific parasitic infections. The broadest claims are likely to be interpreted at least in Europe to encompass compositions in cases on the first and second inventions described above and therefore to be unpatentable. Full US and international applications can contain additional support and disclosure. There is still time for TyraTech to draft a specification which should have claims distinguished from the earlier cases which confer protection of compositions in these end uses. We assume TyraTech will take advantage of this time. The subject-matter has not been searched by any patent office and it is not possible to predict the scope of claims which will be achieved. The products are understood to be at an early stage of development with at least one third party. TyraTech will be able to take the developments into account when drafting and prosecuting the patent applications on these compositions and uses.

Two recent provisional filings, from 16 and 17 January list a series of blends of individual components and of complex oils, which are those of most current interest to TyraTech. As such, these applications may provide a priority date for later filings which are supplemented with efficacy data, and with screening data. These have been followed up with a third provisional application. This is a common practice as explained above. As they stand, the specifications would not provide adequate support for final filings but the specification of a non-provisional US, or a PCT, application filed by 16 January 2008 may be supplemented by data generated in further development.

TyraTech Applications

Table 4: U.S. Provisional Applications on behalf of TyraTech

Provisional Application Serial Number	Title	Filing Date
U.S. Provisional Application 60/812,678	Compositions and Methods for Production of Peat-Like Material from Manure	08 June 2006
U.S. Provisional Application 60/876,601	Compositions and Methods for Production of Peat-Like Material from Manure	22 December 2006

The two applications are related to one another, and describe a particular process for treating manure to recover peat-like solids, in which, in the final steps, insecticides are utilised. Examples of suitable insecticides are merely cross-references to the earlier Vanderbilt patent filings.

TyraTech has indicated an intention to develop this technology and an intention to protect its interests by non-provisional and US and PCT patent filings in future, based on these filings.

Future Innovations

TyraTech's strategy for protecting existing innovations for which patent applications have not yet been filed and/or for protecting innovations to be made in the future, is to file for patent protection and support this with data from receptor based screening and from efficacy tests. The screening technology enables a large amount of data to be collected at a relatively low expense. Furthermore the screening tests should enable generalisations to be adequately supported in patent claims, so as to provide claims broad enough to cover analogous composition mixtures having equivalent effect to specific tested mixtures. We believe that examiners will accept that the screens provide good support for such generalisations, provided that there is a consistent hypothesis for the mode of action involving the actives and their interaction with the receptors concerned. This should allow TyraTech to achieve protection broader than for compositions limited to particular compounds and particular levels in admixtures. This in turn should mean that competitors will find it difficult to work around the claims of the TyraTech portfolio whilst attempting to rely upon results of expensive efficacy, toxicity, or environmental tests on which TyraTech will need to rely to obtain the rights to put compositions onto the market, or to obtain data on which contracts with third parties may rely.

In summary we believe that TyraTech's investment in its commercial developments should be adequately protectable through its patent portfolio, based on the strategy it has developed.

Third Party Rights

Essential oils and mixtures of essential oils have been exploited for their insect repellent and insecticidal activities, probably from pre-historical days. Others have protected innovations made relating to particular oils and their use in treating particular environments or species by filing patent applications. TyraTech's attorneys are well aware of the existence of in force patents which may inhibit TyraTech's freedom to operate. They have amassed a collection of third party patent documents and have analysed these to assess the scope of the claims of granted patents and the likelihood of relevant claims being granted based on applications which are identified when published. They have a database which allows identification of patents of potential relevance to particular compositions. This has allowed them, in the past, to collate a list of relevant patent publications for a specific mixture of oil compounds to check whether there appears to be a significant risk of valid claims being infringed. We understand that, on one occasion when a risk was identified, the database in combination with the receptor-based screen enabled a particular component to be substituted so as to avoid the patent property of concern.

In view of the extensive publications of essential oils for use in insect control, third parties have been able to achieve very limited protection for their innovations, with limited definitions of specific ingredients and even ratios of those ingredients or dosage levels, or with limited definitions of environments and/or species controlled. In contrast, TyraTech's screen enables compositions to be devised with equivalent activity quickly and at relatively low cost. This therefore enables them to work around third party patents which are identified as being of potential risk.

The Company's US patent counsel have conducted a review of the collection of third party patent cases in relation to the Company's lead compositions as described elsewhere in the Admission Document. They have identified no granted US patents with claims that cover the compositions. Nor have they identified any pending US applications having claims that seem likely to be granted of scope which will cover those lead compositions. The review should be extended to countries outside the US as plans to market specific compositions are made in such other countries. We believe that the strategy the company has developed for maintaining a watch on third party applications, and for assessing the scope of third party patent cases, with steps taken to work around potentially valid claims has been successful and a similar strategy should be effective for any future compositions in which significant investments need to be made, for instance, for carrying out efficacy testing against insects and/or toxicity or other environmental tests.

However it is never guaranteed that all third party rights have been identified in the searches conducted. It is possible that published patent cases have not been found by the searches or that applications are pending and not published, which could cover the Company's commercial activities.

Dr Enan has been named as an inventor on patent cases assigned to Ecosmart Technologies, for whom he had previously been a consultant. There are some broad claims on single compounds used against particular species (e.g. insects) in Ecosmart's portfolio. TyraTech's intention is to avoid claims which could be valid and its attorney has a system for assessing and monitoring these patent cases as well as other third party cases. The attorney's system appears to be diligent and conscientious. We are not aware of any grounds of giving rise to a concern that Ecosmart has any rights under the Vanderbilt IP assigned to TyraTech, for instance arising from the relationship with Dr Enan.

Yours faithfully

GILL JENNINGS & EVERY LLP

PART XIV IMPORTANT INFORMATION ABOUT THE PLACING

Members of the public are not eligible to take part in the Placing which is only open to investors invited to do so by the Joint Lead Managers ("**Relevant Persons**").

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This Admission Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, any New Common Shares in any jurisdiction or in any circumstances where it is not authorised or lawful to make such an offer or solicitation. In particular, subject to certain exceptions, this Admission Document is not for distribution in or into the United States, Australia, Canada, Japan, Mexico, the Republic of Ireland or the Republic of South Africa unless permitted pursuant to an exemption under the relevant local law. The distribution of this Admission Document may be restricted by law in certain jurisdictions and therefore persons into whose possession this document comes are required to inform themselves about any such restrictions and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

The New Common Shares have not been, and will not be, registered under the Securities Act or under the securities legislation of any state of the United States. The relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada, no document in relation to the Placing or Admission has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission, and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Placing or Admission or the New Common Shares. Accordingly, subject to certain exceptions, the New Common Shares may not, directly or indirectly, be offered or sold within the United States (except pursuant to an exemption under the Securities Act), Canada, Australia, Japan, Mexico, the Republic of Ireland or the Republic of South Africa, except as permitted pursuant to an exemption or offered or sold to a person within the United States or a resident of Canada, Australia, Japan, Mexico, the Republic of Ireland or the Republic of South Africa or to or for the account or benefit of any US Person (as defined in Regulation S under the Securities Act).

The New Common Shares are "restricted securities" as defined in Rule 144 promulgated under the Securities Act. The New Common Shares are being offered only to non-US Persons in offshore transactions pursuant to Regulation S under the Securities Act and may not be offered, resold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, any US Person (as defined in Regulation S under the Securities Act) except: (a)(i) in an offshore transaction meeting the requirements of Regulation S under the Securities Act, (ii) pursuant to an available exemption from the registration requirements of the Securities Act, or (iii) pursuant to an effective registration statement under the Securities Act, and (b) in accordance with all applicable securities laws of the states of the United States and other jurisdictions. Hedging transactions in the New Common Shares may not be conducted unless in compliance with the Securities Act.

For further information regarding the significant restrictions on resale and transfer that are applicable to the New Common Shares, your attention is directed to Part XVI: "*Notice to Investors".*

Details of the Placing Agreement, the Subscription Agreement and the New Common Shares

4,500,000 of the New Common Shares will be issued by the Company at the Placing Price to investors procured by the Joint Lead Managers, subject only to Admission taking place. The Joint Lead Managers will themselves subscribe for any such New Common Shares for which they do not procure investors. The Placing Agreement contains provisions entitling the Joint Lead Managers to terminate the Institutional Placing (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Institutional Placing will lapse and any monies received in respect of the Placing will be returned to applicants without interest.

The balance of 500,000 New Common Shares to be issued pursuant to the Placing will be subscribed for by XLTG in accordance with the terms of the Subscription Agreement.

The New Common Shares will, when issued and fully paid, rank *pari passu* in all respects with the existing Common Shares. The New Common Shares will be issued subject to the Company's certificate of incorporation and bylaws of the Company. The New Common Shares will when issued be placed free of any right of pre-emption, third party right or interest, other security interest, encumbrance or lien and will be issued with clear legal and beneficial title. The Company confirms that it has duly authorised by all necessary corporate actions the issue of the New Common Shares.

No commissions will be paid to placees in respect of New Common Shares purchased in the Placing. In addition there will be no United Kingdom stamp duty payable by placees on such New Common Shares.

How to participate in the Placing

If you have indicated to Nomura Code or Jefferies your intention to participate in the Placing, you will be contacted on or before 25 May 2007 by your usual sales contact at Nomura Code or Jefferies. The relevant sales contact will make an oral and legally binding offer for you to purchase New Common Shares. If you accept that offer, a trade confirmation confirming the transaction will be despatched to you as soon as possible after the close of the Placing. Your oral acceptance of the Joint Lead Managers' offer to you will constitute a legally binding commitment upon you to purchase the agreed number of New Common Shares at the Placing Price and otherwise on the terms and conditions set out in this section of the Admission Document and in accordance with the Company's certificate of incorporation and bylaws.

Principal terms of the Placing

1. The Joint Lead Managers are arranging the Placing as agents of the Company.
2. Participation in the Placing will only be available to persons invited to participate by the Joint Lead Managers.
3. The conditional offer by the Company through the Joint Lead Managers to each proposed placee to participate in the Placing shall be constituted by the Admission Document and a telephone call from the Joint Lead Managers on or after the date of this Admission Document specifying the number of New Common Shares being offered for purchase. It shall be accepted at the end of that telephone call (if you should so decide) by you and, if so accepted, confirmed by the issue by the Joint Lead Managers to you of a trade confirmation. The acceptance by you will constitute a legally binding commitment by you to purchase and pay for the New Common Shares in respect of which the offer is accepted, and as an acceptance of all of the terms and conditions and the further information set out in the Admission Document.
4. Oral acceptance of an offer to purchase New Common Shares is binding and irrevocable but the Joint Lead Managers reserve the right to scale back the number of New Common Shares to be purchased by you in the event of an over-subscription under the Placing.
5. The Joint Lead Managers reserve the right not to accept offers to purchase New Common Shares or to accept such offers in part rather than in whole. The acceptance of offers shall be at the absolute discretion of the Joint Lead Managers.
6. The Placing is expected to close on 25 May 2007, but may be closed earlier at the sole discretion of the Joint Lead Managers. The Joint Lead Managers may choose to make offers to purchase New Common Shares after the Placing has closed.

Conditions of the Institutional Placing

The Institutional Placing is conditional on, *inter alia*:

1. Admission in accordance with the AIM Rules on or before 1 June 2007 or by such later date as the Joint Lead Managers may agree, being no later than 8.00 am on 15 June 2007; and
2. Each of the Placing Agreement and the Subscription Agreement becoming unconditional in all material respects and such agreements not being terminated in accordance with their terms.

The Joint Lead Managers shall not have any liability to any placee (or to any other person whether acting on behalf of a placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or to extend the time and/or date for the satisfaction of

any condition in the Placing Agreement. Any such extension or waiver will not affect placees' commitments.

If (a) the condition relating to Admission noted at paragraph 1 above is not satisfied at or prior to 1 June 2007 (or by such later date as the Joint Lead Managers may agree, being no later than 8.00 am on 15 June 2007), (b) the Placing Agreement is terminated, or (c) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will lapse and each placee's rights and obligations hereunder shall cease at such time and no claim can be made by a placee in respect thereof.

By participating in the Placing, you agree that your rights and obligations in respect of your purchase of New Common Shares under the Placing terminate only in the circumstances described above and will not be capable of rescission or termination by you.

Right to terminate under the Placing Agreement

The Joint Lead Managers have the right to terminate their obligations under the Placing Agreement at any time prior to Admission in certain specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or any of the warranties contained in it or where any event or omission relating to the Company is, or will be in the opinion of the Joint Lead Managers, materially prejudicial to the successful outcome of the Placing or where any change in national or international financial, monetary, economic, political or market conditions is, or will be in the opinion of the Joint Lead Managers, materially prejudicial to the successful outcome of the Placing.

By participating in the Placing, you agree with the Joint Lead Managers that the exercise by the Joint Lead Managers of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Joint Lead Managers and that the Joint Lead Managers need make no reference to any placee and shall have no liability to any placee whatsoever in connection with any such exercise or failure to do so.

Admission Document

The Admission Document has been published in connection with the Placing and Admission. You may only rely on the information contained in this document in deciding whether or not to participate in the Placing.

Registration and settlement

The New Common Shares are restricted securities under the US Securities Act and the certificates representing them are required to bear a legend as set out in Part XVI: ''*Notice to Investors*''. As a result the Company is not applying for the New Common Shares or the existing Common Shares to be admitted to CREST. Placees should refer to the section headed ''Settlement and CREST'' in Part IV: ''*Details of the Placing*''.

Placees to whom New Common Shares are allocated in the Institutional Placing will be sent a trade confirmation. Placees will receive any shares placed with them in certificated form from Computershare Investor Services (Channel Islands) Limited, the Company's registrars.

Settlement will, unless otherwise agreed, be on a T+3 basis (being 3 days after the date on which trade confirmations are despatched). It is expected that settlement will take place on 1 June 2007.

Time shall be of the essence as regards your obligations to settle payment for the New Common Shares and to comply with your obligations under this Part XIV. Interest is chargeable daily on payments to the extent that value is received after the due date at the rate of 2.0 per cent. per annum above Barclays Bank plc's base rate from time to time. If you do not settle payment when due, the Joint Lead Managers may (as your agent) sell the New Common Shares allocated to you and retain from the proceeds an amount equal to the Placing Price payable plus any interest due. You will, however, remain liable, *inter alia*, for any shortfall below the Placing Price and you may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such New Common Shares.

