UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2006

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-31326

SENESCO TECHNOLOGIES, INC.
(exact name of registrant as specified in its charter)

Delaware	**84-1368850**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

303 George Street, Suite 420
New Brunswick, New Jersey 08901
(Address of principal executive offices)

(732) 296-8400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes: ☒ No: o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer o Accelerated filer o Non-accelerated filer ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes: o No: ☒

As of April 30, 2006, 15,477,388 shares of the issuer's common stock, par value $0.01 per share, were outstanding.

SENESCO TECHNOLOGIES, INC. AND SUBSIDIARY

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PART I. FINANCIAL INFORMATION.

Item 1. Financial Statements.

Certain information and footnote disclosures required under generally accepted accounting principles have been condensed or omitted from the following consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. However, Senesco Technologies, Inc., a Delaware corporation, and its wholly owned subsidiary, Senesco, Inc., a New Jersey corporation (collectively, "Senesco" or the "Company"), believe that the disclosures are adequate to assure that the information presented is not misleading in any material respect.

The results of operations for the interim periods presented herein are not necessarily indicative of the results to be expected for the entire fiscal year.

SENESCO TECHNOLOGIES, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2006 (unaudited)	June 30, 2005
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 442,511	$ 291,858
Short-term investments	2,071,495	3,941,627
Prepaid expenses and other current assets	79,329	156,544
Total Current Assets	2,593,335	4,390,029
Long-term investments	—	247,768
Property and equipment, net	15,243	30,038
Intangibles, net	1,955,446	1,438,119
Security deposit	7,187	7,187
TOTAL ASSETS	$ 4,571,211	$ 6,113,141
LIABILITIES AND STOCKHOLDERS' EQUITY		

CURRENT LIABILITIES:		
Accounts payable	$ 149,067	$ 217,569
Accrued expenses	597,902	180,002
Deferred revenue	47,917	33,333
Total Current Liabilities	794,886	430,904
Grant payable	99,728	90,150
Other liability	26,398	2,336
TOTAL LIABILITIES	921,012	523,390
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.01 par value; authorized 5,000,000 shares, no shares issued	—	—
Common stock, $0.01 par value; authorized 30,000,000 shares, issued and outstanding 15,467,388	154,674	154,674
Capital in excess of par	25,079,035	24,490,035
Deficit accumulated during the development stage	(21,583,510)	(19,054,958)
Total Stockholders' Equity	3,650,199	5,589,751
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,571,211	$ 6,113,141

Prior year amounts have been adjusted for adoption of FAS 123R on July 1, 2005.

See Notes to Condensed Consolidated Financial Statements.

SENESCO TECHNOLOGIES, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended March 31, 2006	For the Three Months Ended March 31, 2005	For the Nine Months Ended March 31, 2006	For the Nine Months Ended March 31, 2005	From Inception on July 1, 1998 through March 31, 2006
Revenue	$ 35,416	$ 12,500	$ 60,416	$ 112,500	$ 412,083
Operating Expenses:					
General and administrative	428,579	510,396	1,499,770	1,534,937	16,601,544
Research and development	348,868	424,131	1,173,848	1,039,320	6,592,429
Total Operating Expenses	777,447	934,527	2,673,618	2,574,257	23,193,973
Loss From Operations	(742,031)	(922,027)	(2,613,202)	(2,461,757)	(22,781,890)
Sale of state income tax loss, net	—	—	—	153,160	586,442
Other noncash income	—	—	—	—	321,259
Interest income, net	24,610	13,127	84,650	30,846	290,679
Net Loss	$ (717,421)	$ (908,900)	$ (2,528,552)	$ (2,277,751)	$ (21,583,510)
Basic and Diluted Net Loss Per Common Share	$ (0.05)	$ (0.07)	$ (0.16)	$ (0.16)	
Basic and Diluted Weighted Average Number of Common Shares Outstanding	15,467,388	13,827,151	15,467,388	13,805,629	

Prior year amounts have been adjusted for adoption of FAS 123R on July 1, 2005.

