



NEWS RELEASE

ArborGen, Scion sign deal to benefit global forestry, develop new bio-based products

Summerville, S.C., January 3, 2007 -- ArborGen LLC and Crown Research Institute Scion of New Zealand have signed a multi-million dollar partnership deal in a move that will build significant biomaterials expertise and benefit the productivity of plantation forestry worldwide.

ArborGen based in Summerville, S.C., and Scion, based in Rotorua, New Zealand, have signed a research and development agreement to focus on the areas of gene discovery and molecular breeding for forest trees.

In addition, ArborGen and one of its investors, New Zealand-based Rubicon, have licensed their pine and eucalyptus Expressed Sequence Tags (EST) DNA databases to further the Scion discovery program and commercial relationship between the two entities.

The research will help improve tree growth and quality for both commercial forestry and biomaterials applications through faster identification of genes that will be of high value to increasing the productivity of commercial forest plantations.

ArborGen Chief Executive, Dr. Barbara Wells, says the partnership with Scion brings together two leaders in forestry biotechnology, creating exciting synergies for breakthrough discoveries and product development.

“There continues to be intense and growing global demand for wood products, in addition to renewable energy sources such as biofuels.

“ArborGen is a recognized leader in the development of new technologies and commercial products that will improve the sustainability and productivity of plantation forests, giving us the tools with which to meet that demand while, at the same time, reducing pressure on native forests.”

Dr. Wells notes that identifying, developing and applying preferred traits such as improved growth and superior wood quality are key objectives of ArborGen’s partnership with Scion.

Scion Chief Executive, Dr. Tom Richardson, says this partnership demonstrates how New Zealand researchers have recognized value on the world stage.

“We have the ability and expertise to cross international boundaries and we have the credibility in forestry science to attract international investment.”

He says the partnership is an exciting development for Scion, not only because of the research potential, but because of the very nature of the commercial relationship.

“The ArborGen partnership will ultimately lead to new discoveries for enhancing the growth and wood characteristics in trees. This will not only make our forestry industry more efficient and cost-effective, but will also enable New Zealand to build a stronger bio-based economy.”

Dr. Richardson predicts future plantation forests will be different to what they are now, with trees grown for a wider range of purposes such as to make ethanol or other biofuels, or grown with specific characteristics for manufacturing bio-based products.

Dr. Richardson says the partnership will also benefit Scion's unincorporated joint venture operation, Ensis, through the provision of tools leading to faster breeding of improved trees.

Scion's Group Manager Biomaterials Research, Dr. Elspeth MacRae, says the potential benefits from the research to New Zealand are numerous, and include positive economical and environmental values.

"Potential research outcomes include developing trees for specific purposes like pulp and paper, so fewer chemicals and energy are needed in the manufacturing process," says Dr. MacRae.

She says research advances in this area will also help boost production in marginal areas as shorter rotation crops for use as biomass feedstock, could be planted on lesser quality land.

ArborGen's Chief Technology Officer, Dr. Maud Hinchee, says her team is looking forward to jointly creating opportunities to generate new products for trees grown on working plantations.

"Scion and ArborGen are both leaders in research in wood and wood products. Together, through the application of biotechnology, we will enhance our ability to make significant advances in the discovery and commercialization of new bio-based products from wood, one of our most versatile renewable resources."

Dr. Hinchee says ArborGen and Scion will jointly explore specific characteristics such as wood quality and growth rates, key components of cultivating trees for renewable energy and biofuels.

Background

Scion is a New Zealand Crown Research Institute that has been recognized as a leader in forestry science since its beginnings as New Zealand Forest Research Institute in 1947. Through its Biomaterials Strategy, Scion has extended its research programs to encompass the development of new biomaterials from renewable resources in order to meet growing consumer demand and increasing global needs.

ArborGen is a global leader in the research, development and commercialization of applications and solutions in genetic technology that improve forest sustainability and productivity. ArborGen is dedicated to developing trees with improved growth characteristics on less land, thus conserving wild forests in all their diversity and complexity for future generations.

###