By participating in the Placing, you represent, warrant, acknowledge and agree and each person for whom you are acting as nominee or agent will be deemed to represent, warrant, acknowledge and agree that:

(a) you are not and/or any person for whom you are acting as nominee or agent is not a US Person or acting for the account or benefit of a US Person (other than a distributor);

(b) you understand and/or any person for whom you are acting as nominee or agent understands that the New Common Shares have not been registered under the Securities Act and may not be offered, resold, pledged or otherwise transferred by such purchaser except: (a)(i) in an offshore transaction meeting the requirements of Regulation S (including Rule 903 or Rule 904 thereof), (ii) pursuant to an effective registration statement under the Securities Act or (iii) pursuant to an available exemption from the registration requirements of the Securities Act and (b) in accordance with all applicable securities laws of the states of the US and other jurisdictions;

(c) you understand and agree and/or any person for whom you are acting as nominee or agent understands and agrees that if in the future you decide and/or such person decides to resell, pledge or otherwise transfer any New Common Shares or any beneficial interests in any New Common Shares prior to the date which is two years after the later of (1) the date when the New Common Shares are first offered to persons (other than distributors) pursuant to Regulation S or (2) the date of closing of the Placing (i.e. Admission), you will and/or such person will do so only outside the United States in an offshore transaction in compliance with Regulation S (including Rule 903 or Rule 904 thereof) under the Securities Act, pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act and in each of such cases in accordance with any applicable securities law of any states of the United States and other jurisdictions;

(d) you acknowledge and/or any person for whom you are acting as nominee or agent acknowledges that the Company, the Joint Lead Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and agree that if any such acknowledgement, representation or warranty deemed to have been made by virtue of its purchase of New Common Shares is no longer accurate, it shall promptly notify the Company and the Joint Lead Managers;

(e) you acknowledge and/or any person for whom you are acting as nominee or agent acknowledges that the New Common Shares will bear a restrictive legend as set forth in Part XVI: *"Notice to Investors*", unless the Company determines otherwise in compliance with applicable law;

(f) you will and/or any person for whom you are acting as nominee or agent will comply with the restrictions on resale and transfer of the New Common Shares set out in Part XVI: *"Notice to Investors*";

(g) you are and/or any person for whom you are acting as nominee or agent is a person whose ordinary activities involve you and/or such person (as principal or agent) in acquiring, holding, managing or disposing of investments for the purpose of your and/or its business and you undertake that you and/or such person will (as principal or agent) acquire, hold, manage or dispose of any New Common Shares that are allocated to you and/or such person for the purposes of your and/or its business;

(h) neither you, nor any person for whom you are acting as nominee or agent, nor any of your respective affiliates (as defined in Rule 405 under the Securities Act), nor any person acting on your or such other person's behalf has engaged in or will engage in directed selling efforts (as defined in Regulation S) with respect to the New Common Shares;

(i) neither you, nor any person for whom you are acting as nominee or agent, nor any of your respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act), nor any person acting on your or such other person's behalf has engaged in or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer or sale of the New Common Shares in the United States;

(j) your participation and/or the participation of any person for whom you are acting as nominee or agent shall be on the terms and subject to the conditions in this document and the certificate of incorporation and bylaws of the Company as in force at the date of Admission;

(k) you are a qualified investor (as such term is defined in PR 1.2.1 of the Prospectus Rules);

(l) you have and/or any person on whose behalf you are acting as nominee or agent has read this Admission Document in its entirety;

(m) you acknowledge and/or any person on whose behalf you are acting as nominee or agent acknowledges that the contents of this document are exclusively the responsibility of the Company and that neither of the Joint Lead Managers, nor any of their respective affiliates nor any person acting on their behalf have or shall have any liability save from fraud for any information, representation or statement contained in this document and will not be liable for any person's decision to participate in the Placing based on any information, representation or statement contained in this document;

(n) the only information upon which you have and/or any person for whom you are acting as nominee or agent has relied in committing yourself and/or itself to purchase New Common Shares is that contained in this Admission Document and that before relying on any previously published information you have and/or any person for whom you are acting as nominee or agent has made your and/or its own investigations and satisfied yourself and/or itself that the information is still current and you are not and/or any person for whom you are acting as nominee or agent is not relying on any representations or warranties or agreements by the Joint Lead Managers or any Director, employee or agent of the Joint Lead Managers or any other person except as set out in the express terms of the placing letter sent to you by the Joint Lead Managers;

(o) you have and/or each person or body (including any local authority in the management of its pension funds or otherwise) and including, if you are acting as agent, your principal(s) on whose behalf you accept this participation in whole or in part or to whom you allocate it in whole or in part has capacity and authority to enter into and perform its obligations as a purchaser of New Common Shares pursuant to such commitment and will honour such obligations;

(p) you are and/or any person for whom you are acting as nominee or agent is entitled to purchase New Common Shares under the laws of all relevant jurisdictions which apply to you and/or such person, that neither you and/or such person's purchase of New Common Shares, nor any action that may be taken by your and/or such person in relation to any New Common Shares comprised in your and/or such person's purchase of New Common Shares will result in the contravention of any such laws and that you and/or such person have fully observed such laws and obtained all guarantees and other consents which may be required thereunder and compiled with all necessary formalities;

(q) you are and/or any person for whom you are acting as nominee or agent is a person who falls within Article 19(1) or 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;

(r) you are not accepting as (a) nominee(s) or agent(s) of, (a) person(s) who is/are, or may be, (a) person(s) liable to stamp duty reserve tax at a rate in excess of 0.5 per cent. under sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and neither the Company nor the Joint Lead Managers will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement or otherwise;

(s) you acknowledge and any person for whom you are acting as nominee or agent acknowledges that neither the Joint Lead Managers nor any person acting on their behalf has or shall have any liability for any publicly available or filed information or representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

(t) if you are in the UK, you have complied with your obligations in connection with money laundering under Proceeds of Crime Act 2002, the Anti-Terrorism Crime and Security Act 2000 (as amended) and the Money Laundering Regulations 2003 (the ''Regulations'') and, if you are making a payment on behalf of a third party, you are an authorised institution bound by such regulations and satisfactory evidence has been obtained and recorded by you to identify the identity of such third party as required by such Regulations;

(u) you have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) relating to the New Common Shares in circumstances in which Section 21(1) of FSMA does not require approval of the communication by an authorised person;

(v) you have complied and will comply with all applicable provisions of FSMA with respect to anything done by you in relation to the Placing in, from or otherwise involving the United Kingdom;

(w) you irrevocably appoint any director of either of the Joint Lead Managers as your agent for the purposes of executing and delivering to the Company and/or its registrars any documents on your behalf necessary to enable you to be registered as the holder of any of the shares agreed to be purchased by you under the Placing;

(x) by purchasing New Common Shares in the Placing, you agree that the waiver by the Joint Lead Managers of any condition of the Placing Agreement or the extension of the time for fulfilment of any of its conditions or the exercise or otherwise of the right to terminate the Placing Agreement shall be within the Joint Lead Managers' absolute discretion and that neither the Joint Lead Managers nor the Company shall have any liability to you or any placee whatsoever in connection with any decision to waive such condition or extend the time for satisfaction of any such condition or the decision as to the exercise of or otherwise the right to terminate the Placing Agreement;

(y) the Joint Lead Managers are not making any recommendation to you or advising you regarding the suitability or merits of participation in the Placing or any transaction it may enter into in connection with the Placing or otherwise. In addition, the Joint Lead Managers are not acting for you, nor will they be responsible to you for providing the protections afforded to its customers or for advising you on the Placing or this document;

(z) the New Common Shares will be issued subject to the terms and conditions of this Part XIV and otherwise as stated in this document; and

(aa) this Part XIV and all documents and agreements into which this Part XIV is incorporated by reference or otherwise validly forms a part will be governed by and construed in accordance with English law.

The Company, the Directors and the Joint Lead Managers will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements.

This document has been issued by and is the sole responsibility of the Company and has been approved solely for the purposes of section 21 of FSMA 2000 by Nomura Code Securities, which is regulated in the UK by the Financial Services Authority. The Joint Lead Managers are acting for the Company and no one else in connection with the Placing and will not be responsible to any other person for providing the protections afforded to customers of the Joint Lead Managers or for providing advice in relation to the Placing.

PART XV ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

1.1 The Company whose registered office appears in paragraph 2 below, and the Directors whose names appear on page 9 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 KPMG Audit plc has given and not withdrawn its written consent to the inclusion of its report in Part X: ''*Financial Information*'' in the form and context in which it appears and has authorised the contents of its report for the purposes of Schedule Two of the AIM Rules. As the offered securities have not been and will not be registered under the Securities Act, KPMG Audit Plc has not filed a consent under the Securities Act.

1.3 Cambridge Consultants Limited whose registered office appears on page 9, accepts responsibility for its report included in Part XII: *''Expert's Report''*. Cambridge Consultants Limited has given and not withdrawn its written consent to the inclusion in this document of its report in the form and context in which it appears and has authorised the contents of that report for the purposes of Schedule Two of the AIM Rules.

1.4 Gill Jennings & Every LLP whose registered office appears on page 9, accepts responsibility for the information contained in its report included in Part XIII: *''Patent Agent's Report''*. Gill Jennings & Every LLP has given and not withdrawn its written consent to the inclusion in this document of its report in the form and context in which it appears and has authorised the contents of that report for the purposes of Schedule Two of the AIM Rules.

2. THE COMPANY, INCORPORATION AND PRINCIPAL OFFICE

2.1 TyraTech, Inc. was formed as a Delaware Corporation on 27 April 2007. TyraTech, LLC was formed on 4 May 2004 in Delaware as a Delaware LLC and merged with and into TyraTech, Inc. on 23 May 2007. The Company's principal place of business is at 1901 S. Harbor City Blvd, Suite 300, Melbourne, Florida 32901 USA. Its registered office is at 1209 Orange Street, Wilmington, Delaware 19801 USA and its telephone number is +1 321 409 7720. As at 31 December 2006 the Company had 11 employees and additional consultants and full time equivalents. As at 30 April 2007, the Company had 36 individuals working as consultants, employees or full time equivalents of which 17 were employees and 9 were full time equivalents. The Company's principal activity is developing and commercialising proprietary insecticide and parasiticide products which incorporate unique blends of natural, plant oil derived active ingredients.

2.2 The Company is the holding company of the Group. The Company has two wholly owned subsidiaries (i) TyraTech Holdings (India) LLC and (ii) TyraTech (India) Private Limited.

3. SHARE CAPITAL OF THE COMPANY

3.1 On 27 April 2007, the Company was incorporated in the State of Delaware with an authorised share capital of 100 Common Shares. As described further in paragraph 4 of this Part XV, the Company merged with TyraTech, LLC, a Delaware LLC, on 23 May 2007, prior to and in connection with the proposed admission to AIM, TyraTech, Inc. issued 17,000,022 Common Shares to existing holders of unit ownership interests in TyraTech, LLC.

3.2 On 23 May 2007, the Company passed the following resolutions:

(a) approving the merger of TyraTech, LLC with and into the Company;

(b) approving and adopting the amended and restated certificate of incorporation as described in paragraph 6 of this Part XV, which also raised the number of authorised Common Shares from 100 to 100,000,000 in connection with the merger and the Placing and for reservation under the 2007 Plan;

(c) approving and adopting the amended and restated bylaws as described in paragraph 5 of this Part XV;

(d) approving the issue of warrants and the allotment of Common Shares in the Company to warrant holders of TyraTech, LLC in exchange for TyraTech, LLC warrants; and

(e) approving the exchange of unit ownership interests of each member of TyraTech, LLC for 17,000,002 Common Shares for each unit ownership interest held by such member.

On 24 May 2007, the Company passed resolutions approving the issue of 5,000,000 Common Shares in connection with the Placing.

3.3 On 25 May 2007 each Common Share was subdivided by means of a reverse stock split at a ratio of 1.0628 to 1.

3.4 Set out below are details of the number of authorised and issued Common Shares (i) as at the date of this document and (ii) as it will be immediately following Admission:

	(i) As at the date of this document, Number of Common Shares	**(ii) Immediately following Admission, Number of Common Shares**
Class of Share		
Common Shares: Authorised	100	100,000,000
Common Shares: Issued and fully paid	100	22,000,022

3.5 The Company owns 100 equity shares in TyraTech India Private Limited and TyraTech Holdings (India) LLC owns 9,990 equity shares in TyraTech India Private Limited. The Company owns all of the units in TyraTech Holdings (India) LLC.

4. REORGANISATION AND MERGER

In order for TyraTech to effect the Placing, TyraTech reorganised as a Delaware corporation with sufficient share capital authorised to register on AIM. The procedure of the reorganisation was as follows:

4.1 On 27 April 2007, TyraTech, Inc. was formed and organised under the General Corporation Law of the State of Delaware with 100 Common Shares of $0.001 par value per share (the ''Common Stock''). Pursuant to a subscription agreement between TyraTech, Inc. and Dr Armstrong dated 27 April 2007, Dr Armstrong subscribed for 100 Common Shares, being the entire issued share capital of TyraTech, Inc.

4.2 On 23 May 2007 TyraTech, LLC and TyraTech, Inc. entered into the Merger Agreement under the terms of which on 23 May 2007 TyraTech, LLC merged with and into TyraTech, Inc. with TyraTech, Inc. surviving. Under the terms of the Merger Agreement, members of TyraTech LLC are entitled to receive 0.8608 Common Shares in TyraTech, Inc. for each unit of membership interest (each, a ''Unit'') in TyraTech, LLC they held and the 100 shares of Common Stock previously outstanding prior to the merger were cancelled.

4.3 On 23 May 2007, the effective date of the merger, each warrant granted by TyraTech to purchase Units, which was outstanding and unexercised immediately prior to the effective date (each an ''LLC Warrant'') ceased to represent a right to acquire such Units. In substitution therefore, such LLC Warrant represented a right to acquire Common Shares of TyraTech, Inc. on substantially the same terms and conditions as the LLC Warrant. Furthermore, at the effective time, each Unit granted by TyraTech under its equity incentive plan, which was outstanding immediately prior to the effective time (each, an ''LLC Equity Plan Interest'') was deemed cancelled. In substitution therefore, TyraTech, Inc. issued to each holder of an LLC Equity Plan Interest the number of Common Shares equal to (1)(x) the number of Units held by such holder divided by (y) the total number of outstanding Units held by all holders multiplied by 0.8608. Such Common Shares issued to the holder of an LLC Equity Plan Interest are subject to substantially the same terms and conditions applicable to the LLC Equity Plan Interest.