See Notes to Condensed Consolidated Financial Statements.

SENESCO TECHNOLOGIES, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FROM INCEPTION ON JULY 1, 1998 THROUGH MARCH 31, 2006
(unaudited)

	Common Stock	Capital in Excess of	Deficit Accumulated During the Development

	Shares	Amount	Par Value	Stage	Total
Common stock outstanding	2,000,462	$ 20,005	$ (20,005)	—	—
Contribution of capital	—	—	85,179	—	$ 85,179
Issuance of common stock in reverse merger on January 22, 1999 at $0.01 per share	3,400,000	34,000	(34,000)	—	—
Issuance of common stock for cash on May 21, 1999 at $2.63437 per share	759,194	7,592	1,988,390	—	1,995,982
Issuance of common stock for placement fees on May 21, 1999 at $0.01 per share	53,144	531	(531)	—	—
Issuance of common stock for cash on January 26, 2000 at $2.867647 per share	17,436	174	49,826	—	50,000
Issuance of common stock for cash on January 31, 2000 at $2.87875 per share	34,737	347	99,653	—	100,000
Issuance of common stock for cash on February 4, 2000 at $2.934582 per share	85,191	852	249,148	—	250,000
Issuance of common stock for cash on March 15, 2000 at $2.527875 per share	51,428	514	129,486	—	130,000
Issuance of common stock for cash on June 22, 2000 at $1.50 per share	1,471,700	14,718	2,192,833	—	2,207,551

(Continued)

Prior year amounts have been adjusted for adoption of FAS 123R on July 1, 2005.

See Notes to Condensed Consolidated Financial Statements.

	Common Stock		Capital in Excess of Par Value	Deficit Accumulated During the Development Stage	Total
	Shares	Amount			
Commissions, legal and bank fees associated with issuances for the year ended June 30, 2000	—	—	$ (260,595)	—	$ (260,595)
Fair market value of options and warrants vested during the year ended June 30, 2000	—	—	1,775,399	—	1,775,399
Fair market value of options and warrant vested during the year ended June 30, 2001	—	—	237,599	—	237,599
Issuance of common stock and warrants for cash from November 30, 2001 through April 17, 2002 at $1.75 per unit	3,701,430	$ 37,014	6,440,486	—	6,477,500
Issuance of common stock and warrants associated with bridge loan conversion on December 3, 2001	305,323	3,053	531,263	—	534,316
Commissions, legal and bank fees associated with issuances for the year ended June 30, 2002	—	—	(846,444)	—	(846,444)
Fair market value of options and warrants vested during the year ended June 30, 2002	—	—	1,659,998	—	1,659,998
Fair market value of options and warrants vested during the year ended June 30, 2003	—	—	809,163	—	809,163

(Continued)

Prior year amounts have been adjusted for adoption of FAS 123R on July 1, 2005.

See Notes to Condensed Consolidated Financial Statements.

	Common Stock		Capital in Excess of Par Value	Deficit Accumulated During the Development Stage	Total
	Shares	Amount			
Issuance of common stock and warrants for cash from January 15, 2004 through February 12, 2004 at $2.37 per unit	1,536,922	$ 15,369	$ 3,627,131	—	$ 3,642,500
Allocation of proceeds to warrants	—	—	(2,099,090)	—	(2,099,090)
Reclassification of warrants	—	—	1,913,463	—	1,913,463
Commissions, legal and bank fees associated with issuances for the year ended June 30, 2004	—	—	(378,624)	—	(378,624)
Fair market value of options and warrants vested during the year ended June 30, 2004	—	—	1,826,469	—	1,826,469
Options and warrants exercised during the year ended June 30, 2004 at exercise prices ranging from $1.00 - $3.25	370,283	3,704	692,945	—	696,649
Issuance of common stock and warrants for cash on May 9, 2005 at $2.11 per unit	1,595,651	15,957	3,350,872	—	3,366,829
Allocation of proceeds to warrants	—	—	(1,715,347)	—	(1,715,347)
Reclassification of warrants	—	—	1,579,715	—	1,579,715
Commissions, legal and bank fees associated with issuance on May 9, 2005	—	—	(428,863)	—	(428,863)

(Continued)

Prior year amounts have been adjusted for adoption of FAS 123R on July1, 2005

See Notes to Condensed Consolidated Financial Statements.

