FINANCIAL STATEMENTS

DELTAGEN, INC.

CONSOLIDATED BALANCE SHEET
(UNAUDITED)

Consolidated Balance Sheet
As of 06/30/10

(In Thousands)	Unaudited 6/30/10 Consolidated
Assets	
Current assets:	
Cash and cash equivalents	4,816
Accounts receivable, net	345
Prepaids, Deposits and Tax Assets	553
Total current assets	5,714
Property and equipment, net	56
Goodwill	224
Non-current portion of deferred tax assets	1,586
Total assets	7,580
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable	245
Accrued expenses	119
Total liabilities	364
Stockholders' equity:	
Common stock	39
Treasury Stock	(867)
Additional paid-in capital	230,617
Retained Earnings	(222,975)
Foreign currency translation adjustment	402
Total stockholders' equity	7,216
Total liabilities and stockholders' equity	7,580

The accompanying notes are an integral part of these consolidated financial statements.

DELTAGEN, INC.

CONSOLIDATED INCOME STATEMENTS
(UNAUDITED)

Consolidated Income Statement and Statement of Retained Earnings
For Quarter Ended 06/30/10

(Dollars In Thousands)	Unaudited 6/30/10 Consolidated
Revenue	568
Royalty and Commission Expenses	160
Operating Expenses	614
Income From Operations	(207)
Interest Income	4
Income before provision for income taxes	(203)
Provision for income taxes	
Current income tax expense	-
Deferred income tax expense	-
Adjustment for valuation allowance	-
Total income tax expense/(income)	0
Net Income (Loss)	(203)
Retained earnings at beginning of period	(222,773)
Retained earnings at end of period	(222,975)

The accompanying notes are an integral part of these consolidated financial statements.

DELTAGEN, INC.

CONSOLIDATED CASH FLOWS
(UNAUDITED)

Consolidated Cash Flows **For Quarter Ended 06/30/10** **(Dollars In Thousands)**	Unaudited 6/30/10 Consolidated
Cash flows from operating activities:	
Net Income (Loss)	(203)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	3
Stock-based compensation expense	1
Loss on disposal of fixed assets	-
(Increase)/Decrease in operating assets	
Accounts receivable	(29)
Prepaids, deposits and tax assets	(513)
Purchase of assets	-
Deferred tax assets	-
Increase/(Decrease) in operating liabilities	
Accounts payable	116
Accrued expenses	(16)
Change in goodwill	-
Dividends Paid	-
Net Increase/(Decrease) in cash	(640)
Effect of foreign exchange rate change on cash and cash equivalents	-
Cash and cash equivalents, at beginning of period	5,455
Cash and cash equivalents, at end of period	4,816

The accompanying notes are an integral part of these consolidated financial statements.

DELTAGEN, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR QUARTER ENDED JUNE 30, 2010
June 30, 2010

1. Basis of Presentation

The accompanying consolidated financial statements of Deltagen, Inc. ("Deltagen" or the "Company") for the three-month period ended June 30, 2010 are unaudited, but have been prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for financial information.

These consolidated financial statements have been prepared so that they present fairly, in the opinion of management, the Company's financial position and its results of operations and its cash flows for the periods presented. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included.

The preparation of consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the amounts that are reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on the Company's best knowledge of current events and actions that the Company may undertake in the future, actual results may differ materially from the estimates.

Under our revenue recognition policy, revenues are recognized when a definitive agreement with a determinable price exists, product delivery and/or invoicing (in each case where there is reasonable assurance of meeting customer-specified criteria) have occurred, and collectability is reasonably assured.

Cash and cash equivalents include cash in banks and money market mutual funds with a maturity of three months or less when purchased.

The Company has incurred expenditures relating to the pursuit of patent rights covering certain of its products and technologies. These expenditures have not been capitalized because, in the Company's opinion, the probability of future benefits from such patent rights cannot at present be reasonably assessed and/or the useful life of such assets cannot be reasonably estimated.

Property and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of assets ranging from three to seven years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred. When an asset is sold or retired, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss on disposition is recognized in the current year.

The Company accounts for income taxes under the liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. In the calculation of the deferred tax assets, the Company established a 98% valuation allowance due to uncertainties relating to future income and the realization of such deferred tax assets. The Company currently intends to evaluate and adjust on an ongoing basis, based on expected income, the recoverability of the deferred tax assets and the level of the valuation allowance.

For further information, refer to the financial statements and related notes posted on the Company's website (www.deltagen.com).

2. Treatment of Subsidiaries

The consolidated financial statements include the accounts and activities of the Company's wholly-owned subsidiaries, Deltagen Research Laboratories, L.L.C., Xenopharm, Inc. and Benten BioServices, Inc.

Intercompany transactions and balances are eliminated in consolidation.

3. Stock-Based Compensation

The Company's stock awards are governed by its 2000 Stock Incentive Plan (a qualified stock option plan under Internal Revenue Code), as amended (the "Plan").

In determining the valuation of stock options granted under the Plan, the Company adopted the fair value recognition provisions of FASB Statement No. 123(R), by which the compensation cost for stock-based payments are based on the grant-date fair value estimated in accordance with the provisions of Statement 123(R). Stock-based compensation is recognized on the straight-line basis.

On December 21, 2009, the Company issued stock options to certain directors and officers of the Company. For more information on these stock option grants, please refer to Management's Discussion & Analysis for the quarter and year ended December 31, 2009, which is posted on the Company's website.

The Company's net income for the quarter ended June 30, 2010 reflects a stock-based compensation expense of $0.001 million.

4. Facility Lease

During the second quarter, Benten entered into a lease for a facility in Malvern, Pennsylvania covering approximately 35,000 square feet. Base rent will be $75,000 per month for the first year, increasing upward annually by two percent (2%). Payments of base rent under the lease will commence seven months following Benten's taking possession of the facility. In addition to the base rent, Benten will pay its pro-rata share (34%) of the building operating expenses (estimated to initially be $13,000 per month). The lease runs until June 2021. The landlord will be providing to Benten tenant improvements of $2,117,000. Benten at its option may increase the amount of tenant improvements provided by the landlord (up to a total of $3,800,000 of tenant improvements), in which event Benten will pay additional rent to the landlord to amortize such additional costs. Deltagen entered into a lease guaranty in favor of the landlord to guarantee payments under the lease during the first four years rent is payable. This liability of Deltagen under the guaranty is capped at $3,800,000.