5. OPTIONS AND WARRANTS

5.1 The Company has adopted the 2007 Plan, as set out in paragraph 9 of this Part XV. No grants have yet been made under the 2007 Plan.

5.2 As of the date of Admission, no options are outstanding over Common Shares in the Company.

5.3 As of the Admission Date, the following warrants are outstanding in respect of the Company's share capital. Each warrant outstanding and unexercised as of the merger represents a right to acquire Common Shares in the capital of TyraTech, Inc. rather than TyraTech, LLC:

Holder	Maximum total value of Common Shares purchasable upon full exercise	Exercise price	Date granted	Exercisable upon	Expiry date
XLTG	Up to $4.2 million	32% discount to Placing Price	1/5/2006	Election by XLTG	1/5/2011
Kraft[(1)]	Up to $2 million	Placing Price	5/12/2006	$1 million exercisable upon the election of Kraft; $1 million exercisable upon completion of first stage of product development	$1 million expires on 3rd Anniversary of Admission Date; $1 million expires on 3rd Anniversary after it becomes exercisable
Nomura Code	£495,005	Placing Price	25/5/2007	Admission Date	25/5/2011
Jefferies	£495,005	Placing Price	25/5/2007	Admission Date	25/5/2011

(1) (assuming it becomes exercisable)

6. CERTIFICATE OF INCORPORATION AND BYLAWS

6.1 Certificate of Incorporation

The following is a brief summary of certain material provisions of the Company's amended and restated certificate of incorporation to be adopted by TyraTech prior to Admission:

(i) The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organised under the DGCL.

(ii) The Company is authorised to issue 100,000,000 Common Shares.

(iii) The election of directors of the Company need not be by written ballot.

(iv) Following the Admission Date, no action shall be taken by the shareholders of the Company except at an annual or special meeting of shareholders called in accordance with the Company's bylaws (or otherwise by written consent of the shareholders.)

(v) A director of the Company shall not be liable to the Company or the Company's shareholders for monetary damages for a breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL.

(vi) For so long as the Company has any Common Shares listed on or admitted to trading on AIM (or any successor to AIM), and has no securities listed on any national securities exchange in the United States, the following provisions shall be in effect: any person, except a shareholder holding Common Shares on the date of Admission, that acquires securities representing 30 per cent. or more of the Company's voting power is required to make a cash offer for the remaining shares in the Company at the highest price he has paid in the preceding 12 months. Any person, except a shareholder holding Common Shares on the date of Admission, that holds securities representing between 30 per cent. and 50 per cent. of the Company's voting power and then acquires additional securities representing one per cent. or more of the Company's voting power must also make such a mandatory offer. The shareholdings of shareholders who act in concert are looked at individually and separately in determining whether the 30 per cent. barrier has been breached or whether a shareholding between 30 per cent. and 50 per cent. has been increased.

(vii) For so long as the Common Shares are admitted to trading on AIM and are not traded on a national securities exchange in the United States, the Company shall not allot or issue for cash save as otherwise approved by a resolution passed by at least 75 per cent. of the votes cast in person or by proxy at any duly noticed and convened meeting of shareholders and subject to the exception set forth below, in any 12-month period, Common Shares in excess of 10 per cent. of the Company's issued share capital from time to time unless such issue is made pursuant to a fully pre-emptive offer, an employees stock option or an incentive plan, a conversion of convertible preferred stock or convertible debentures or an exercise of currently outstanding warrants or options.

(viii) For so long as the Common Shares are admitted to AIM, any person holding an interest in the Common Shares during the three-year period preceding the Company's written request, such person is obligated to notify the Company in writing of such person's current or past interest in the Common Shares.

Furthermore, any person who holds or acquires an interest in the Common Shares that equals or exceeds 3 per cent. of the issued share capital of the Company must promptly notify the Company, in writing, of such interest, and, subsequent to the such initial notice, if the interest held by any such person increases or decreases through any single percentage point (including a decrease to below 3 per cent.) of the issued share capital of the Company, such person must promptly notify the Company, in writing, of such change in interest.

(ix) The Company has a classified board of directors. The business and affairs of the Company shall be managed by or under the direction of the Board consisting of not less than 3 nor more than 12 directors, the exact number of directors to be determined from time to time solely by the Board. The directors shall be divided into three classes, designated Class I, Class II and Class III (each a ''Class'' and together, the ''Classes''). Each Class of directors shall consist, as nearly as may be possible, of one third of the total number of directors. The initial term of the Class I directors shall expire upon the election and qualification of their successors at the 2007 annual meeting of shareholders; the initial term of the Class II directors shall expire upon the election and qualification of their successors at the 2008 annual meeting of shareholders; and the initial term of the Class III directors shall expire upon the election and qualification of their successors at the 2009 annual meeting of shareholders. At each annual meeting of shareholders beginning with the 2007 annual meeting, successors to the Class of directors whose term expires at that annual meeting shall be elected for a three year term and shall hold office until the annual meeting for the year in which such director's term expires and until such director's successor shall be elected and shall qualify, subject, however, to prior death, resignation or removal. Newly created directorships resulting from any increase in the number of directors and any vacancies on the Board will be filled solely by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum. Increases or decreases in the number of directors shall be apportioned among the Classes so as to maintain the number of directors in each Class as nearly equal as possible, and any additional director of any Class elected to fill a vacancy resulting from an increase in such Class shall hold office for a term that shall coincide with the remaining term of that Class, but in no case will a decrease in the number of directors shorten the term of any incumbent director.

(x) Following Admission, the affirmative vote of the holders of not less than fifty per cent. of the voting power of all of the then-outstanding Common Shares, voting together as a single class, shall be required to alter, amend or repeal the material provisions of the certificate of incorporation.

(xi) Unless the certificate of incorporation is amended or repealed, or unless the bylaws of the Company designate otherwise, the Company expressly elects not to be governed by Section 203 of the DGCL, which would otherwise prevent a business combination with an interested shareholder for a period of 3 years following the time that such shareholder became an interested shareholder.

6.2 Bylaws

The following is a brief summary of certain material provisions of the Company's bylaws:

(i) The authorised number of directors shall be fixed by the Board. The current number of directors is seven.

(ii) Newly created directorships resulting from any increase in the number of directors and any vacancies on the board resulting from death, resignation, disqualification, removal, or other cause will be filled in accordance with paragraph 6.1(ix) above, solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the board, or by a sole remaining director. No decrease in the number of directors constituting the Board will shorten the term of an incumbent director.

(iii) Any director may be removed from office by the holders of Common Shares entitled to cast a majority of the votes which all shareholders are entitled to cast at an election of directors.

(iv) An annual meeting of shareholders will be held at such date and time as may be designated from time to time by the Board, at which meeting the shareholders will elect the directors, by plurality vote, to succeed those whose terms expire at such meetings and will transact such other business as may properly be brought before the meeting.

(v) All shareholders will receive written notice of every meeting of shareholders not less than 10 nor more than 60 days before the date of such meeting.

(vi) The holders of the majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented in proxy, will constitute a quorum at all meetings of shareholders, except as otherwise provided by law or by the certificate of incorporation.

(vii) A shareholder may authorise another person or persons to act for the shareholder as proxy. In the case of a proxy granted by execution of a writing, such execution may be accomplished by the shareholder or the authorised officer, director, employee or agent of the shareholder signing such writing or causing the shareholder's signature to be affixed to such writing. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in law to support an irrevocable power.

(viii) Any action required to be taken at any annual or special meeting of shareholders of the Company, or any action which may be taken at any annual or special meeting of such shareholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding Common Shares having not less than the minimum number of votes that would be necessary to authorise or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Company.

(ix) Special meetings of the Board may be called by the chairman, by the president or at least two directors and notice by personal delivery or electronic transmission shall be given at least twenty-four hours prior to such special meeting. Notice by courier or express delivery service shall be given at least forty-eight hours prior to such special meeting. Notice by US mail shall be given at least five days prior to such special meeting.

(x) At all meetings of the Board, a majority of the total number of directors shall constitute a quorum for the transaction of business. The act of a majority of the directors present at any meeting at which there is a quorum will be the act of the Board. If a quorum is not present at any meeting of the Board, the directors present may adjourn the meeting from time to time to another place, time or date, without notice other than an announcement at the meeting, until a quorum is present.

(xi) The Board may, by resolution, establish an executive committee and one or more other committees, each consisting of one or more directors. The executive committee shall, without limitation, have the power and authority to declare dividends, to authorise the issuance of stock and to adopt a certificate of ownership and merger. Each committee so formed shall keep regular minutes of its meetings and report the same to the board of directors when required.

(xii) The Board may establish the compensation of directors.

(xiii) The principal officers of the Company shall be a president, a secretary and a treasurer, and if desired, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as the Board may from time to time determine. The officers may be elected by the Board and any officer may be removed at any time by the Board. The chairman of the board, or the president, as designated by the Board, shall be the chief executive officer of the Company.

(xiv) Transfers of Common Shares shall be made on the share register or transfer books of the Company upon payment of all necessary transfer taxes, surrender of the certificate therefor, endorsed by the person named in the certificate or by an attorney lawfully constituted in writing. The Company will refuse to register any transfer of such shares during the one-year Distribution Compliance Period (as defined in Section 902 of the Securities Act) with respect to the Common Shares sold pursuant to Regulation S unless such Common Shares are transferred pursuant to an available exemption from registration under the Securities Act.

(xv) Subject to the restrictions contained in the DGCL and any restrictions contained in the certificate of incorporation, the Board may declare and pay dividends upon the Common Shares.

(xvi) The Company shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the Company, or, while a director or officer of the corporation, is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee.

(xvii) The bylaws may be altered, amended or repealed or new bylaws may be adopted either (1) by vote of the shareholders holding not less than fifty per cent of the outstanding capital stock of the Company at a duly organised annual or special meeting of shareholders, or (2) by vote of a majority of the Board at any regular or special meeting of directors as such power is conferred upon the Board by the certificate of incorporation.

7 DIRECTORS AND SENIOR MANAGEMENT INTERESTS AND INTERESTS OF OTHER PRINCIPAL SHAREHOLDERS

7.1 The Directors and Senior Management and all such persons connected (within the meaning of section 346 of the Act) with the Directors and Senior Management as well as XLTG and Vanderbilt have the following beneficial interests in the share capital of the Company.

Name	Number of Unit Grants before Admission	Percentage of share capital prior to Admission	Number of Common Shares following Admission	Percentage of Enlarged Issued Share Capital
Geoffrey Vernon	—	—	—	—
Douglas Armstrong	700,000	3.56%	602,561	2.7%
Richard Brenner	—	—	—	—
Keith Bigsby	200,000	1.02%	172,161	0.8%
Alan Reade	—	—	—	—
Barry Riley	—	—	—	—
Kenneth Noonan	—	—	—	—
Robert Schweiger	200,000	1.02%	172,161	0.8%
Joe Boylan	200.000	1.02%	172,161	0.8%
Essam Enan[(1)]	—	—	—	—
Robert Nagro	128,000	0.65%	110,183	0.5%

(1) Dr Enan has a beneficial interest in 40% of the units held by Vanderbilt. No units are held personally.

7.2 None of, the Directors and Senior Management have been granted options to purchase Common Shares.

7.3 The Directors expect that, immediately following Admission, the following persons will be interested, directly or indirectly, in 3 per cent. or more of the Enlarged Issued Common Share Capital of the Company:

Name	Number of Unit Grants before Admission	Number of Common Shares following Admission	Percentage of Enlarged Issued Share Capital	Common Shares underlying Warrants held
XLTG, 1901 S. Harbor City Blvd., Melbourne, Florida, USA	11,666,666	10,542,681	47.92%	555,474
Vanderbilt University, 2201 West End Ave., Nashville, Tennessee, USA	5,833,334	5,086,799	23.12%	0

7.4 There are no differences between the voting rights enjoyed by any of the Shareholders and upon Admission there will be no differences in respect of those voting rights attaching to the issued share capital of the Company.

7.5 Save as set out in paragraph 7.3 above, the Directors are not aware of any person who is, or who will immediately following the Placing be, interested (within the meaning of the Act) directly or indirectly in 3 per cent. or more of the Enlarged Issued Common Share Capital of the Company or who does, or who will, or could, directly or indirectly, jointly or severally, exercise control over the Company.

7.6 No loans are outstanding from the Company or any associated undertaking of the Company to any Director nor has any guarantee been provided by the Company or any associated undertaking of the Company for the benefit of any Director.

7.7 No Director has or has had any interest in any transaction which has or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year or during any earlier financial year which remains in respect outstanding or unperformed.

7.8 No commissions, discounts, brokerage or other special terms have been granted by the company or any associate undertaking of the Company in connection with the issue of any Share or loan capital.

8. DIRECTORS' DETAILS

8.1 Set out below is information relating to each Director's directorships (other than that of the Company) which they have held and partnerships in which they have been a partner, in each case over the previous 5 years preceding the date of this document.

Name	Current directorships	Past directorships
Dr Geoffrey Nicholas Vernon	Apitope Technology (Bristol) Limited Genable Limited Medpharm Limited Advanced Medical Solutions Ziggus Holdings Limited MorphoSys Ag Talia Technology Limited Ziggus Limited XL TechGroup, Inc.	Biotrin Holdings Limited Morpochem Ag Intercell Ag Ark Therapeutics Limited Peptor Limited Arrow Therapeutics Limited Drug Abuse Sciences, Inc. Drug Abuse Sciences SAS Bioniche Pharma Group Limited XTL Biopharmaceuticals Limited Bionex Investments Plc Medisys Plc KetoCytonics Inc. BMR Limited
Dr R. Douglas Armstrong	Visual Sonics, Inc	Aastrom Biosciences, Inc. Zellera AG TyraTech, LLC
Mr Keith Edward Bigsby	Kerdos Corporate Finance Ltd Snipperoo Ltd Competism Ltd	MYB Ltd Geotrupes Plc Tadpole Technology plc System Synthesis Ltd Endeavours Technology Ltd Tadpole Software Solutions Ltd Endeavours Technology, Inc.
Mr Alan John Reade		Merial Ltd Aventis Rhone-Poulenc Inc Rhone-Poulenc Rural Sygen International
Mr Barrington Marshall Riley	Protherics Plc Protherics Medicines Development Ltd Genethics Ltd Proteus Biotechnology Limited Protherics UK Ltd Protherics Inc Enact Pharma Ltd Enzacta Ltd Enzacta R&D Ltd Kymed GB Ltd De Montford Biopharma Ltd	PC Aquascience Ltd Prodeva Ltd
Mr Richard Keith Brenner		TyraTech, LLC
Dr Kenneth Daniel Noonan	Orchid Biosciences, Inc. Intercept Pharmaceutical, Inc. LEK Consulting LLP Advanced Technology Ventures	Galenica, Inc. Life Sciences International Plc Hyseq, Inc.