	Common Stock		Capital in Excess of Par Value	Deficit Accumulated During the Development Stage	Total
	Shares	Amount			
Options and warrants exercised during the year ended June 30, 2005 at exercise prices ranging from $1.50 to $3.19	84,487	$ 844	$ 60,281	—	$ 61,125
Fair market value of options and warrants vested during the year ended June 30, 2005	—	—	974,235	—	974,235
Fair market value of options and warrants vested during the nine months ended March 31, 2006	—	—	589,000	—	589,000
Net loss	—	—	—	$ (21,583,510)	(21,583,510)
Balance at March 31, 2006	15,467,388	$ 154,674	$ 25,079,035	$ (21,583,510)	$ 3,650,199

Prior year amounts have been adjusted for adoption of FAS 123R on July 1, 2005.

See Notes to Condensed Consolidated Financial Statements.

SENESCO TECHNOLOGIES, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Nine Months Ended March 31,		From Inception on July 1, 1998 through March 31,
	2006	2005	2006
Cash flows from operating activities:			
Net loss	$ (2,528,552)	$ (2,277,751)	$ (21,583,510)
Adjustments to reconcile net loss to net cash used in operating activities:			
Noncash capital contribution	—	—	85,179
Noncash conversion of accrued expenses into equity	—	—	131,250
Noncash income related to change in fair value of warrant liability	—	—	(321,259)
Issuance of common stock and warrants for interest	—	—	9,316
Fair value of stock options and warrants issued for services	589,000	744,738	7,740,614
Depreciation and amortization	29,950	31,764	187,507
(Increase) decrease in operating assets:			
Prepaid expense and other current assets	77,215	19,446	(79,329)
Security deposit	—	—	(7,187)
Increase (decrease) in operating liabilities:			
Accounts payable	(68,502)	40,559	149,067
Accrued expenses	417,900	(89,425)	597,902
Deferred revenue	14,584	12,500	47,917
Other liability	24,062	—	26,398
Net cash used in operating activities	(1,444,343)	(1,518,169)	(13,016,135)
Cash flows from investing activities:			
Patent costs	(532,482)	(390,821)	(1,990,268)
Redemption (purchase) of investments, net	2,117,900	1,858,254	(2,071,495)
Purchase of property and equipment	—	(1,684)	(167,928)
Net cash provided by (used in) investing activities	1,585,418	1,465,749	(4,229,691)
Cash flows from financing activities:			
Proceeds from grant	9,578	—	99,728
Proceeds from issuance of bridge notes	—	—	525,000
Proceeds from issuance of common stock	—	61,125	17,063,609
Cash provided by financing activities	9,578	61,125	17,688,337
Net increase (decrease) in cash and cash equivalents	150,653	8,705	442,511
Cash and cash equivalents at beginning of period	291,858	186,248	—
Cash and cash equivalents at end of period	$ 442,511	$ 194,953	$ 442,511
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	$ —	$ —	$ 22,317
Supplemental schedule of noncash financing activity:			
Conversion of bridge notes into stock	$ —	$ —	$ 534,316

Prior year amounts have been adjusted for adoption of FAB 123R on July 1, 2005.

See Notes to Condensed Consolidated Financial Statements.

SENESCO TECHNOLOGIES, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 - Basis of Presentation:

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-KSB for the fiscal year ended June 30, 2005.

