

28th September 2006

Eden Research plc (“Eden” or “the Company”)

Interim Results for the six months to 30th June 2006

Eden Research plc (OFEX:EDE), a leading UK agrochemical development company, today announces its interim results for six months ended 30th June 2006. Eden's strategy is focused on the development and commercialisation of terpene-based technology for agricultural use.

Business Highlights

- Substantial development with fieldwork trials in Europe and US
- Partnership development programme progressing well
- Further products anticipated over coming months following recent formulation work and screening activities

Financial Highlights

- Loss for the period of £1,180,000, in line with the company's expectations
- Turnover for the period of £103,000 (2005: £Nil) - derived from initial fees from the licensing agreements announced in the first half of 2006
- Administrative expenses £638,000 (2005: £620,000)

Tim Griffiths, Eden's Chief Executive said:

“We continue to progress our products towards commercialisation and in doing so our ongoing focus is two-fold.

- To concentrate on clearing the regulatory hurdles to bring our lead product to market; and
- To continue to identify new products and commercial opportunities.

“Our technology continues to attract strong interest from commercial partners, and we see this as being the most viable way to successfully achieve commercialisation of our developments.

“Further products should emerge over the next few months as a result of recent formulation work and screening activities.

“The wide interest in our technology is exciting, and we look forward with confidence to the future.”

For further information please contact:

Tim Griffiths, Chief Executive, Eden Research plc
T: 01993 868844

Jonathon Brill/Caroline Stewart, Financial Dynamics

T: 020 7831 3113

Chairman's Review

Following the conclusion of two licencing agreements with Redestos SA and Xeda International SA signed during the first quarter of 2006, the Company has been progressing negotiations with other major potential partners. It is anticipated that these should reach conclusions shortly, once 2006 field efficacy trial reports are concluded.

Field work and innovation

During 2006, our extensive programme of field trials in the USA, Norway, Greece, Portugal and Spain have indicated the reconfirmation of:

- The commercial potential of our botrytis product for use on grapes, fruit and vegetables; and
- The effectiveness of our Powdery Mildew product for use on glasshouse crops

In addition screening and field trials in the USA, South Africa, and the UK have added to our knowledge of the products with the greatest potential for commercial nematode control.

A raft of successful development work has also been completed at our lab at Worcester, Massachusetts to enhance product efficacy. These new combinations of encapsulated terpenes have already been manufactured on a small scale, and are immediately being trialed in greenhouse trials in Southern Europe.

Regulatory activity

Our ambitious regulatory programme has seen us prepare comprehensive safety and toxicity dossiers for presentation to EU and US regulators. Following discussions due shortly with the relevant authorities in both Europe and the US we will have the ability to report more accurately on the date for obtaining our first regulatory approval.

Partnership development programme

In addition to in house work, during 2006 the Company's Cooperative Development and Testing programme has seen work successfully taking place with five different partners in the following locations:

- **Thailand** and the **Philippines** - to identify the potential foliar and soil bacterial efficacy of our products under the challenging conditions found in the wet tropics
- **Austria** and **Switzerland** to test for efficacy of our products against botrytis, powdery and downy mildew in cooler climes
- **Portugal** to independently verify the efficacy of our botrytis control and powdery mildew products
- **France**, to assess products for botrytis and downy mildew
- The **UK** to assess nematicidal potential against potato nematodes with prominent European, US and SE Asian distributors and manufacturers; and
- **France** to assess products for potential post harvest uses

The partner companies involved continue to show high levels of interest in our technology, and have proposed further and more extensive R&D cooperation prior to concluding comprehensive commercial agreements with Eden.

Summary

Overall, therefore the situation remains positive as:

- Our technology continues to attract strong interest from commercial partners;
- Further products should emerge over the next few months as a result of recent formulation work and screening activities
- We anticipate confirmation of several of our patent applications in the coming year
- We are confident that the evidence of the robust efficacy of our lead product, for the treatment of Botrytis, and other product programmes ongoing, will shortly lead to significant new commercial agreements

Ken Brooks
Chairman

Eden Research plc
Profit and Loss Account for the six months ended 30 June 2006

| | Six months ended 30 June 2006 £'000 unaudited | Six months ended 30 June 2005 £'000 unaudite d | Year ended 31 December 2005 £'000 audited |
|--|--|---|--|
| Group Turnover | 103 | - | - |
| Cost of sales | - | - | - |
| Gross profit | 103 | - | - |
| Administrative expenses | (638) | (620) | (1,069) |
| Amortisation of intangible assets | (645) | (549) | (1,438) |
| | (1,180) | (1,169) | (2,507) |
| Other operating Income | - | 20 | 40 |
| Operating loss | (1,180) | (1,149) | (2,467) |
| Interest receivable | - | - | - |
| Interest payable | - | - | (111) |
| Loss on ordinary activities before taxation | (1,180) | (1,149) | (2,578) |
| Tax on loss on ordinary activities | - | - | - |
| Loss for the financial period | <u>(1,180)</u> | <u>(1,149)</u> | <u>(2,578)</u> |
| Loss per share (pence) – basic and diluted | 2.64 | 2.57 | 5.76 |

The above numbers have not been reviewed by the company's auditors

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