8.2 No Director has:

(a) any unspent convictions in relation to indictable offences;

(b) had any bankruptcy order made against him or entered into any individual voluntary arrangements;

(c) save as disclosed in paragraph 8.3, been a director of a company which has been placed into receivership, compulsory liquidation or creditors' voluntary liquidation or administration or which has entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, nor has he been a director of any such company within the 12 months preceding such an event;

(d) been a partner of any partnership which has been put into compulsory liquidation or administration or entered into partnership voluntary arrangements, nor has he been a partner of such partnership within the 12 months preceding such an event;

(e) had a receivership of any asset of such director or of a partnership where he was a partner at the time or within the 12 months preceding such event;

(f) been publicly criticised by statutory or regulatory authorities (including recognised professional bodies); or

(g) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

8.3 With reference to paragraph 8.2(c), Dr Vernon was appointed as a non-executive director of Neurotech Limited (a company incorporated in England and Wales under company number 1934089) on 3 May 1988 and had not resigned as at the date on which an administrative receiver was appointed to that company on 21 February 1990. Neurotech Limited was a portfolio company of one of the Advent venture capital funds. The estimated total deficiency regarding creditors of Neurotech Limited was £706,123 and the company was dissolved on 12 October 1993. No action has been or is expected by Dr Vernon to be taken against him in relation to this matter.

8.4 Mr Brenner has been employed by XLTG since 2004 as Vice President of Business Development, and Dr Vernon is currently a non-executive director and Chairman of XLTG.

9. INCENTIVE SCHEMES

The Company has adopted the 2007 Equity Compensation Plan (the ''2007 Plan''). The 2007 Plan will be administered by the Board or a committee appointed by the Board (hereafter referred to as the ''committee''). The 2007 Plan allows the committee to grant awards of Common Shares or the right to receive or purchase Common Shares (including share options, restricted shares and share units, bonus shares share appreciation rights and other share-based awards) to TyraTech's employees, directors and consultants and advisers providing services to TyraTech. The individuals to whom awards are to be granted and the actual terms of an award, including the number of Common Shares relating to the award, any exercise or purchase price, any vesting, forfeiture or transfer restrictions and the time or times of exercisability for, or delivery of, Common Shares, will be determined by the committee and set forth in a written award agreement with the participant. No grants have yet been made under the 2007 Plan.

The aggregate number of Common Shares which may be issued over the term of the 2007 Plan will be 10 per cent. of the Enlarged Issued Share Capital, subject to adjustment as described below. If any share options or share appreciation rights terminate, expire or are cancelled, forfeited, exchanged or surrendered without having been exercised or if any share awards, share units or other share-based awards are forfeited, terminated or otherwise not paid in full, the shares subject to such grants will again be available for issuance under the 2007 plan. Upon exercise of a share appreciation right, the Common Shares authorised for issuance will be reduced by the net number of shares issued upon such exercise and not by the gross number of shares in relation to which such right is exercised. In addition, any Common Shares surrendered in payment of the exercise price of an option or withheld for purposes of satisfying our tax withholding obligations with respect to awards under the 2007 Plan will again be available for grants under the 2007 Plan. If any grants are paid in cash, and not in Common Shares, any Common Shares subject to such grants will also be available for future grants.

If there is any change in the number or kind of Common Shares outstanding (i) by reason of a share dividend, spin-off, recapitalisation, share split, or combination or exchange of shares, (ii) by reason of a reclassification or change in par value, or (iii) by reason of any other extraordinary or unusual event affecting the outstanding Common Shares as a class without the Company's receipt of consideration, or if the value of outstanding Common Shares is substantially reduced as a result of a spin-off or the Company's payment of an extraordinary dividend or distribution, the maximum

number and kind of Common Shares available for issuance under the 2007 Plan, the kind and number of Common Shares covered by outstanding grants and the price per Common Share or the applicable market value of such grants will be equitably adjusted by the committee.

The Board may amend or terminate the 2007 Plan at any time; however, certain amendments will be subject to shareholder approval to the extent required by applicable laws and regulations. Unless terminated sooner by the Board or extended with shareholder approval, the 2007 Plan will terminate on the day immediately preceding the tenth anniversary of its effective date.

10. DIRECTORS' SERVICE AGREEMENTS

10.1 Dr Armstrong has entered into a service agreement with the Company, the principal terms of which are that if the Company terminates his employment, other than for good cause, the Company shall pay to him the amount stipulated to be paid upon death or disability. In addition, Dr Armstrong's employment is terminated by the Company without good cause or if he resigns with good reason, the Company shall pay an amount equal to the annual base salary and unit grants due to become free of re-purchase obligations in the year terminated become accelerated. On a change of control or ownership of the Company and if any of Dr Armstrong's role, compensation or location of employment is materially changed, Dr Armstrong shall be entitled to an amount equal to one and a half times his annual salary. Dr Armstrong has a non-solicitation and non-compete obligation for 24 months following resignation without good cause or termination with good cause. If Dr Armstrong had been terminated, other than for good cause, at 31 December 2006, the Company would have owed Dr Armstrong US$365,000 (plus unit grants as outlined above) pursuant to his service agreement. Dr Armstrong is bound not to disclose confidential information during and after his employment and any inventions, discoveries or improvements of technology made during his employment remain the property of the Company. Dr Armstrong receives an annual base salary of US$365,000.

10.2 Kerdos Corporate Finance Limited ("KCFL") has entered into a consultant agreement for the services of Mr Bigsby as the Chief Financial Officer of TyraTech. KCFL's annualised base fee is $265,000 and Mr Bigsby is entitled to participate in the 2007 Plan while engaged by TyraTech. He has received 200,000 Unit Grants. KCFL is required to give 90 days' notice of termination to TyraTech. It is the Company's intention to enter into a service agreement with Mr Bigsby following Admission.

10.3 Mr Brenner is employed by XLTG and receives a salary, benefits and bonus totalling $254,752 in 2006. Mr Brenner provides his services as an executive director of the Company on a full time basis. The cost of the salary and benefits for Mr Brenner is charged in full by XLTG to the Company under the terms of the management services agreement described at paragraph 16.13 of this Part XV.

10.4 Dr Vernon, Mr Reade, Mr Riley and Dr Noonan entered into agreements with the Company on 25 May 2007, which govern the terms and conditions of their appointment as non-executive Directors of the Company. The Company is not compliant with the Combined Code as Dr Vernon as Chairman of the Board is not independent. Each appointment is for an initial term expiring upon conclusion of the next annual general meeting of the Company (calculated from the date of their original appointment to the Board) unless renewed at the end of that period for a further 12 month period. The fees for Dr Vernon as Chairman of the Board will be £40,000 per annum. Dr Vernon is entitled to a fee of which £5,000 is paid to Dr Vernon and £35,000 plus any fees in respect of his appointment to any committee is paid to Ziggus Holdings Limited, pursuant to an agreement entered into by Ziggus Holdings Limited with the Company on 25 May 2007, which is for an initial fixed term of 3 months and thereafter may be terminated by the Company or Ziggus Holdings Limited. The fees for the other Directors will be £27,500 per annum plus an additional £2,500 for each committee they serve or an additional £5,000 if they act as chairman of such committee. The audit committee will be chaired by Barry Riley and the other members are Dr Vernon and Dr Noonan. The remuneration committee will be chaired by Mr Reade and the other member is Dr Noonan. The nomination committee will be chaired by Dr Vernon and the other members are Mr Reade and Mr Riley.

10.5 Save as referred to above, there are no service agreements between any Director and the Company or any associated undertaking of the Company other than agreements expiring or determinable by the employing company without payment of compensation (other than

statutory compensation) and no such contracts are proposed. There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

10.6 The aggregate annual remuneration (including salaries, fees, pension contributions, bonus payments and benefits in kind) granted to the Directors by the Company or any associated undertaking of the Company during the year ended 31 December 2006 amounted to US$366,676. It is estimated that the aggregate remuneration of the Directors (including such benefits in kind) for the current financial year ending 31 December 2007 under the arrangements in force as at the date of this document will not exceed US$1,400,000 in aggregate for Dr Armstrong, Mr Brenner and Mr Bigsby and £147,500 in aggregate for the other Directors. Included in the estimated remuneration for the year ending 31 December 2007 for Dr Armstrong is a signing on bonus of $30,000 provided he remains an employee of the Company for 6 months.

10.7 The Directors were paid the following compensation by TyraTech in the year ended 31 December 2006:

Name	Fees Earned or Paid in Cash $	Unit Grants	All Other Compensation $	Total $
Geoffrey Vernon	—	—	—	—
Douglas Armstrong	—	700,000	—	—
Keith Bigsby	—	—	—	—
Richard Brenner[(1)]	175,769	—	78,483	254,752
Alan Reade	—	—	—	—
Barry Riley	—	—	—	—
Kenneth Noonan	—	—	—	—

(1) received as part of his employment with XLTG.

10.8 Each of Dr Vernon, Mr Reade, Dr Noonan and Mr Riley were appointed as directors of the Company on 25 May 2007. Dr Armstrong and Mr Bigsby and Mr Brenner were appointed directors of the Company on 27 April 2007. Dr Armstrong and Mr Brenner were elected to the Board of TyraTech, LLC on 2 February 2007 and 17 February 2005 respectively, prior to its merger with the Company. The Directors retire by rotation as referred to in paragraph 6.1(ix) of this Part XV.

11. EXECUTIVE COMPENSATION

11.1 The Executive Directors and Senior Management were paid the following compensation in the year ended 31 December 2006:

Name	Fiscal Year	Salary $	Bonus $	Unit Grants	Non-Equity incentive plan compensation $	All other compensation $	Total $
Douglas Armstrong	2006	—	—	700,000	—	—	—
Keith Bigsby[(1)]	2006	—	—	—	—	—	—
Richard Brenner[(2)]	2006	175,769	63,266	—	—	15,717	254,752
Essam E. Enan[(3)]	2006	166,000	29,880	—	—	7,196	353,076
Robert Schweiger	2006	77,558	27,917	200,000	—	24,490	129,965
Joe Boylan	2006	34,700	—	—	—	—	34,700

(1) Keith Bigsby joined TyraTech as Chief Financial Officer on 19 March, 2007 and was not an employee of TyraTech in 2006.

(2) Received as part of his employment with XLTG.

(3) Dr Enan has a beneficial interest in 40 per cent. of the units held by Vanderbilt. No units are held personally.

11.2 There were no stock options granted to any of the Directors or Senior Management in 2006

11.3 **Components of Executive Compensation**

The Company's executive compensation program consists of three key components: base salary, non-equity incentive awards and equity-based incentives in the form of stock options.

Base Salary

The remuneration committee reviews annually the salary of each executive officer in relation to previous salaries, personal performance, salaries of executive officers in the industry and general economic conditions. Base salaries are set at levels intended to motivate and retain highly qualified executives whom the remuneration committee believes are important to the continued success of the Company. Although the remuneration committee uses peer group and other market data to test for reasonableness and competitiveness of base salaries, it also exercises subjective judgment in view of the Company's compensation objectives.

In 2006, Douglas Armstrong was appointed Chief Executive Officer of the Company and was granted an annual salary of US$365,000.

Non-Equity Incentive Plan Compensation

The Company has also established a non-equity incentive program to encourage and reward excellent individual performances by managers who make significant contributions to the Company's financial success. During 2006, an executive officer could earn non-equity incentive compensation based in part upon achievement by the Company of certain development objectives and in part by achievement of individual operating objectives designed to enhance future performance by the Company. In 2006, based on achieving certain financial goals and personal performance of key employees (Dr Enan and Mr Schweiger), the Company accrued and charged to expense US$57,799 for non-equity incentive plan payments, which were made in January 2007.

The Board, upon recommendation of the remuneration committee, will determine the corporate performance measures selected and the individual performance goals for the Chief Executive Officer, Chief Financial Officer and other named executive officers, as well as target award values under the annual incentive program. The 2007 Plan award for the Chief Executive Officer was set at 100 per cent. of his base salary and for the Chief Financial Officer was set at 50 per cent. of his base salary. Mr Brenner is entitled to a base salary of $220,000 and a bonus of up to 100 per cent. of his base salary under his service agreement with XLTG. For the Senior Management, the 2007 Plan award ranged from 30 to 40 per cent. of base salary. Dr Enan's salary will increase to US$250,000 on Admission.

Equity-Based Incentives

The Company also intends to grant stock options to provide long-term incentives for the executive officers as described in paragraph 9 of this Part XV.

Other Compensation

Dr Armstrong receives medical insurance and pension contributions of 4 per cent. of base salary (capped at $15,500) and receives life insurance of $350,000.

Mr Brenner, Dr Enan, Mr Schweiger and Mr Nagro receive health benefits and Mr Brenner and Dr Enan also received pension contributions under a 401(k) match pension scheme of £4,685 and £6,129 respectively.

12. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing receivable by the Company, that the working capital available to the TyraTech will be sufficient for its present requirements; that is, for at least the next 12 months from Admission.

13. LITIGATION

Neither the Company nor any of the Company's associated undertakings is engaged in any legal or arbitration proceedings, nor, so far as the Directors are aware, are there any legal or arbitration proceedings active, pending or threatened against or being brought by either the Company or any of the Company's associated undertakings which are having or may have or may have had a significant effect on the Company's financial position.