In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting solely of those which are of a normal recurring nature, necessary to present fairly its financial position as of March 31, 2006, the results of its operations for the three-month and nine-month periods ended March 31, 2006 and 2005, cash flows for nine-month periods ended March 31, 2006 and 2005, the results of its operations and cash flows for the period from inception on July 1, 1998 through March 31, 2006.

Interim results are not necessarily indicative of results for the full fiscal year.

As further discussed in Note 3, the Company adopted FAS No. 123R, "Share-Based Payment" ("FAS No. 123R") effective July 1, 2005 using the modified-retrospective method. The adoption of this standard requires the recognition of stock-based compensation expense in the consolidated financial statements. Prior to July 1, 2005, the Company followed Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees" ("APB No. 25"), and related interpretations. In accordance with APB No. 25, no stock-based compensation expense had been recognized related to the Company's stock options granted to employees and directors, as all options had an exercise price equal to the market value of the underlying common stock on the date of grant. In accordance with the modified-retrospective method, we have adjusted previously reported results to reflect the effect of expensing those stock options. The cumulative adjustment associated with the adoption of the modified-retrospective method increased capital in excess of par and deficit accumulated during the development stage by $4,291,051 as of June 30, 2005.

Note 2 - Loss Per Share:

Net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. As of March 31, 2006 and 2005, shares to be issued upon the exercise of options and warrants aggregating 8,306,591 and 7,140,086 respectively, at an average exercise price of $2.88 and $2.86, respectively, are not included in the computation of diluted loss per share as the effect is anti-dilutive.

Note 3 – Share-Based Transactions:

Effective July 1, 2005, the Company adopted FAS No. 123R, utilizing the modified-retrospective method. FAS No. 123R requires the recognition of stock-based compensation expense in the consolidated financial statements. Under the modified-retrospective method, the provisions of FAS No. 123R apply to all awards granted or modified after the date of adoption. Prior year results have been adjusted to reflect the amortized portion of the fair value of the options granted prior to the date of adoption, which have been measured under the original provisions of FAS No. 123. In addition, the unamortized portion of the options that were granted prior to the date of adoption, also determined under the original provisions of FAS No. 123, shall be recognized in the periods after the date of adoption.

The cumulative effect of the change to capital in excess of par and deficit accumulated during the development stage as of July 1, 2004 is as follows:

	Capital in Excess of Par	Deficit Accumulated During the Development Stage
July 1, 2004, as originally reported	$ 17,168,043	$ (12,574,941)
Cumulative effect of change in accounting principle	3,501,099	(3,501,099)
July 1, 2004, as adjusted	$ 20,669,142	$ (16,076,040)

The terms and vesting schedules for share-based awards vary by type of grant and the employment status of the grantee. Generally, the awards vest based upon time-based conditions.

The following stock-based compensation expense of $105,000 and $284,972 was recognized for the three-month periods ended March 31, 2006 and 2005, respectively, and $589,000 and $744,738 for the nine-month periods ended March 31, 2006 and 2005, respectively:

	Three Months Ended March 31,		Nine Month Ended March 31,	
	2006	2005	2006	2005
General and administrative expenses	$ 82,377	$ 185,296	$ 408,443	$ 522,397
Research and development expenses	22,623	99,676	180,557	222,341
Total stock-based compensation expense	$ 105,000	$ 284,972	$ 589,000	$ 744,738
Basic and diluted loss per common share	$ .01	$ .02	$ .04	$ .05

The fair value of each stock option granted has been determined using the Black-Scholes model. The material factors incorporated in the Black-Scholes model in estimating the value of the options reflected in the above table include the following:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2006	2005	2006	2005
Estimated life in years	6-10	10	6-10	10
Risk-free interest rate (1)	4.2%-4.5%	4.2%	4.2%-4.5%	4.2%
Volatility	70%-148%	111%-148%	70%-148%	111%-148%
Dividend paid	None	None	None	None

(1) represents the interest rate on a U.S. Treasury security with a maturity date corresponding to that of the option term.

The ultimate values of the options will depend on the future price of the Company's Common Stock, which cannot be forecast with reasonable accuracy.

