

Deltagen Reports 2011 First Quarter Financial Results

SAN MATEO, California, June 9, 2011 - Deltagen, Inc. (Pink Sheets: DGEN), a leading provider of drug discovery tools to the biopharmaceutical industry, today reported unaudited consolidated financial results for the three months ended March 31, 2011.

Revenues: The Company's consolidated revenues for the three months ended March 31, 2011 totaled \$0.266 million. The revenues in the first quarter were attributable primarily to license fees associated with the provision of knockout mice and related phenotypic data pursuant to orders placed by customers under the Company's DeltaOne™ program.

Expenses: Total consolidated expenses for the three months ended March 31, 2011 were \$0.668 million. The expenses in the first quarter were attributable primarily to labor costs and other general and administrative expenses, together with \$0.101 million in royalty and commission expenses.

Net Losses: Consolidated net losses before provision for income taxes for the three months ended March 31, 2011 were \$0.402 million.

Cash, Cash Equivalents and Accounts Receivable: As of March 31, 2011, the Company had \$2.353 million in consolidated cash and cash equivalents, compared to \$3.530 million as of December 31, 2010, and had \$0.155 million in accounts receivable. The decline in cash and cash equivalents was due to investment in the Company's Malvern, Pennsylvania facility and losses for the period. To date \$2.675 million has been invested in the Malvern facility, not including tenant improvements, the cost of which will be amortized over the term of the facility lease. The Company will require additional capital by the fourth quarter of 2011 in order to fund its operations.

Major Events During Q1 2011 and Subsequent Events:

Deltagen BioServices: In May 2011, the name of the Company's wholly-owned subsidiary, Benten BioServices, Inc., was changed to Deltagen BioServices, Inc. ("Deltagen BioServices") in order to present a more consistent and familiar branding to our customers and investors. Deltagen BioServices completed installation of capital equipment in late January 2011 and was issued a temporary certificate of occupancy on February 7, 2011. Deltagen BioServices initiated in early March 2011 qualifications for the installed equipment. Following negotiations with the landlord of Deltagen BioServices' facility with respect to certain delays in its completion, the parties agreed to set the term commencement date of the lease as April 1, 2011 and the rent commencement date as October 1, 2011. Deltagen BioServices initiated commissioning and validation of the facility in late April 2011 and expects to commence commercial GMP-compliant operations in the first half of the third quarter of 2011. As of June 1, 2011, Deltagen BioServices had six full-time employees and one part-time employee.

Board of Directors: Deltagen BioServices' President and Chief Executive Officer, Ms. Paula MacDonald, was appointed to the Company's Board of Directors on April 29, 2011.

Management Changes: The Company's Chief Operating Officer, Dr. Winston Thomas, tendered his notice of resignation on June 3, 2011. Dr. Thomas will be employed by the

Company until June 17, 2011, at which time his responsibilities will be assumed by the Company's CEO, Dr. Robert Driscoll.

The unaudited consolidated financial statements for the first quarter of 2011, accompanying notes, and Management's Discussion and Analysis of Financial Conditions and Results of Operations for such period will be posted on Deltagen's website (www.deltagen.com).

About Deltagen

Deltagen, Inc. is a leading provider of drug discovery tools to the biopharmaceutical industry. Deltagen offers access to its extensive inventory of knockout mouse lines and related phenotypic data, which enhance the efficiency of target validation and drug discovery. In addition, Deltagen offers target validation data in the areas of immunology and metabolic diseases. Deltagen's products and programs have been validated by customers and partners such as Eli Lilly & Co., GlaxoSmithKline, Merck & Co., Inc. and Pfizer Inc. Deltagen BioServices, Inc., a wholly-owned subsidiary of Deltagen based in Malvern, Pennsylvania, will provide regulatory-compliant services to support the development and commercialization of biopharmaceutical products. Deltagen BioServices' services are designed to address specific requirements for critical stages in product development, including biosafety testing, raw materials testing, assay and process validation services, cell banking and characterization services, and technology platform-specific R&D support and consulting services. For more information on Deltagen, visit the Company's website at www.deltagen.com.

Safe Harbor Statement

This press release contains "forward-looking statements," including statements about Deltagen's future revenues, cash flows and operating results, first-party royalty obligations and first-party licenses and intellectual property, Deltagen BioServices' business plans, as well as other matters that are not historical facts or information. These forward-looking statements are based on management's current assumptions and expectations and involve risks, uncertainties and other important factors, specifically including those relating to Deltagen's ability to achieve its operational objectives and revenue projections, that may cause Deltagen's actual results to be materially different from any future results expressed or implied by such forward-looking statements. There are no assurances that the Company will declare any future dividends. Information identifying such important risk factors is contained in "Management's Discussion and Analysis of Financial Conditions and Results of Operations", which can be found at Deltagen's website at www.deltagen.com. Deltagen undertakes no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

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DELTAGEN, INC.
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

Consolidated Balance Sheet
As of 03/31/11

(Dollars In Thousands)	<u>Unaudited</u> 3/31/11 <u>Consolidated</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 2,353
Accounts receivable, net	155
Prepaid expenses, deposits and deferred tax assets	<u>539</u>
Total current assets	\$ 3,048
Property and equipment, net	1,961
Goodwill	224
Non-current portion of deferred tax assets	1,586
Total assets	<u><u>\$ 6,819</u></u>
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable	\$ 335
Accrued expenses	<u>39</u>
Total liabilities	\$ 374
Stockholders' equity:	
Common stock	39
Treasury Stock	(867)
Additional paid-in capital	230,638
Retained Earnings	(223,768)
Foreign currency translation adjustment	<u>402</u>
Total stockholders' equity	\$ 6,444
Total liabilities and stockholders' equity	<u><u>\$ 6,819</u></u>

DELTAGEN, INC.

CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

**Consolidated Income Statement and
Statement of Retained Earnings
For Quarter Ended 03/31/11**

(Dollars In Thousands)	Unaudited 3/31/11 <u>Consolidated</u>
Revenue	\$ 266
Royalty and Commission Costs	101
Other Operating Costs	<u>567</u>
Income From Operations	\$ (694)
Interest Income	10
Income before provision for income taxes	<u>\$ (685)</u>
Total income tax expense	-
Net Income (Loss)	<u>\$ (685)</u>
Retained earnings at beginning of period	<u>(222,683)</u>
Retained earnings at end of period	<u><u>\$ (223,367)</u></u>

DELTAGEN, INC.
CONSOLIDATED CASH FLOWS
(UNAUDITED)

Consolidated Cash Flows
For Quarter Ended 03/31/11
(Dollars In Thousands)

Unaudited
3/31/11
Consolidated

Cash flows from operating activities:

Net income (loss)		\$ (401)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		3
Stock-based compensation expense		14
Loss on disposal of fixed assets		-
(Increase)/decrease in operating assets		
Accounts receivable		133
Prepaid expenses, deposits and deferred tax assets		18
Purchase of assets		(994)
Deferred tax assets		-
Increase/(decrease) in operating liabilities		
Accounts payable		101
Accrued expenses		(49)
Change in goodwill		-
Dividends paid		-
Net Increase/(decrease) in cash		\$ (1,117)
Effect of foreign exchange rate change on cash and cash equivalents		-
Cash and cash equivalents, at beginning of period		3,530
Cash and cash equivalents, at end of period		2,353