14. UNITED KINGDOM TAXATION

The following statements are intended only as a general guide to current United Kingdom tax legislation and to the current practice of HM Revenue & Customs, and may not apply to certain classes of Shareholders, such as dealers in securities. They relate only to persons who are the

absolute beneficial owners of Common Shares, are resident or (if individuals) ordinarily resident in the United Kingdom for tax purposes (except where stated otherwise) and who hold Common Shares as investments and not as trading stock. The tax position of any UK resident corporate shareholder with direct or indirect control of 10 per cent. or more of the voting power in the Company, or a UK resident tax exempt entity, or an individual who is not UK domiciled, is not dealt with below and specific advice should be sought.

Any person who is in any doubt as to his tax position is strongly recommended to consult his professional advisers immediately. In particular, all Shareholders are advised to consider the potential impact of any relevant double tax agreements on their Shareholding.

Taxation of Chargeable Gains

A disposal of Common Shares by any Shareholder who is (at any time in the relevant UK tax year) resident or, in the case of an individual, ordinarily resident in the UK may give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains (subject to any available exemptions or reliefs, including taper relief or indexation allowance as appropriate). A Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch or agency and has used, held or acquired the Common Shares for the purpose of such trade, profession or vocation may also be subject to UK taxation on chargeable gains on a disposal of those shares (subject to any available exemptions or reliefs). Special rules may apply to tax gains on disposals made by individuals at a time when they are temporarily not resident nor ordinarily resident in the UK.

Dividends

Any Shareholder who is resident in the UK will generally be subject to UK income tax or corporation tax in respect of any dividends received on the Common Shares. As such dividends will be foreign income for the purposes of UK taxation, they will be subject to a different tax regime from that applying to dividends received from UK resident companies. In particular, the dividends would not carry the same tax credit as dividends received from a UK resident company.

If any dividend has been subject to United States dividend withholding tax, discussed in paragraph 15 below (“Withholding Tax”), the amount received plus the Withholding Tax will be included in the assessable income of the UK Shareholder. In these circumstances the Shareholder may be entitled to a credit for the foreign tax paid. The credit would be limited to the lesser of the Withholding Tax due after relief under the US/UK Double Tax Agreement or the UK tax payable on the combined amount of the dividend plus Withholding Tax.

The UK Government announced in the 2007 budget that it was proposing to introduce legislation with effect from 6 April 2008 that would provide a non-payable tax credit for UK resident individuals who receive a dividend from a non-UK resident company.

The tax credit would be equal to one-ninth of the amount of the dividend, and would mean that a UK resident shareholder who is liable to incur tax at a rate not exceeding the basic rate would not be subject to UK tax in respect of the dividend, whilst a higher rate tax payer would be subject to tax at a rate equal to 25 per cent. of the cash dividend. An individual will qualify for this tax credit if they own less than 10 per cent. of the non-UK resident company which pays the dividend and in total they receive less than £5,000 of dividends a year from non-UK resident companies.

It should be noted that the legislation to introduce this measure is still in draft form, and there is no guarantee that it will be enacted either in this form or at all.

UK Stamp Duty and Stamp Duty Reserve Tax

There is generally no liability to UK stamp duty or stamp duty reserve tax on the issue of Common Shares by the Company.

Any instrument effecting or evidencing the transfer of the Common Shares which is executed in the UK may not (except in criminal proceedings) be given in evidence or be available for any purpose whatsoever in the United Kingdom unless duly stamped. Any instrument of transfer executed outside the United Kingdom which relates to any matter or thing done, or to be done in the United Kingdom may not (except in criminal proceedings) be given in evidence or be available for any purpose whatsoever in the United Kingdom, unless duly stamped after it has first been received in the United Kingdom. The rate of stamp duty is 0.5 per cent of the value of the consideration for the transfer. Interest on the stamp duty will accrue from 30 days after the date the instrument was executed.

No charge to UK stamp duty will arise in relation to the transfer of the Common Shares provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are executed and retained outside the United Kingdom and no matters or things are done in the United Kingdom in relation to the transfer.

No charge to UK stamp duty reserve tax will arise in respect of an agreement to transfer the Common Shares.

The comments above are intended as a summary only and any person who is in any doubt about his or her tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek his or her own professional advice.

Inheritance tax provisions

The implications for Shareholders of the UK Inheritance tax provisions and of similar provisions in other countries in which Shareholders may be resident, domiciled or otherwise liable to such taxes, are matters on which Shareholders should seek appropriate professional advice.

15. UNITED STATES TAXATION OF NON-US HOLDERS

The following is a summary of the material US federal income tax consequences that may be relevant to the purchase, ownership and disposition of Common Shares by a Non-US Holder, as defined below. This summary does not address the consequences to persons other than Non-US Holders. The following summary is not binding on the US Internal Revenue Service, or IRS, and the IRS could take an opposing view with respect to the tax consequences described below.

This summary is based on the current provisions of the Internal Revenue Code of 1986, as amended, or the Code, Treasury regulations and judicial and administrative authority, all of which are subject to change, possibly on a retroactive basis. This summary applies only to persons who hold Common Shares as capital assets, within the meaning of section 1221 of the Code. This summary does not discuss the tax consequences to special classes of investors, including: brokers or dealers in securities or currencies; financial institutions; tax-exempt entities; regulated investment companies; persons who beneficially own, directly or indirectly, at least 10 per cent. of the voting stock of the Company; life insurance companies; persons holding Common Shares as a part of a hedging, short sale or conversion transaction or a straddle; persons who hold Common Shares through partnerships or other pass-through entities; persons acquiring Common Shares in connection with the performance of services for the Company; or US expatriates.

IRS Circular 230

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS ADMISSION DOCUMENT IS NOT INTENDED OR WRITTEN BY US TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE CODE; (B) SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

State, local or foreign tax consequences of ownership of Common Shares are not summarised in this paragraph 15.

The Company has not requested, and does not intend to request, any rulings from the IRS concerning the federal income tax consequences of an investment in Common Shares. Prospective Non-US Holders (as described below) are advised to consult with their tax advisers regarding the consequences of acquiring, holding or disposing of common shares in light of current tax laws, their particular investment circumstances, and the application of state, local and non-US tax laws.

References in the summary to a "Non-US Holder" mean a beneficial owner of Common Shares that is neither (i) an individual that is a citizen or resident of the United States for US federal income tax purposes, nor (ii) a corporation or partnership (or an entity that is treated as a corporation or partnership for U.S. federal income tax purposes), and created or organised in the United States or under the laws of the United States or of any political subdivision thereof, nor (iii) an estate whose income is includable in gross income for US federal income tax purposes regardless of its source, nor (iv) a trust if a court within the United States is able to exercise

primary supervision of the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust or a trust that has a valid election in effect under applicable US Treasury regulations to be treated as a US person.

Taxation of Dividends

The Company has never paid any cash dividends on its Common Shares and for the foreseeable future it intends to retain all available funds and any future earnings to fund the growth and needs of the Company. See Part V: *"Risk Factors"*. If the Company were to make a distribution on its Common Shares, any distributions of cash or property received in respect of the Common Shares by a person that is a Non-US Holder, to the extent considered dividends for US federal income tax purposes (that is, to the extent treated as made from the Company's current or accumulated earnings and profits, as determined for US federal income tax purposes), generally will be subject to withholding of US federal income tax at a 30 per cent. rate or at a lower rate specified by an applicable income tax treaty, unless the dividend is effectively connected with the Non-US Holder's conduct of a trade or business within the United States or, where a tax treaty applies, is attributable to a US permanent establishment maintained by the Non-US Holder. Currently, the withholding rate on dividends paid by the Company to a Non-US Holder entitled to the benefits of the United Kingdom-United States income tax treaty is 15 per cent.

If the dividend is effectively connected with the Non-US Holder's conduct of a trade or business within the United States or, where a tax treaty applies, is attributable to the Non-US Holder's United States permanent establishment, the dividend will be subject to US federal income tax on a net income basis at applicable graduated individual or corporate rates and is eligible for an exemption from the withholding tax. In addition, dividends received by a corporate Non-US Holder that are effectively connected with a US trade or business or, where a tax treaty applies, are attributable to the Non-US Holder's US permanent establishment may, under some circumstances, be subject to an additional "branch profits tax" at a 30 per cent rate or at a lower rate specified by an applicable income tax treaty.

For the purposes of obtaining a reduced rate of withholding under an income tax treaty, the Non-US Holder will be required to provide information concerning the Non-US Holder's country of residence and entitlement to tax treaty benefits on IRS Form W-8BEN, and may be required to provide a taxpayer identification number thereon. However, some payments to foreign partnerships and other fiscally transparent entities may not be eligible for a reduced rate of withholding tax under an applicable income tax treaty or may require provision of IRS Form W-8IMY by the fiscally transparent entity and IRS Form W-8BEN by its beneficial owners that are eligible for such reduced rate of withholding. If the Non-US Holder claims exemption from withholding with respect to dividends effectively connected with the Non-US Holder's conduct of a business within the US, the Non-US Holder must provide IRS Form W-8ECI to the Company or its paying agent and provide a taxpayer identification number thereon. If the Non-US Holder is eligible for a reduced rate of US federal withholding tax under an income tax treaty, the Non-US Holder may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund.

If a distribution exceeds the Company's current and accumulated earnings and profits, as determined for US federal income tax purposes, such excess will be treated first as a return of the Non-US Holder's tax basis in the Common Shares to the extent of the Non-US Holder's adjusted tax basis in the Common Shares and then as gain from the sale of a capital asset, which would be taxable as described below.

Taxation of Capital Gains

Generally, Non-US Holders will not be subject to US federal income tax on any gain recognised upon the sale or other disposition of Common Shares. However, a Non-US Holder will be subject to US federal income tax on the gain if:

(1) the gain is effectively connected with the Non-US Holder's US trade or business or, if a tax treaty applies, attributable to the Non-US Holder's US permanent establishment; or

(2) the Non-US holder is an individual, the Non US Holder is present in the US for 183 or more days in the taxable year of disposition and either (a) the Non US Holder has a "tax home" in the US for US federal income tax purposes or (b) the gain is attributable to an office or other fixed place of business that the Non US Holder maintains in the US, and a tax treaty does not exempt such income from tax.

The Non-US Holder will also be subject to US federal income tax on any gain from the sale of Common Shares if the Company is or has been a ''US real property holding corporation'' within the meaning of section 897(c)(2) of the Internal Revenue Code at any time the Non-US Holder held the stock, or generally within the five-year period preceding the sale of the stock if the Non-US Holder holds the stock for more than five years. The Company believes that:

(a) it is not now a ''US real property holding corporation''; and

(b) it has not been a ''US real property holding corporation'' at any time since it was formed;

and based on the assumption that the fair market value of the US real property interests of the Company, taking into account the assets of certain subsidiaries, will continue to be less than 50 per cent of the sum of the fair market value of its real property interests plus the fair market value of any other assets in the United States that are used in a business, the Company does not expect to become a ''US real property holding corporation'' in the future.

If the Company were a ''US real property holding corporation'' or were to become a ''US real property holding corporation'', a Non-US Holder would be subject to US federal income tax on any gain from the sale of Common Shares; provided that, if the Common Shares are regularly traded on an established securities market, then a Non-US Holder would generally be subject to tax in such circumstances only if the Non-US Holder beneficially owned, or had owned at any time during the specified five-year period, more than 5 per cent of the total fair market value of the class of stock the Non-US Holder sold. If the Non-US Holder owned 5 per cent or less of the total fair market value of the class of stock the Non-US Holder sold during the specified 5 year period, in the event the Company were or were to become a ''US real property holding corporation'' and the Common Shares were regularly traded on an established securities market, such Non-US Holder would not be subject to US federal income tax on gain from the sale of Common Shares, but only if certain additional requirements are met, including the filing of a statement by the Company with the IRS as required under Treas. Reg. § 1.897-9T(d)(3)(ii). There can be no assurance that the requirements necessary for this exemption from tax to apply will be satisfied in this situation. The Company believes that AIM qualifies as an established securities market for purposes of the foregoing rules. There can be no assurance that the Common Shares will be treated as ''regularly traded'' for purposes of the foregoing rules for any period.

Information Reporting and Backup Withholding

The Company generally will be required to report to Non-US Holders and to the IRS the amount of any dividends paid to the Non-US Holder in each calendar year and the amounts of tax withheld, if any, with respect to the dividend payments. Copies of the information returns reporting the dividends and withholding may also be made available to the tax authorities in the country in which a Non-US Holder resides under the provisions of an applicable income tax treaty.

Shareholders generally will be subject to backup withholding tax with respect to dividends paid on Common Shares unless they certify their non-US status. Payment of the proceeds of a sale of Common Shares may be subject to backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury that it is a Non-US Holder or otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the Non-US Holder's US federal income tax liability, provided the required information is properly furnished to the IRS.

Estate tax provisions

The implications for shareholders of the US estate tax provisions, and of similar provisions in other countries in which shareholders may be resident, domiciled or otherwise liable to such taxes, are matters on which shareholders should seek appropriate professional advice.

16. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company (or were entered into by TyraTech, LLC and assumed by the Company pursuant to the merger agreement described at paragraph 16.20 below, accordingly references to agreements into which the Company has entered include those which were entered into by TyraTech, LLC) and its associated undertakings within the two years immediately preceding this document and remain outstanding and are or may be material or are material in the context of the Company's business:

16.1 Note and Warrant Purchase Agreement with XLTG dated 1 May 2006

The Company sold to XLTG a secured promissory note (the "Note") the Note and the warrant described in 16.2 below (the "Warrant") for an aggregate purchase price of up to $10 million or such lesser amount as may be equal to the aggregate principal amount advanced from XLTG to the Company under the Note. XLTG agreed to make funds available to the Company from time to time during the period from the date of the Agreement up to the date when XLTG ceases to own at least 20 per cent. of the outstanding membership interests of the Company (the "Termination Date") in an aggregate balance not to exceed $10 million. All funds to be paid to the Company by XLTG under the Agreement are to be evidenced by and repaid in accordance with the Note in the maximum principal amount of $10 million maturing as to principal on the earliest to occur of (a) the Termination Date, (b) a Qualified IPO (any IPO where the Company or a successor entity is valued in an amount not less than $40 million and the gross proceeds received by the Company are at least $10 million. As at 24 May 2007, the Company owed XLTG $10,944,363. The current intention of the Company is to repay the Note out of the proceeds of the Placing.