A summary of changes in the stock option plan for the nine-month period ended March 31, 2006 is as follows:

	Number of Options	Weighted-Average Exercise Price

Outstanding at July 1, 2005	2,111,500	$ 2.74
Granted	318,000	1.40
Exercised	—	—
Canceled	3,000	3.48
Outstanding at March 31, 2006	2,426,500	$ 2.56
Exercisable at March 31, 2006	2,151,339	$ 2.65

As of March 31, 2006, the aggregate intrinsic value of stock options outstanding was $352,195, with a weighted-average remaining term of 6.6 years. The aggregate intrinsic value of stock options exercisable at that same date was $213,816, with a weighted-average remaining term of 6.3 years. As of March 31, 2006, the Company has 483,500 shares available for future stock option grants.

As of March 31, 2006, total compensation expense not yet recognized related to stock option grants amounted to $307,792, which will be recognized over the next 24 months.

Note 4 – **Revenue Recognition:**

The Company receives certain nonrefundable upfront fees in exchange for the transfer of its technology to licensees. Upon delivery of the technology, the Company has no further obligations to the licensee with respect to the basic technology transferred and, accordingly, recognizes revenue at that time. The Company may, however, receive additional payments from its licensees in the event such licensees achieve certain development or commercialization milestones in their particular field of use. Other nonrefundable upfront fees and milestone payments, where the milestone payments are a function of time as opposed to achievement of specific achievement-based milestones, are deferred and amortized ratably over the estimated research period of the license.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and the related notes thereto included in the Quarterly Report on Form 10-Q. The discussion and analysis may contain forward-looking statements that are based upon current expectations and entail various risks and uncertainties. Our actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of various factors, including those set forth under "Factors That May Affect Our Business, Future Operating Results and Financial Condition" and elsewhere in this report.

Overview

Our Business

We are a development stage biotechnology company whose mission is to utilize its patented and patent-pending genes, primarily eucartyotic translation initiation Factor 5A, or Factor 5A, and deoxyhypusine synthase, or DHS, in human health applications and Factor 5A, DHS and Lipase in agricultural applications, to:

- develop novel approaches to treat inflammatory and / or programmed cell death, referred to as apoptosis, related diseases in humans;
- develop novel approaches to treat cancer, a group of diseases in which apoptosis does not occur normally; and
- enhance the quality and productivity of fruits, flowers, vegetables and agronomic crops through the control of cell death, referred to as senescence, in plants.

Certain human health results to date include:

- increasing the median survival of mice injected with melanoma cancer cells by approximately 250%;
- inducing apoptosis in both human cancer cell lines derived from tumors and in lung tumors in mice;
- reducing the amounts of p24 and IL-8 by approximately 50 percent in a HIV-1 infected human cell line;
- increasing the survivability of pancreatic islet cells in mice isolated for transplantation;
- inducing increased apoptosis in a human multiple myeloma cell line;
- comparing our technology to existing anti-inflammatory drugs in reducing certain cytokines in mice;
- measuring VEGF reduction in mouse lung tumors as a result of treatment with our genes;
- increasing the survival rate in mice in which sepsis has been induced by a lethal injection of LPS by inhibiting apoptosis while simultaneously selectively down-regulating a broad spectrum of pro-inflammatory cytokines; and

- determining the expression of our genes in both ischemic and non-ischemic heart tissue, and correlating such genes to certain cytokines, that have been found to be involved in apoptosis; reducing cytokine induced apoptosis in human optic nerve cell lines and in human epithelial cell lines of the intestine.

Certain agricultural results to date include:

- longer shelf life of perishable produce;
- increased biomass and seed yield;

- greater tolerance to environmental stresses, such as drought;
- greater tolerance to certain fungal pathogens;
- more efficient use of fertilizer; and
- advancement to field trials in banana, lettuce, trees, and bedding plants.

