



NEWS RELEASE

Ceres and Noble Foundation Establish Collaboration for New Energy Crops

Initial programs to focus on development of high-yield switchgrass varieties for fuel ethanol

THOUSAND OAKS, CA, and ARDMORE, OK – June 7, 2006 – Ceres, Inc. and The Samuel Roberts Noble Foundation, Inc. today announced a broad, long-term collaboration for the development and commercialization of new, advanced biomass crops for fuel ethanol production.

“The Noble Foundation is the world’s premier organization for conventional and molecular breeding of switchgrass and other perennial grass crops useful for renewable energy production,” said Dr. Richard Hamilton, Chief Executive Officer of Ceres. “Combining the Noble Foundation’s extensive breeding infrastructure and experience base with Ceres’ advanced genomics technologies creates a powerful pipeline for commercializing improved energy crop varieties to meet the projected market for cellulosic ethanol.”

“We anticipate that this collaboration will position Ceres to be the premier provider of energy crop germplasm, enabling a deep pipeline of products tailored to meet the energy needs of targeted geographical regions of the U.S. and the world. This represents an important and exciting step toward establishing Ceres as the leading provider of dedicated energy crop varieties,” added Hamilton.

In his January 28, 2006 State of the Union address, President Bush emphasized that the U.S. must break its addiction to foreign sources of energy and outlined an initiative to make fuel ethanol from renewable energy crops such as switchgrass by 2012. He indicated a long-range goal of replacing more than 75% of U.S. oil imports from the Middle East with fuel ethanol by 2025 and replacing 30% of current U.S. petroleum consumption with biofuels by 2030. Switchgrass, a perennial grass native to the prairies of North America, has been identified by the U.S. Department of Energy as the primary target for development as a cellulosic fuel crop. It is estimated that switchgrass and other energy crops grown in the U.S. have the potential to produce over 100 billion gallons of ethanol per year while still allowing food, animal feed and export demands to be met. Moreover, switchgrass has shown the potential to be productive in regions and on lands incapable of supporting traditional food crops.

“Energy crops represent an important opportunity for agricultural producers, rural economies and producers and users of transportation fuels,” said Michael A. Cawley, President of the Noble Foundation. “This collaboration is an opportunity to participate in the development of new markets for agricultural producers and to expand agricultural production into non-productive or marginal lands using environmentally beneficial crops and practices.”

“Many speak of the potential for cellulosic ethanol production in the next decade. We will have advanced varieties in the near-term to assist in developing this industry,” said Hamilton. “Seed of an advanced switchgrass variety, an initial product of this relationship, is already being

multiplied in preparation for commercialization. This variety has been in development for a decade and consistently shows yield improvement of 20-35% over common varieties in comprehensive, multi-site field trials across the southeastern U.S.”

Under the terms of the agreement, Ceres will obtain an exclusive license to elite switchgrass germplasm and advanced varieties developed by breeders at the Noble Foundation as well as to varieties in-licensed to Noble’s breeding programs. Initial projects under the collaboration agreement will expand upon the conventional and molecular breeding program at the Noble Foundation through integration of markers and other genomic technologies for development of enhanced switchgrass varieties and other energy crops for biomass and ethanol production. In addition, the Noble Foundation will undertake a practical, applied program for development of agronomic systems and best management practices aimed at optimizing biomass production and agriculture producer-education.

About Ceres

Ceres, Inc. (www.ceres.net), headquartered in Thousand Oaks, CA, is a privately-held plant biotechnology company utilizing cutting-edge genomics technologies to deliver sustainable solutions in energy production, agriculture, human health and nutrition. Ceres utilizes its proprietary genomics technologies including full-length cDNA sequencing, targeted gene activation, high-throughput screening platforms, and plant breeding with trait-linked marker-assisted breeding, to identify and deploy genes and traits required for the production of elite plant varieties and hybrids. Ceres is developing energy crops such as switchgrass, miscanthus and poplar for cellulosic ethanol as well as leveraging its technologies into established multi-billion dollar markets through strategic partnerships. Since 2002, Ceres has been deploying its traits and technologies in traditional row crops such as corn and soybean as part of a multi-year, \$137 million license-based agreement with Monsanto.

About The Samuel Roberts Noble Foundation

The Samuel Roberts Noble Foundation, Inc. (www.noble.org), headquartered in Ardmore, Okla., is a nonprofit organization conducting agricultural, forage improvement and plant biology research; assisting farmers and ranchers through educational and consultative agricultural programs; and providing grants to nonprofit charitable, educational and health organizations.

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