16.2 Warrant to purchase Common Stock issued to XLTG dated 1 May 2006

The Company issued the Warrant to XLTG pursuant to the terms of the Note and Warrant Purchase Agreement described at paragraph 16.1 above, and issued in conjunction with the Note. The per unit price for the warrant units is equal to the Placing Price less a discount of 32 per cent. The Warrant is exercisable only after the Company completes a Qualified IPO (first initial public offering of equity interests in the Company pursuant to a registration statement filed in accordance with the Securities Act or any similar foreign securities law or the admission by the Company of its shares (or any class of securities) to the AIM market of the London Stock Exchange).

16.3 Secured Term Promissory Note issued to XLTG dated 1 May 2006

Pursuant to the Note and Warrant Purchase Agreement described at 16.1 above, the Company has promised to pay to the order of XLTG in immediately available funds the principal amount of $10 million or such lesser amount as is equal to the aggregate unpaid outstanding principal amount of all loans made to the Company by XLTG pursuant to the Note and Warrant Purchase Agreement on the earliest to occur of (a) the Termination Date (as defined in the Note and Warrant Purchase Agreement), (b) the Company's receipt of the gross proceeds of a Qualified IPO (as defined in the Note and Warrant Purchase Agreement described at paragraph 16.1 of this Part XV), (c) the sale of all or substantially all of the assets of the Company, or (d) 1 May 2009, together with any interest accrued and unpaid on the aggregate principal amount of the loans outstanding. Interest accrues monthly on the aggregate outstanding principal amount of the loans and any unpaid interest thereon, as of the last business day of the month at a rate per annum equal to the Wall Street Journal Prime Rate (as defined in the Note and Warrant Purchase Agreement) for the month plus 300 basis points. Interest is calculated on the basis of a 360 day calendar year.

16.4 Security Agreement with XLTG dated 1 May 2006

Pursuant to the Note and Warrant Purchase Agreement described at paragraph 16.1 above, the Company has granted to XLTG a first priority security interest in any and all assets and property (real and personal) of the Company ("Collateral") other than the Excluded Assets (all the Company's rights, title and interests in and to that certain Amended and Restated Exclusive Licence Agreement between the Company and Vanderbilt.

The security is taken to cover:

(a) the obligations of the Company under the Note and Warrant Purchase Agreement, the $10 million Note, the Warrant and all other related loan documents;

(b) all amounts that XLTG may pay or advance at any time for taxes, insurance etc. with respect to the Collateral; and

(c) all costs and expenses that XLTG may incur in enforcing the Collateral, including attorneys' fees.

The Company is required to give at least 30 days prior written notice before changing its name or structure or the location of its chief executive offices. The current intention of the Company is that the loan and the Note to which this Security relates will be repaid out of the proceeds of the Placing, and accordingly the security created by the Security Agreement would be terminated.

16.5 XLTG Promissory Note dated 31 October 2005

On 31 October 2005, TyraTech borrowed $2 million from XLTG in the form of a secured Promissory Note (the ''Note''). The Note is repayable on the earlier to occur of (a) the date that XLTG ceases to own at least twenty per cent. of the outstanding membership interests of TyraTech; (b) an IPO where TyraTech or a successor entity is valued in an amount not less than $40 million and the gross proceeds received by TyraTech or a successor entity in such an offering is at least $10 million; (c) the sale of all or substantially all of the assets of TyraTech; and (d) 31 December 2010. The Note bears interest at a rate per annum equal to the LIBOR Rate and is secured by a security agreement dated 31 October 2005 between TyraTech and XLTG granting XLTG a first priority security interest in all TyraTech's assets and personal property other than TyraTech's rights, title and interest in the Amended and Restated Exclusive License Agreement between TyraTech and Vanderbilt University as described at paragraph 16.16 below.

16.6 Kraft Food Holdings, Inc. and Kraft Foods Global, Inc. Technology Sublicense Agreement

On 5 December 2006, the Company entered into a technology sublicense agreement with Kraft. Pursuant to this agreement Kraft is granted a limited exclusive sublicense to use the TyraTech know-how and related licensed 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. TyraTech has the obligation to fund product development through to milestone stage one. Stage one has not yet been completed. With respect to royalties, the initial agreement regarding minimum royalties will be for a term of no less than two years and for a maximum period of five years after commercial launch. All subsequent minimum royalties are to be negotiated within 90 days before the end of each minimum royalty period.

16.7 Arysta LifeScience North America Corporation Technology Sublicense Agreement

On 9 June 2006, the Company entered into a technology sublicense agreement with Arysta. Pursuant to this agreement Arysta is granted a sublicense by the Company to use the TyraTech technology in order to manufacture and sell licensed products. The licence granted under the Agreement is exclusive worldwide apart from Mexico. The Agreement contains three milestones for Arysta to complete with milestone payments due to TyraTech when these are completed. If Arysta fails to complete the milestones within the prescribed time frames, TyraTech has the right to convert the exclusive licence for the applicable category granted to Arysta for the exclusive territory to a non-exclusive licence for such category. On all licensed products, Arysta pays to TyraTech a percentage royalty equal to a percentage of net sales. In the event that the patent applications set forth in the Agreement are abandoned by TyraTech or fail to issue at the patent office the percentage royalties are reduced to a lower percentage of net sales. Arysta is required to pay minimum royalties to be negotiated in good faith within ninety days of achievement of the first milestone for each category as set forth in the Agreement.

16.8 Kraft Foods Global, Inc. Warrant to Purchase Company Units dated 5 December 2006

Kraft is entitled to purchase from the Company (a) up to $1,000,000 in warrant units (each exercised in respect of the equivalent value of Common Shares upon the closing of a qualified equity investment) and must be exercised no later than the third anniversary of the closing of a qualified equity investment (in this context, a qualified equity investment is the first to occur of (i) an underwritten initial public offering of equity interests in the Company or its successor entity pursuant to a registration statement filed in accordance with the Securities Act or any similar foreign securities law or the admission by the Company of its

shares to the AIM market of the London Stock Exchange or (ii) a private offering of equity interests in the Company or a successor entity whereby the Company receives gross cash proceeds of at least $25,000,000 (a ''Private Placement'')); and (b) up to $1,000,000 in warrant units upon the successful completion of the first stage of product development and must be exercised within three years of the successful completion of the first stage of product development. If there is a reclassification of the stock (including in connection with a consolidation or merger in which the Company is the continuing entity) the number of warrant units is adjusted so that Kraft will receive the kind and number of warrant units which it would have otherwise owned. The exercise price shall be either the per share price to the public in an IPO or the price paid in a Private Placement for each unit of equity securities, as applicable). The warrant is issued pursuant to the terms of a Technology Sublicense Agreement dated as of 5 December 2006 in connection with a sublicense by the Company to Kraft described at paragraph 16.6 above.

16.9 The Scotts Company LLC Option Agreement dated 31 March 2006

On 21 March 2006, the Company entered into an option agreement with Scotts and its associated companies granting Scotts the option to sublicense certain technology owned or licensed to TyraTech exclusively within North America, Europe (except for Russia and the Ukraine); and Australia. Under the terms of the Option Agreement, Scotts also have the option to obtain a non-exclusive right to use the TyraTech technology outside of that exclusive territory. Following grant of the exclusive sublicense to Scotts, in the event of failure to meet any performance criteria, milestone payment or minimum royalty payments as are mutually agreed to by the parties in the exclusive sublicense agreement, TyraTech has the right to convert the exclusive licence rights granted to Scotts under the exclusive sublicense agreement to a non-exclusive sublicense in the territory. The Agreement sets out the royalty structure and the parties agree to negotiate a reasonable royalty rate for the licence rights to be granted under the exclusive sublicense within that royalty structure.

16.10 Accudigm Biomed Trading Pvt. Ltd. Distribution Agreement dated 21 October 2006

On 21 October 2006, the Company entered into a non-exclusive distribution agreement with Accudigm appointing Accudigm as its non-exclusive distributor of the products listed in the Agreement solely in the territory comprising the Government of the State of Assam, defence research labs in India and any military procurement institutions located in India. Except for the rights granted by the Company to Syngenta Crop Protection AG for distribution of the products, the Company agrees that it shall not appoint any other distributors for the products and/or sell the products directly, in the territory. The agreement contains the following milestone which broadens the available territory for Accudigm. If TyraTech is not selling or distributing products to any other state governments not included in the territory (Government of the State of Assam, defense research labs in India and any military procurement institutions located in India) and Accudigm is able to sell to any other state government at least 30 metric tons of the product in 12 months, the definition of Territory is to be automatically expanded to include such other state government. As set forth in the Agreement, if Accudigm fails to meet the sales quota for any year after the first year of the Agreement, TyraTech is entitled to amend the territory, appoint other distributors to sell products in the territory and change the prices provided to Accudigm and/or terminate the Agreement.

16.11 Syngenta Technology Sublicense Agreement dated 12 July 2006

On 12 July 2006, the Company entered into a technology sublicense agreement with Syngenta. Pursuant to this Agreement, TyraTech grants Syngenta a sublicense to develop, research, manufacture and sell licensed products relating to non-toxic pesticide and repellent technology. Syngenta is required to pay to TyraTech a running royalty equal to (i) a percentage of net sales on all licensed products in the exclusive territory (worldwide excluding Mexico for general pest and rodent markets and all countries in Europe, Africa and the Middle East for vector pest management markets) and (ii) a lower percentage of net sales on all sales of licensed products in the non-exclusive territory (which includes all countries in Asia Pacific and in Latin America for vector markets and worldwide for rodent markets through agricultural distribution channels).

16.12 Terra Quest, S.A. Distribution Agreement dated 31 March 2006

On 31 March 2006, the Company entered into a contract for supply and exclusive distribution with Terra Quest. Pursuant to this agreement, TyraTech is to sell its products to Terra Quest to sell in Mexico to purchasers who will only use the products (insecticide and parasiticide products manufactured from essential oils) for non-consumer applications. During the term of the agreement, Terra Quest is the only party able to perform the distribution activities mentioned in the agreement within Mexico. Milestones in the Agreement require Terra Quest to sell a minimum value of product in the first year.

16.13 Management Services Agreement dated 10 April 2007

On 10 April 2007, the Company and XLTG entered the Support, Expense Reimbursement and Space Agreement, the principal terms of which are as follows:

(a) the Company accepts certain support services provided by XLTG and utilises office space provided by XLTG;

(b) in addition to providing employees to perform the work, as the employer of each employee, XLTG will (i) maintain all necessary personnel and payroll records for the employees assigned to the Company; (ii) compute their wages and withhold applicable federal state and local taxes and federal social security payments; (iii) remit employee withholdings to the proper governmental authorities and make employer contributions for federal FICA and federal and state unemployment insurance payments; and (iv) pay net wages and health care benefits to the employees;

(c) the Company agrees to reimburse XLTG an amount based upon a reasonable allocation of the employee's compensation plus burden costs such as employer taxes, employer contributions to health and welfare benefit plans, and indirect overhead expenses all based on actual time spent by employees in performance of services;

(d) XLTG agrees to provide to the Company with physical office space at cost located at 1901 South Harbor City Boulevard, Melbourne, Florida 32901;

(e) XLTG is required to maintain throughout the term of the Agreement workers' compensation insurance in full limits as required by statue covering XLTG employees assigned to the Company;

(f) the Company is to indemnify and hold XLTG harmless from all claims arising out of the non-compliance by the Company of any laws except to the extent arising in respect of a workers compensation claim by an employee. The Company to further indemnify XLTG from all claims for any damage, bodily injury or death caused by the negligent act or omission of the Company;

(g) neither XLTG nor the Company may assign the Agreement without the written consent of the other parties; and

(h) the term of the Agreement commences on the date of execution and continues in effect until cancelled by either party giving not less than sixty days prior written notice to the other.

16.14 The Placing Agreement

On 25 May 2007, the Company, the Directors, XLTG and the Joint Lead Managers entered into the Placing Agreement which is conditional upon, *inter alia*, Admission occurring on 1 June 2007 or such later date (not being later than 8.00 am on 15 June 2007) as the Company and the Joint Lead Managers may agree. The principal terms of the Placing Agreement are as follow:

(a) The Joint Lead Managers agree, as agent of the Company, to use their reasonable endeavours to procure subscribers for 4,500,000 of the Placing Shares at the Placing Price. The Joint Lead Managers shall subscribe at the Placing Price for any such Placing Shares for which investors are not found. Notwithstanding the foregoing, the Joint Lead Managers agree to subscribe for and sell any Placing Shares to be sold within the United States or to US Persons.

(b) The Company has agreed to pay the Joint Lead Managers certain fees and commissions in connection with the Placing and Admission as follows:

(i) a corporate finance fee of £150,000 to Nomura Code and £90,000 to Jefferies; and

(ii) an aggregate commission of 5.5 per cent of the amount equal to the aggregate value of the New Common Shares at the Placing Price.

(c) The Company has agreed to pay all the costs and expenses of and incidental to the Placing (together, where applicable, with value added tax and expenses);

(d) The Company, XLTG and the Directors have given certain warranties (which are standard for agreements of this type) to the Joint Lead Managers (and certain associated persons of each) in relation, *inter alia*, to the accuracy of the information contained in this document, the financial position of the Company and as to other matters in relation to the Company and its business. In addition, the Joint Lead Managers (and certain associated persons of each) have the benefit of certain indemnities provided by the Company; and

(e) Nomura Code and/or Jefferies may terminate the Placing Agreement at any time prior to Admission in certain circumstances, including a breach of any of the warranties, representations or undertakings contained in the Placing Agreement or upon the occurrence of certain force majeure events, in each case which Nomura Code and/or Jefferies considers reasonably material in the context of the Placing.

16.15 Lock-in Deeds

Each of the Directors and applicable employees (as such term is defined in the AIM Rules), together with XLTG and Vanderbilt, entered into a Rule 7 lock-in deeds on 25 May 2007 with the Company and Nomura Code (as the Company's nominated adviser for the purposes of the AIM Rules) whereby they covenant that they cannot, and have agreed to procure that their related parties (as such term is defined in the AIM Rules) will not dispose of any interest in any Common Shares held by them as at Admission, or any underlying options or warrants held by them as at Admission, for one year from the date of Admission other than as consented to in writing by Nomura Code or pursuant to a takeover offer, a court order or a testamentary disposition. They have also agreed that, for a further year following the initial lock-in period, they will not dispose of any such interest other than through Nomura Code as broker, in order to ensure an orderly market in the Common Shares.