Human Health Applications

We believe that our gene technology could have broad applicability in the human health field, by either inhibiting or accelerating apoptosis. Inhibiting apoptosis may be useful in preventing or treating a wide range of inflammatory and ischemic diseases attributed to premature apoptosis. Accelerating apoptosis may be useful in treating certain forms of cancer.

Our research to date reveals that the DHS and Factor 5A genes may regulate apoptosis in human cells. In humans, there are two different isoforms of Factor 5A: the apoptosis isoform, which helps to carry out cell death and the growth isoform, which helps to carry out cell proliferation. We believe that our Factor 5A technology may have potential application as a means for controlling a broad range of apoptotic diseases, both inflammatory/ischemic diseases and cancers. We have commenced preclinical *in-vivo* and *in-vitro* research to determine Factor 5A's ability to regulate key execution genes, inflammatory cytokines, receptors, and transcription factors, which are implicated in numerous apoptotic diseases.

We believe that our technology's down-regulation of the cell death isoform of Factor 5A may have potential application as a means for controlling a broad range of diseases that are attributable to premature apoptosis, ischemia, or inflammation. Apoptotic diseases include glaucoma, heart disease, and certain inflammatory diseases such as Crohn's disease, sepsis and rheumatoid arthritis, among many others. We have commenced preclinical research on a variety of these diseases. Using small inhibitory RNA's, or "siRNA's", against the apoptosis isoform of Factor 5A to inhibit its expression, we have reduced pro-inflammatory cytokine formation and formation of receptors for liposolysaccharide, or LPS, interferon-gamma and TNF-alpha. *In-vitro* experiments have shown that siRNA's against Factor 5A protected human lamina cribrosa (optic nerve) and colon epithelial cells from TNF alpha induced apoptosis. We have also determined that inhibiting the apoptosis isoform of Factor 5A down-regulates NFkB and JAK1 and decreases the inflammatory cytokines formed through the NFkB and JAK/STAT pathways. Additionally, we have compared our siRNA to a steroid and to a prescription anti-TNF drug in its ability to reduce cytokine response to LPS. *In-vivo* mouse studies have shown that the siRNAs against Factor 5A (i) protect thymocyte cells from apoptosis and decreases formation of myeloperoxidase, or MPO, TNF, MIP-1alpha, and IL-1 in the lungs of mice challenged with

LPS; and (ii) increases the survival rate in which sepsis had been induced by a lethal injection of LPS. The siRNA's against Factor 5A are currently being tested in several preclinical *in-vivo* inflammatory disease models. Other experiments utilizing siRNA to Factor 5A include inhibition of cell death, or apoptosis, during the processing of mouse pancreatic beta islet cells for transplantation, and the inhibition of viral replication in a human cell line infected with HIV-1.

Proteins required for cell death include p53, interleukins and other cytokines, caspases, and TNF-a. Expression of these cell death proteins is required for the execution of apoptosis. We have found that blocking Factor 5A by treatment with siRNA, inhibits the expression of p53, a major cell death transcription factor that in turn controls the formation of a suite of other cell death proteins. In addition, down-regulation of Factor 5A up-regulates Bcl-2, a major suppressor of apoptosis.

We have also established in preclinical studies that up-regulation of the apoptosis Factor 5A isoform carries out cell death in cancer cells through both the p53 (intrinsic) and cell death receptor (extrinsic) immune pathways. Tumors arise when cells that have been targeted by the immune system to undergo apoptosis are unable to do so because of an inability to activate the apoptotic pathways. Just as the senescence Factor 5A gene appears to facilitate expression of the entire suite of genes required for programmed cell death in plants, the apoptosis Factor 5A gene appears to regulate expression of a suite of genes required for programmed cell death in humans. Because the Factor 5A gene appears to function at the initiation point of the apoptotic pathways, both intrinsic and extrinsic, we believe that our gene technology has potential application as a means of combating a broad range of cancers. We have found, in in-vitro studies, that up-regulating the apoptosis isoform of Factor 5A results in: the up-regulation of p53, an important tumor suppressor gene that promotes apoptosis in cells with damaged DNA; inflammatory cytokine production; increased cell death receptor formation; and caspase activity. These features, coupled with a simultaneous down-regulation Bcl-2, a suppressor of apoptosis, and telomerase, result in apoptosis of cancer cells. In addition, in-vitro studies have shown that up-regulation of Factor 5A also down-regulates VEGF, a growth factor which allows tumors to develop additional vascularization needed for growth beyond a small mass of cells.

