



**R&D AGREEMENT WILL ACCELERATE ACHIEVEMENT OF
RENEWABLE ENERGY RESOURCE**

**NOVACTA BIOSYSTEMS AND TMO BIOTEC ANNOUNCE COLLABORATION ON
BIOFUEL RESEARCH**

20th September 2004, Hatfield UK

Novacta Biosystems Limited and TMO Biotec Limited today announced that they have signed an agreement to collaborate on the development of biofuels as sources of renewable energy.

The cost of biofuels, including bioethanol, are still too high compared with traditional fossil fuels – even though the environmental advantages of these alternative energy sources are undisputed. At present, methods employed for the production of biofuels suffer from low productivity; other novel biological approaches are affected by efficiency and contamination problems.

TMO has proprietary technology that allows the production of biologically derived fuels from agricultural waste materials and that offers significant advantages over current approaches. Their aim is to rapidly develop this technology into a robust system with high rates and yields of product formation and to take this to a stage where it can be used at full production scale.

TMO 's technology platform is based on a select group of micro-organisms collected from around the globe. Their unique characteristics, TMO's exclusive access rights to culture collections, accumulated know-how and growing patent portfolio give the company a commanding lead.

Novacta has a well recognised expertise in manipulating biological systems, including natural products and natural catalysts. Novacta will apply its experience in genetics and biosynthetic pathway engineering together with its knowledge of enzyme systems and fermentation science to develop and enhance the characteristics of TMO's proprietary micro-organisms.

TMO and Novacta will collaborate to develop this technology into a commercially viable manufacturing process and so achieve the environmentally, socially and politically desirable target of a robust and cost effective method of generating renewable fuels.

“We are excited about our involvement in this project presenting, as it does, the opportunity to apply our scientific knowledge to the worthwhile target of renewable energy sources.” said Dr Fiona Marston, CEO of Novacta. *“We are also pleased to be collaborating with TMO who are at the forefront of research in biofuels”.*

Commenting on the agreement, Dr Joachim Lukas, Managing Director of TMO, said *“We are delighted to be working with Novacta on what is a significant project for TMO. They bring a highly regarded team of specialists whose expertise extends our own capabilities and will contribute to the development and commercialisation success of our technology.”*

The results of this work will have a major impact upon fuel production by providing an alternative, “green” process for fuel production that has a wide geographical application.

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For further information or enquiries contact:

Dr John Sime
Business Development Director
Novacta Biosystems Limited
UH Innovation Centre
College Lane
Hatfield
Herts
AL10 9AB
john.sime@novactabio.com
Tel: 01707 281038
Fax: 01707 281059

Dr Joachim Lukas
Managing Director
TMO Biotec Limited
Surrey Technology Centre
40 Occam Road
Guildford
Surrey
GU2 7YG
jhlukas@tmo-group.com
Tel: 01483 688290
Fax: 01483 688292

www.novactabio.com

www.tmo-group.com

Editors' note:

Novacta Biosystems Limited is a privately owned company based in Hatfield UK. Novacta uses its platform of biotransformation and biosynthetic engineering technologies in research and development services for the pharmaceutical, chemical, food and cosmetic industries, and in research and development of its own novel drug compounds.

TMO Biotec Limited is private company based in Guildford UK. TMO Biotec has developed proprietary technology that will revolutionise the way in which renewable fuels, such as bioethanol and industrial chemicals are produced. TMO are developing a strong IP platform to capitalise on proprietary knowledge and technology in biocatalysis and bioprocessing. With the strong global drive towards low impact, sustainable industrial processes the market for TMO technology is rapidly expanding. Biofuels are currently the only affordable route to drastically reduce CO₂ emissions for transportation fuels.

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