

Press Release

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For immediate release**Media Inquiries:**

Jana Goedicke, BASF SE, +49.621.60.28261

Jake Mortensen, MarCom Specialist, AgraQuest, Inc
+1 530-750-0150 x114 office / +1 530-383-7000 cell**BASF and AgraQuest Announce Agreement for the
Bio-fungicide Serenade®**

- **Serenade gives growers new opportunity for disease control**
- **Innovative product perfect complement BASF's spray programs**

LUDWIGSHAFEN, GERMANY and DAVIS, CA, USA (April 2, 2009) – BASF (DAX: BAS) and AgraQuest Inc have entered into a license, supply and distribution agreement for Serenade®, a leading bio-fungicide product with highly effective disease control. The deal will allow BASF to distribute existing Serenade products. The parties have agreed not to disclose financial terms.

The agreement gives BASF rights to Serenade for foliar and drench applications in agricultural crops in many countries throughout Europe, Africa, Middle East, Asia and Latin America. These rights include exclusive distribution in countries not covered by existing AgraQuest partnerships.

Growers will see many benefits from the partnership.

- Serenade provides growers with a unique solution for unmet needs in the food production value chain as a highly effective fungicide and bactericide which can also be sprayed shortly before harvest.

- Additionally, Serenade provides growers with an excellent fungicide resistance management tool: the Fungicide Resistance Action Committee (FRAC) recently added Serenade to its list of approved products.
- Growers also gain access to high-value markets with strict pesticide residue restrictions due to Serenade's exemption from residue tolerances.

“Serenade is an innovative bio-fungicide that offers a novel solution to farmers battling crop diseases,” says Markus Heldt, head of BASF's global crop protection division. “Serenade is an ideal fit with our existing line of fungicide products and will play an important role in BASF's spray programs.”

BASF will distribute two ready formulations, the liquid Serenade[®] ASO and the wettable powder Serenade[®] MAX.

“We are very pleased to be partnering with BASF to develop Serenade” said AgraQuest CEO Marcus Meadows-Smith. “Serenade has become a market leader in several crops and markets. BASF's reputation and extensive global sales network will dramatically expand the awareness and use of Serenade, benefiting both growers and consumers. We are convinced that BASF is the company best positioned to develop spray programs including Serenade that will deliver enhanced disease control, as well as the flexibility of resistance management, shorter pre-harvest and restricted-entry intervals, and lower regulated residues.”

The patented active ingredient in Serenade, *Bacillus subtilis* strain QST 713, is registered as a fungicide in 25 countries and has obtained Annex 1 listing in the EU. Serenade has proven its broad spectrum disease control on over 50 crops through 6,000 field trials worldwide.

BASF's initial focus will be to launch Serenade in Brazil, the world's largest fungicide market, and obtain registrations in Germany, Austria, Netherlands, and Belgium, as well as expand global sales on bananas.

Press photographs:

are available for download at www.basf.de/pressphotos

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About BASF

With sales of € 3.4 billion in 2008, BASF's Crop Protection division is a leader in crop protection and a strong partner to the farming industry providing well-established and innovative fungicides, insecticides and herbicides. Farmers use these products and services to improve crop yields and crop quality. Other uses include public health, structural/urban pest control, turf and ornamental plants, vegetation management, and forestry. BASF aims to turn knowledge rapidly into market success. The vision of BASF's Crop Protection division is to be the world's leading innovator, optimizing agricultural production, improving nutrition, and thus enhancing the quality of life for a growing world population. Further information can be found on the web at www.agro.basf.com.

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics and performance products to agricultural products, fine chemicals as well as oil and gas. As a reliable partner BASF helps its customers in virtually all industries to be more successful. With its high-value products and intelligent solutions, BASF plays an important role in finding answers to global challenges such as climate protection, energy efficiency, nutrition and mobility. BASF has approximately 97,000 employees and posted sales of more than €62 billion in 2008. Further information on BASF is available on the Internet at www.basf.com.

About AgraQuest Inc

As a leader in innovative biological and low-chemical pest management solutions, AgraQuest is at the forefront of a shift in how food is grown. Through its Agrochemical and BioInnovations Divisions, AgraQuest focuses on discovering, developing, manufacturing and marketing highly effective biological and low-chemical pest, disease control and yield enhancing products for the agricultural, home & garden and food safety markets. AgraQuest

has its own direct sales force in the NAFTA crop protection markets, and sells its products through a network of distributors and partners in other global regions as well as in several non-agriculture related markets.

AgraQuest has been recognized as a global innovator in the biochemical and clean-tech industries, having received several environmental awards including the Presidential Green Chemistry Award from the U.S. Environmental Protection Agency for the discovery and commercialization of the biofungicide SERENADE® and the World Technology Award for the Environment. For more information about AgraQuest, please visit www.agraquest.com.