Human Health Research Program

Our human health research program has consisted of pre-clinical in-vitro and in-vivo experiments designed to assess the role and method of action of the Factor 5A genes in human diseases. We have performed research on the survivability of mice injected with melanoma cancer cells, the survivability of mouse pancreatic islet cells isolated for transplantation, HIV-1, certain ocular diseases, lung cancer, bladder cancer, multiple myeloma, inflammatory bowel disease, viral replication, lung and other organ inflammation.

- Pre-clinical in-vivo cancer studies – mice injected with tumor-forming B16F0 melanoma cancer cells were treated with Factor 5A. Tumors of adequate size formed in approximately nine days at which time treatment was initiated. Two control groups of mice received placebo treatments and a test group of mice received Factor 5A, intratumorally, every other day. The median survival of the control mice was 7 days post-treatment, whereas, the mice that received Factor 5A treatment had a median survival of 25 days post-treatment. The enhanced survival time of the Factor 5A treated mice

equates to a 3.5 fold, or 250%, increase compared to the control mice. In addition to this enhancement of survival, the tumors in the treated mice remained smaller and grew more slowly than those in the control mice.

- Pancreatic islets isolated for transplantation – utilizing a mouse model system, initial studies indicate that pre-treating islet cells with siRNA against Factor 5A significantly increases the number of cells that survive the processing procedure for transplantation.

- HIV-1 – a chronically HIV-1 infected human cell line was transfected with siRNA to Factor 5A. HIV-1 replication was measured by determining the levels of p24 and IL-8 in both the treated and untreated HIV-1 cell line groups. Both p24 and IL-8 are standard indicators of HIV-1 infection as they rise proportionately with increased HIV replication. In the ceils that was treated with the siRNA to Factor 5A, both p24 and IL-8 were reduced by approximately 50%.

- Lung Cancer – in-vivo experiments on a specific lung cancer models have been performed. The experiments have shown that the tumor load was significantly reduced by injecting Factor 5A Naked DNA intravenously into the mouse. In a follow up experiment using compounds that increase the circulating time of the Factor 5A DNA, the tumor burden was reduced even further.

- Bladder Cancer – in-vitro bladder cancer studies continue to focus on the over-expression of Factor 5A to induce apoptosis in these cells. Progress has been observed due to an increase in transfection efficiency and changes in the dosing regimen.

- Multiple Myeloma – cell culture studies of human myeloma cells have shown that Factor 5A can significantly effect cell viability by causing the myeloma cells to begin apoptosis. A 90% reduction in myeloma cell viability was observed in the myeloma cells treated with Factor 5A compared to a 25% reduction in viability in untreated myeloma cells. These results were seen in the presence of IL-6, a growth factor for myeloma cells.

- Sepsis – The results of our experiment showed up to 100% survival with one particular dose and regimen of the siRNA to Factor 5A.

- Inflammatory Bowel Disease – the siRNA to Factor 5A is being utilized in a mouse model to determine the effect that down-regulation of Factor 5A has on induced colitis. Experiments are currently focused on regimen and route of administration of the siRNA to Factor 5A to optimize the effect on protecting bowel tissue.

- Lung Inflammation – is being studied to ascertain the siRNA to Factor 5A's ability to reduce morbidity and mortality from elevated levels of pro-inflammatory cytokines caused from infection and from blood loss. Current experiments involve the optimization of dose and delivery.