16.16 Licence Agreement between Vanderbilt and TyraTech, LLC dated 6 June 2005.

TyraTech, LLC entered into a licence agreement with Vanderbilt University to obtain the exclusive rights relating to US Utility Application 1 0/832,022 ''Composition and Methods for Controlling Insects''. The term of the licence continues until the expiration of the covered patent rights. As consideration for the licence, Tyratech, LLC has historically paid annual maintenance fees consisting of US$50,000, with annual increases of US$50,000 per year for a period of 10 years. Additionally, TyraTech, LLC has issued 2,000,000 of its membership units to Vanderbilt, constituting a 33.3 per cent. interest in TyraTech, LLC. Either TyraTech, LLC or Vanderbilt may, after the applicable cure period, terminate the licence if the other party substantially breaches the agreement, including, but not limited to, a failure to pay licence fees required under the agreement. Additionally, Vanderbilt may terminate the licence if TyraTech, LLC becomes insolvent, files or has filed against it a petition for reorganisation or insolvency, makes an assignment for the benefit of its creditors or similar other events.

16.17 Assignment between Vanderbilt University and the Company dated 30 April 2007

On 30 April 2007, Vanderbilt entered into an agreement to assign outright ownership of the patent and all patent applications under license to the Company with such assignment to be effective as of the Admission Date. In exchange for such assignment, the Company agreed to pay Vanderbilt, on the Admission Date, the present value of the remaining license maintenance fee payable in the form of cash and Common Shares, as follows: (i) $470,000 in cash; and (ii) the number of Common Shares (rounded down to the largest whole number of Common Shares) calculated by dividing $651,000 by the Placing Price. Under the terms of the assignment agreement, the Company is obligated to continue patent prosecution and maintenance of the assigned patent and patent applications. The Company has granted Vanderbilt a first priority security interest in the assigned patent and patent applications in order to secure the Company's performance of the obligations under the assignment agreement. In the event of a material breach of the assignment agreement by the Company, including, for example, if the Company fails to maintain prosecution of the patent applications, Vanderbilt is entitled to receive certain agreed liquidated damages as well as

exercise its rights as a secured party. Additionally, the Company would be in material breach of the assignment agreement if the Company becomes insolvent, files or has filed against it a petition for reorganisation or insolvency, makes an assignment for the benefit of its creditors or similar other events.

In connection with the assignment of patent and patent applications to the Company, the Company and Vanderbilt entered into a second amendment and restatement of the license whereby the license will remain in place in order to provide the Company with an exclusive license to existing intellectual property other than the assigned patent and patent applications (such as know-how and trade secrets) as well as any new inventions which are related to the intellectual property under the sponsored research agreement between the Company and Vanderbilt. The Company has granted Vanderbilt a perpetual, worldwide, non-exclusive license to modify, develop, use (including the practice of any method), make and have made, the inventions claimed in the assigned patent and patent applications for continued education, academic research and any other non-commercial purpose desired by Vanderbilt.

16.18 Nomura Warrant dated 25 May 2007

On 25 May 2007, the Company granted a warrant in favour of Nomura Code in respect of 99,001 Common Shares at the Placing Price. Each of the warrants has a term of 4 years from the date of Admission. The Common Shares in respect of which the warrants can be exercised are subject to a lock-in period of twelve months from Admission.

16.19 Jefferies Warrant dated 25 May 2007

On 25 May 2007, the Company granted a warrant in favour of Jefferies in respect of 99,001 Common Shares at the Placing Price. Each of the warrants has a term of 4 years from the date of Admission. The Common Shares in respect of which the warrants can be exercised are subject to a lock-in period of twelve months from Admission.

16.20 Merger Agreement dated 23 May 2007

In anticipation of the Placing, on 24 May 2007, TyraTech, Inc entered into a Merger Agreement with TyraTech, LLC pursuant to which TyraTech, LLC merged into TyraTech, Inc. with TyraTech, Inc. surviving the merger. Pursuant to the Merger Agreement, the outstanding membership units of TyraTech, LLC were cancelled and converted into Common Shares in TyraTech, Inc.

16.21 Nominated Adviser Agreement dated 25 May 2007

On 25 May 2007 the Company entered into an agreement with Nomura Code where Nomura Code agreed to act as nominated adviser to the Company. The Company is to pay Nomura Code an annual fee of £50,000 (plus VAT and expenses). The agreement can be terminated by either party on not less than three months' notice.

16.22 Subscription Agreement dated 25 May 2007

On 25 May 2007, the Company entered into the Subscription Agreement with XLTG whereby the Company agreed to sell and XLTG agreed to purchase the Subscription Shares at the Placing Price. XLTG has given certain warranties (which are standard for agreements of this type) to the Company.

The agreements set out at paragraphs 16.1, 16.5, 16.13, 16.16 and 16.17 above are related party contracts which were not entered into on arms' length terms. The Board approved the entry by the Company into these contracts and supports the arrangements so instituted.

17. GENERAL

17.1 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the activities of the Company. There has been no significant change in the financial or trading position of the Group since 31 December 2006.

17.2 Monies received by the applicants pursuant to the Placing will be held in accordance with the terms of the placing letters issued by the Joint Lead Managers until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 8 am on 15 June 2007, application monies will be refunded without interest to applicants at their own risk.

17.3 Save as disclosed in this Part XV, no person (other than the Company's professional advisers and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the date of this document, or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of: (i) fees totalling £10,000 or more; (ii) securities in the Company with a value of £10,000 or more (calculated by reference to the Placing Price); or (iii) any other benefit with a value of £10,000 or more at the date of this document.

17.4 The Joint Lead Managers have given and not withdrawn their written consent to the issue of this document with the references to their names in the form and context in which they appear.

17.5 The auditors of TyraTech LLC for the period ended 31 December 2004 and the two years ended 31 December 2006 were KPMG Audit Plc.

17.6 The Common Shares are in registered form. It is expected that definitive share certificates will be despatched to allottees by 8 June 2007. No temporary documents of title will be issued.

17.7 The total cost, charges and expenses in connection with the Placing are estimated to be approximately £2.84 million ($5.6 million) (exclusive of VAT) and are payable by the Company. The net proceeds of the Placing will be approximately £22.1 million ($44.1 million).

17.8 The New Common Shares being placed have a nominal value of US$0.001 and the premium on issue pursuant to the Placing will be approximately 500p per share calculated at an exchange rate of £1:$1.9891.

17.9 Other than the application for Admission, the Common Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made, nor, except as stated above, are there intended to be any other arrangements for dealing in the Common Shares.

17.10 Other than as described in this document, there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.

17.11 Other than pursuant to the terms of the Placing Agreement, no commissions are payable by the Company to any person in consideration of his agreeing to subscribe or his procuring or agreeing to procure subscribers for Common Shares.

17.12 There are no investments in progress which are significant.

18. AVAILABILITY OF THIS DOCUMENT

Copies of this document are available free of charge during normal business hours on any weekday (except public holidays) at the offices of Morgan, Lewis & Bockius, 2 Gresham Street, London EC2V 7PE, UK from the date of this document and for a period of at least one month from the date of Admission.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (except Saturdays and public holidays) at the offices of Morgan, Lewis & Bockius, 2 Gresham Street, London EC2V 7PE, UK from the date of this document until 1 July 2007:

(a) the Certificate of Incorporation and bylaws of the Company;

(b) the executive Directors' service agreements and letters of appointment for the non-executive Directors, as referred to in paragraph 9 of this Part XV;

(c) the Placing Agreement and the other material contracts, as referred to in paragraph 16 of this Part XV;

(d) the letters of consent referred to in paragraph 1 of this Part XV; and

(e) the rules of the 2007 Plan.

20. WEBSITE

The Company maintains a website at the address www.tyratech.com. In accordance with AIM Rule 26, the website contains certain information for the benefit of investors. There is no charge to access the website. Any information contained on such website is an inactive textual reference and is not incorporated into this document by reference.

Dated: 25 May 2007

PART XVI NOTICE TO INVESTORS

The Common Shares have not been registered under the Securities Act or under any applicable US state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, US persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any applicable US state securities laws. The Common Shares are being offered and sold only to XLTG, as an accredited investor, pursuant to Regulation D and to Qualified Institutional Buyers, or QIBs, within the meaning of Rule 144A under the Securities Act and in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. As used herein, the terms ''United States'' and ''US person'' have the meanings given to them in Regulation S.

Each purchaser of Common Shares, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Company and with the Joint Lead Managers that it (1) is not an affiliate (as defined in Rule 144(a)(1) under the Securities Act) of the Company (except for XLTG), (2) not acting on the Company's behalf and (3) either (i) is not a US person and is acquiring such Common Shares for its own account or for the account of a non-US in an offshore transaction (as defined in Regulation S) pursuant to an exemption from registration provided by Regulation S (ii) is XLTG, as an accredited investor pursuant to Regulation D or (iii) is a QIB, is acquiring such Common Shares for its own account or for the account of one or more other QIBs and is aware (and each beneficial owner of such Common Shares has been advised) that the sale of such Common Shares to it is being made in reliance on Rule 144A.

No market exists for the trading of the Common Shares in the United States and none is expected to develop. The Common Shares purchased by US persons will be ''restricted securities'' as defined in Rule 144 under the Securities Act and may not be resold in the United States absent registration under the Securities Act and any applicable US state securities laws or pursuant to exemptions from the Securities Act and such laws. The Company does not intend to register the Common Shares under the Securities Act or any US state securities laws.

Each investor will be deemed to have represented and agreed as follows:

(i) It understands that the Common Shares purchased by it are being offered to it and may be transferred only in transactions not involving any public offering in the United States within the meaning of the Securities Act. It understands that the Common Shares have not been and will not be registered under the Securities Act or any US state securities laws. It agrees, for the benefit of the Company, any distributors or dealers and any such persons' affiliates, that, if in the future it decides to offer, resell, pledge or otherwise transfer such Common Shares purchased by it, any such offer, resale, pledge or transfer will be made in compliance with the registration requirements of the Securities Act and any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (iv) below.

(ii) It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Common Shares within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

(iii) Each distributor selling Common Shares to a distributor, a dealer (as defined in section 2(a)(12) of the Securities Act), or a person receiving a selling concession, fee or other remuneration, prior to the expiration of the one-year distribution compliance period, will send a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to a distributor.

(iv) It understands that in the event that any certificate is issued in respect of a Common Share, unless the Company determines otherwise in compliance with applicable law, such certificate may bear a legend to the following effect:

THIS COMMON SHARE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE ''SECURITIES ACT''), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THIS COMMON SHARE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, AND THIS COMMON SHARE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION. UNLESS THE

TRANSACTION IS EXEMPT FROM OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. EACH PURCHASER OF THIS COMMON SHARE IS HEREBY NOTIFIED THAT THE SELLER OF THIS COMMON SHARE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A UNDER THE SECURITIES ACT. THE HOLDER OF THIS COMMON SHARE AGREES FOR THE BENEFIT OF THE COMPANY, ANY DISTRIBUTORS OR DEALERS AND ANY SUCH PERSONS' AFFILIATES THAT (A) THIS COMMON SHARE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (I) FOR SO LONG AS THE COMMON SHARES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (III) UPON SATISFACTION TO THE COMPANY, IN ITS SOLE DISCRETION, EVIDENCED IN A WRITTEN REPRESENTATION LETTER FROM THE HOLDER OF THIS COMMON SHARE, IN A TRANSACTION TWO YEARS FOLLOWING THE LATER OF THE ORIGINAL ISSUE DATE OF THIS COMMON SHARE (OR OF ANY PREDECESSOR OF THIS COMMON SHARE) AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS COMMON SHARE AND OTHERWISE IN COMPLIANCE WITH RULE 144 OF THE SECURITIES ACT, (IV) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION (IN THE OPINION OF COUNSEL REASONABLY ACCEPTABLE TO THE COMPANY) FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT) UNDER THE SECURITIES ACT OR (VI) TO THE COMPANY, IN EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES, OF ANY STATE OF THE UNITED STATES AND OF ANY OTHER JURISDICTIONS AND (B) THE PURCHASER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS COMMON SHARE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

IN ADDITION, AS PROVIDED IN MORE DETAIL IN ARTICLE XIV OF THE CERTIFICATE OF INCORPORATION OF THE COMPANY, TRANSFER OF THIS COMMON SHARE MAY BE RESTRICTED UNDER CERTAIN CIRCUMSTANCES FOR FAILURE OF THE HOLDER OF THE COMMON SHARE TO PROVIDE A WRITTEN RESPONSE TO THE COMPANY FOLLOWING A REQUEST BY THE COMPANY TO PROVIDE INFORMATION REGARDING THE HOLDER'S BENEFICIAL OWNERSHIP OF, OR OTHER INTEREST IN, ANY SHARES OF THE CAPITAL STOCK OF THE COMPANY.

THE HOLDER AGREES THAT IF THE HOLDER OFFERS OR SELLS THE COMMON SHARES PRIOR TO THE EXPIRATION OF 365 DAYS AFTER THE CLOSING DATE OF THE OFFERING OF THE COMMON SHARES, THE HOLDER WILL NOT MAKE SUCH AN OFFER OR SALE TO A US PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) OR FOR THE ACCOUNT OR BENEFIT OF ANY SUCH US PERSON (OTHER THAN A DISTRIBUTOR). HOLDER ACKNOWLEDGES THAT THE COMPANY RESERVES THE RIGHT TO MAKE INQUIRIES OF ANY HOLDER OF THIS COMMON SHARE AT ANY TIME AS TO SUCH PERSON'S STATUS UNDER THE SECURITIES LAWS, AND TO REQUIRE ANY SUCH PERSON THAT HAS NOT SATISFIED THE COMPANY THAT SUCH PERSON IS HOLDING APPROPRIATELY UNDER THE SECURITIES LAWS TO TRANSFER SUCH COMMON SHARES OR INTERESTS IMMEDIATELY TO THE COMPANY. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE COMMON SHARES MAY NOT BE CONDUCTED OTHER THAN IN COMPLIANCE WITH RULE 903 UNDER THE SECURITIES ACT AND ANY OTHER APPLICABLE PROVISIONS OF THE SECURITIES ACT.

