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AgraQuest Inc. Secures \$20 Million in Financing

Selective International Investor Funds U.S.-Based Biopesticide Leader

DAVIS, Calif. (Dec. 3, 2007) – AgraQuest Inc. announced today the completion of a \$20 million round of mezzanine financing with Loudwater Trust Limited of the United Kingdom and its existing investors including TPG Ventures. The deal will provide AgraQuest, a biopesticide leader, with the financial resources to capitalize on growing market opportunities and help fund new product launches.

"The ability to attract the support of a discerning investor such as Loudwater Trust exemplifies AgraQuest's status within the biopesticide industry," said CEO/COO of AgraQuest, Dr. Mike Miille. "Global demand for biopesticides in general, and AgraQuest's products specifically, is accelerating. As a result, the investment community is enthusiastic about our prospects."

In part, the new funds will provide AgraQuest with the capital needed to develop its product line and expand its international footprint. Over the next two years the company anticipates bringing five new products to the U.S. market, including an insecticide, a novel biofungicide, and a fumigant. Additionally, AgraQuest will continue to aggressively expand its international offerings in Europe, Central America and Asia.

"AgraQuest has just begun to scratch the surface of the vast global opportunities for growth," said Edward Forwood, Managing Director for Loudwater Investment Partners Limited. "The European market in particular is moving rapidly in support of cleaner, more environmentally sensitive, and safer food inputs that deliver efficacy. AgraQuest's existing products and the products in development meet or exceed the efficacy of traditional chemicals and are, therefore, very exciting."

According to a recent report from BCC Research, the global biopesticide market is expected to nearly double between 2005 and 2010 to more than \$1 billion. As demand increases for effective pesticides that address growing concerns about resistance, residue and worker safety, AgraQuest has positioned itself as the recognized innovation leader in the industry with both broad-spectrum and targeted products that are safe, effective, and approved for use on a wide range of crops.

Also participating in the deal with Loudwater Trust Limited and TPG Ventures are current AgraQuest investors Otter Capital, Halcyon Capital, Foragen Technologies Management Inc., Swiss Re, Emerald Technologies, and SPG Private Investment Inc. Based in London, Loudwater Trust Limited is a close-ended investment company

typically aimed at providing late-stage funding for private companies preparing for initial public offerings.

About AgraQuest

AgraQuest is a biotechnology company that focuses on developing, manufacturing and marketing effective, safe and environmentally friendly natural pest management products for agricultural, institutional and home markets. The company sells SERENADE[®], SERENADE[®] Garden, RHAPSODY[®], SONATA[®] and BALLAD[®] fungicides. AgraQuest received the Presidential Green Chemistry Award from the EPA for the discovery and commercialization of SERENADE Biofungicide. In 2004, AgraQuest received a Red Herring Top 100 Private Company Award and the World Technology Award for the Environment. The company's headquarters are located in Davis, California.

Certain matters contained in the press release concerning AgraQuest, Inc. are forward-looking statements which are subject to known and unknown risks and uncertainties which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Such risks and uncertainties include, among others, the receipt of EPA and other regulatory approval of the Company's products, the success of the Company's products in field trials and the timely development, manufacture and marketing and acceptance of the Company's products in the marketplace.