(v) It acknowledges that the Company reserves the right to make inquiries of any holder of Common Shares at any time as to such person's status under the securities laws and to require any such person that has not satisfied the Company that such person is holding appropriately under the US securities laws to transfer such Common Shares immediately to the Company.

(vi) It agrees that it will inform each subsequent purchaser of Common Shares from it of these transfer restrictions.

(vii) It acknowledges that the Company, the Registrar, any distributors or dealers or their affiliates, and others will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements. If it is acquiring the Common Shares for the account of a QIB, it represents that it has sole investment discretion with respect to such account and that it has full power to make the foregoing representations, acknowledgements and agreements on behalf of such account.

PART XVII DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

''Accudigm''	Accudigm Biomed Trading Prt. Ltd
''Act''	the Companies Act 1985, as amended
''Admission''	admission of the Common Shares to trading on AIM becoming effective in accordance with the AIM Rules
''Admission Document''	this document in respect of the Admission to AIM by TyraTech
''AIM''	the AIM market of the London Stock Exchange
''AIM Rules''	the rules for AIM companies and the rules for nominated advisers issued by the London Stock Exchange
''Arysta''	Arysta Life Science North America Corp.
''Board'' or ''Directors''	the directors of TyraTech, whose names are set out on page 9 of this document
''BPD''	Biocidal Products Directive
''COFEPRIS''	Agreement between the US Secretaries of Labour, Transportation, Health and Agriculture for the control of the importation of pesticides, fertilisers and toxic substances
''Combined Code''	the Combined Code on Corporate Governance published by the Financial Reporting Council in July 2006
''Common Shares''	shares of common stock in the Company of par value $0.001 per share
''Company'' or ''TyraTech''	TyraTech, Inc. (and prior to the merger described in paragraph 4 of Part XV: ''*Additional Information*'' shall mean TyraTech, LLC)
''Compound Annual Growth Rate'' or ''CAGR''	the year-over-year growth rate over a specified period of time
''CREST''	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by CRESTCo in accordance with the Uncertificated Securities Regulations 2001 (SI2001/3755), as amended
''CRESTCo''	CRESTCo Limited, the operator of CREST
''DGCL''	the General Corporation Law of the State of Delaware, as amended
''Ecosmart''	Ecosmart Technologies, Inc.
''Enlarged Issued Share Capital''	the issued share capital of the Company immediately following Admission
''EPA''	the US Environmental Protection Agency
''EU''	the European Union
''Euro'' or ''€''	the lawful currency of the European Economic and Monetary Union
''Exchange Act''	the US Securities Exchange Act 1934, as amended
''Executive Directors''	the executive directors of the Company, being Dr R. Douglas Armstrong, Mr Keith Edward Bigsby and Mr Richard Keith Brenner
''Expert's Report''	the report prepared by Cambridge Consultants Limited set out in Part XII
''FDA''	US Food and Drug Administration
''FIFRA''	Federal Insecticide, Fungicide and Rodenticile Act
''FSMA''	the Financial Services and Markets Act 2000 (as amended)

''Group''	includes TyraTech, Inc. and its subsidiaries TyraTech India and TyraTech India Private Limited
''IFRS''	International Financial Reporting Standards
''Institutional Placing''	that part of the Placing made by the Joint Lead Managers to non US persons in reliance on Regulation S and to QIBs in reliance on Rule 144A
''ISO''	International Standards Organisation
''Jefferies''	Jefferies International Limited in its capacity as joint bookrunner, joint lead manager and joint underwriter whose business address is Bracken House, 1 Friday Street, London EC4M 9JA
''Joint Lead Managers'' or ''Underwriters''	Nomura Code and Jefferies
''Kraft''	Kraft Foods Holdings, Inc (including Kraft Global, Inc)
''London Stock Exchange''	London Stock Exchange plc
''Millennium''	Millennium Speciality Chemicals Inc
''NAFTA''	North American Free Trade Agreement
''New Common Shares''	the 5,000,000 new Common Shares proposed to be issued by the Company under the Placing
''NDA''	New Drug Application
''NIMR''	National Institute for Malaria Research
''Nomura Code''	Nomura Code Securities Limited, in its capacity as nominated adviser, financial adviser, joint bookrunner, joint lead manager and joint underwriter whose business address is 1 Carey Lane, London EC2V 8AE
''OMRI''	Organic Materials Review Institute
''Operating Agreement''	the operating agreement of TyraTech, LLC
''PCT''	Patents Corporation Treaty
''Placing''	the placing of Common Shares described in Part IV: *''Details of the Placing''*
''Placing Agreement''	the conditional agreement entered into on 25 May 2007 between, *inter alia*, the Company, the Directors and the Joint Lead Managers, details of which are set out in paragraph 16.14 of Part XV: *''Additional Information''*
''Placing Price''	the price of 500 pence per share at which each New Common Share is to be issued under the Placing
''PPPD''	Plant Protection Products Directive
''Prospectus Rules''	the rules made for the purposes of Part VI of the FSMA in relation to offers of securities to the public admission of securities to trading on a regulated market
''QIB''	qualified institutional buyers, as that term is defined in Rule 144A of the Securities Act
''Regulations''	the Uncertified Securities Regulations 2001
''Regulation S''	Regulation S under the Securities Act
''Rule 144A''	Rule 144A under the Securities Act
''Scotts''	The Scotts Company LLC
''SEC''	the Securities and Exchange Commission
''Securities Act''	the US Securities Act of 1933, as amended
''Senior Management''	those members of the management bodies of the Company who are relevant to establishing that the Company has the appropriate expertise and experience for the management of its business for

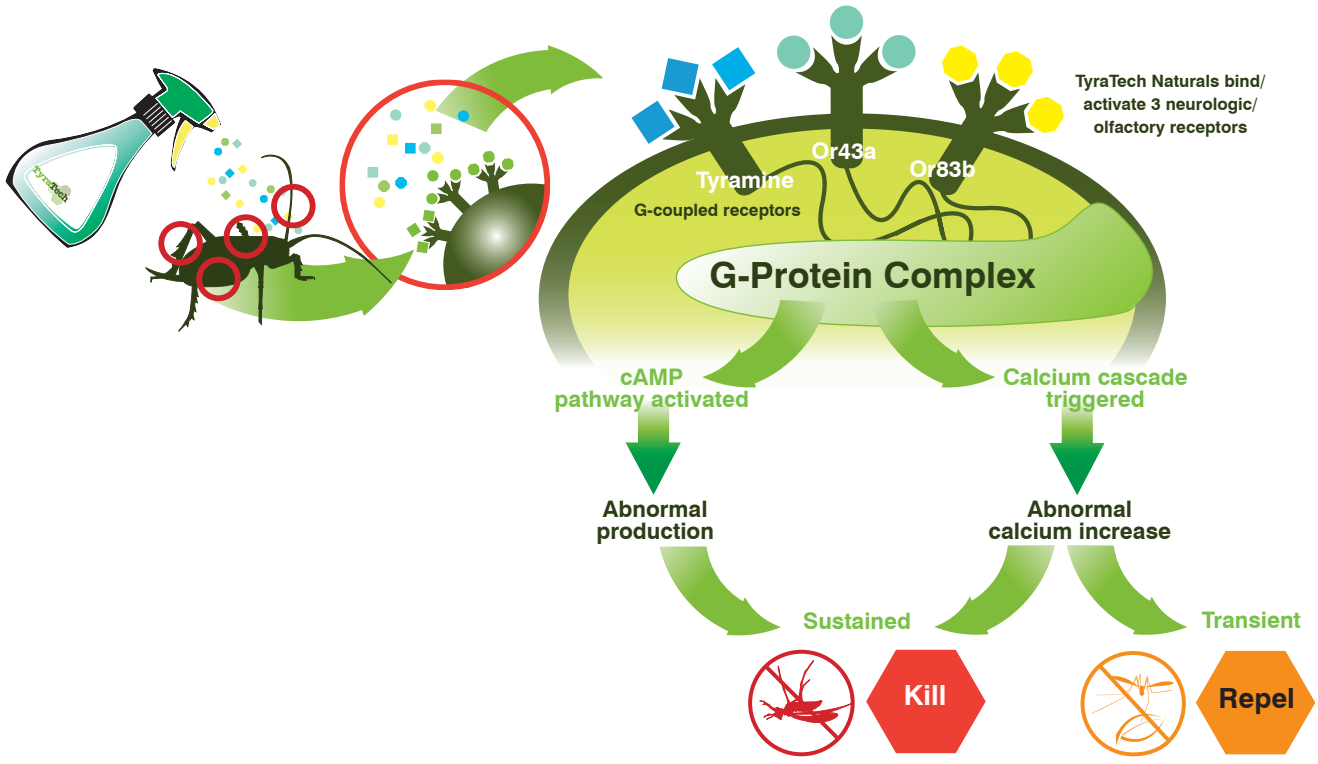
	the purposes of paragraph 14.1 of Annex I of the Prospectus Rules, being Dr Essam E Enan, Phd., Mr Robert Schweiger, Mr Joe Boylan and Mr Robert Nagro
''Shareholders''	holders of Common Shares
''Subscription Agreement''	the conditional agreement entered into on 25 May 2007 between the Company and XLTG, details of which are set out in paragraph 16.22 of Part XV: ''*Additional Information*''
''Subscription Shares''	the 500,000 New Common Shares sold by the Company and purchased by XLTG pursuant to the Subscription Agreement
''Syngenta''	Syngenta Group Protection AG
''TyraTech''	TyraTech, Inc. and/or its subsidiaries (or prior to the Placing, TyraTech, LLC and/or subsidiaries)
''TyraTech EXTEND Products''	the products described in paragraph 2.2 of Part VI: ''*Information on TyraTech*''
''TyraTech India''	TyraTech Holdings (India) LLC
''TyraTech Natural Products''	the products described in paragraph 2.1 of Part V: ''*Information on TyraTech*''
''UK'' or ''United Kingdom''	the United Kingdom of Great Britain and Northern Ireland
''UK GAAP''	generally accepted accounting principles in the UK
''UK Listing Authority''	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
''UK resident''	a person who is resident or ordinarily resident for tax purposes in the UK
''Underwriters'' or ''Joint Lead Managers''	Nomura Code and Jefferies
''USPTO''	United States Patent & Trademark Office
''US'' or ''United States''	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
''US/UK Double Tax Agreement''	the convention of 24 July 2001 between the Government of the United States and the Government of the United Kingdom for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Gains
''USDA''	United States Department of Agriculture
''US GAAP''	generally accepted accounting principles in the US
''US Person''	a citizen or permanent resident of the United States, as defined in Regulation S
''Vanderbilt''	Vanderbilt University whose business address is 2201 West End Ave., Nashville, Tennessee, USA
''WHO''	World Health Organisation
''WHOPES''	World Health Organisation Pesticides Evaluation Scheme
''XLTG''	XL TechGroup, Inc. whose business address is at 1901 Harbour City Blvd., Melbourne, Florida 32901, USA
''2007 Plan''	the TyraTech 2007 Equity Compensation Plan
''$'', ''dollar'' ''US dollar'' or ''cents''	the lawful currency of the United States
''£'', ''Sterling'', ''pounds'', ''pounds sterling'', ''p'' or ''pence''	the lawful currency of the United Kingdom

GLOSSARY OF TECHNICAL TERMS

''carbamates''	a group of insecticides that cause cholinesterase inhibition;
''GRAS''	generally regarded as safe;
''helminth''	intestinal parasites;
''herbicide''	a chemical substance used to destroy or inhibit the growth of plants, especially weeds;
''high throughput assay''	any of a group of assays designed to be repeatable in large numbers for the purposes of screening a large number of chemicals or organisms in a short period of time;
''insecticide''	a chemical substance used to kill insects;
''intra-cellular cAMP and calcium cascade pathway''	signal transduction pathways involving the second messengers, calcium and CAMP. These cascades serve to transmit a signal from an activated receptor of some sort (including G protein coupled receptors) to intracellular machinery responsible for generating a cellular response to activation of that receptor;
''knockdown''	a state of observable motor dysfunction of an insect;
''mammalian''	related to mammals;
''mammalian toxicity''	toxicity that affects mammals;
''neurological''	related to the nervous system;
''octopamine receptor''	receptor present in insects and activated by the binding of octopamine a neurohormone to the receptor;
''olfactory system''	the biological system responsible for the detection and response to volatile chemicals (smell);
''organophosphates''	a class of pesticides developed from the nerve gases of world war 2. These materials bind to acetylcholinesterase, and prevent cessation of neural activity leading to over stimulation of the nervous system in insects and death;
''parasiticide''	a chemical substance used to kill parasites;
''praziquantel''	medication used in treatment of parasitic infection;
''PCO''	pest control officer also can be pest control operator;
''pesticide''	a chemical used to kill pests, especially insects;
''pharma''	a shortened version of pharmaceutical;
''praziquantel''	medication used in treatment of parasitic infection;
''prophylaxis''	treatment of or prevention of disease;
''pyrethroids''	a pyrethroid is a synthetic chemical that kills most insects and is similar to the natural chemical pyrethrins produced by the flowers of pyrethrums;
''replicants''	repeated experiments;
''vector control''	control of insects that are carriers of disease.

imprima — C96275

TyraTech Naturals: targeted molecular activity



TyraTech Natural efficacy

→ Broad spectrum, competitive potency

Target Insect	Competitor Chemical	Test Measure	Results	
			TyraTech	Chemical
German cockroaches	Imiprothrin	Speed of kill	**26 seconds**	**48 seconds**
Ants	Imiprothrin	Speed of kill	**27 seconds**	**41 seconds**
Head lice	Pyrethins plus piperonyl butoxide	5 minute kill *in vitro*	**100%**	**44%**
Dust mites	Acarosan	Kill after 1 week	**90%**	**7%**
Mosquito repellent	5% DEET	6 hour repellence	**88%**	**62%**
Fungus gnat	S-Kinoprene	Dead at 3 days	**100%**	**17%**
Aphid	Pymetrozine	Dead at 1 day	**97%**	**5%**
White fly	Pyriproxyfen	Dead at 1 day	**173**	**12**

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