Our planned future research and development initiatives for human health include:

- Pre-clinical in-vivo cancer studies – may focus on optimizing delivery of Factor 5A to tumors to determine if there would be an enhancement of treatment.

- Pancreatic Islets isolated for transplantation – studies will be focused on methods of improving the transfecting efficiency of the islet cells treated with the siRNA to Factor 5A prior to harvesting for processing. Improving transfection efficiency should further increase the number of islet cells surviving the processing procedure which will allow for a greater yield of islet cells per donor.

- HIV-1 – we will continue in-vitro studies utilizing different siRNA delivery systems in order to increase the transfection efficiency of the siRNA to Factor 5A to determine further decreases in HIV replication.

- Lung Cancer – lung cancer experiments will continue to focus on the reduction of tumor load and longevity of the treated mice. Delivery systems that might target the tumor cell and deliver Factor 5A directly to the cancer cells may by explored. Other lung cancers may also be explored to determine Factor 5A's efficacy in different forms of lung cancer.

- Bladder Cancer – our research program for bladder cancer may focus on the pathway of apoptosis in these cells. Further research with these cells may reveal insight into how other cancers block endogenous apoptosis from occurring.

- Multiple Myeloma – the next set of multiple myeloma experiments will involve a mouse model system and may include optimizing the delivery of Factor 5A.

- Sepsis – we will measure key pro-inflammatory cytokines during the progression of the disease with and without siRNA treatment.

- Inflammatory Bowel Disease – routes of administration of the siRNA to Factor 5A will be explored to optimize cell protection against pro-inflammatory cytokines.

- Lung Inflammation – optimization of the delivery and dose of the siRNA to Factor 5A to the lungs is the direction of our planned future experiments. Mouse model systems may be used to illustrate the siRNA to Factor 5A's ability to reduce morbidity and mortality in lung inflammation, caused by the up-regulation of pro-inflammatory cytokines induced by pathogens and other stresses to the lungs.

- Other – we will continue to look at other disease states in order to determine the role of Factor 5A.

In order to pursue the above research initiatives, as well as other research initiatives that may arise, including toxicity studies and clinical trials, it will be necessary for us to raise a significant amount of working capital. If we are unable to raise the necessary funds, we may be required to significantly curtail the above research initiative and we will be unable to pursue other possible research initiatives.

Agricultural Applications

Factor 5A, DHS and lipase are already present in all plant cells. Our technology may be incorporated into crops by using either conventional breeding methods (non-genetically modified) or biotechnology gene suppression techniques.

Together with our commercial partners, we are currently working with lettuce, turfgrass, tomato, canola, *Arabidopsis* (a model plant that is similar to canola), banana, alfalfa, and certain species of trees and bedding plants, and we have obtained proof of concept for the use of the Factor 5A, DHS and lipase genes in several of these plants. We have ongoing field trials of certain bedding plants, trees, lettuce and bananas with our respective partners. The first round of lettuce field trials showed that our technology effectively reduced browning in cut lettuce. The first and second round of banana field trials have shown that our technology extends the shelf life of banana fruit by 100%. In addition to the shelf life benefits, field trials conducted during the 2004-2005 winter generated encouraging disease resistance data, specific to Black Sigatoka (Black Leaf Streak Disease), for banana plants. Additional field trials for banana plants are planned for Black Sigatoka. Commercialization may require a combination of traits in a crop, such as both shelf life and disease resistance, or other traits. Our near-term research and development initiatives include silencing or reducing the expression of DHS and Factor 5A genes in these plants and propagation and testing of plants with our silenced genes.

Our subsequent research and development initiatives for agriculture include:

- further developing and implementing the DHS and Factor 5A gene technology in lettuce, banana, and a variety of other commercially important crops such as oil seed crops, turfgrass, bedding plants, tomato, alfalfa and trees; and

- testing the resultant crops for new beneficial traits such as increased yield, increased tolerance to environmental stress, disease resistance and more efficient use of fertilizer.

Commercialization Strategy

We presently license our technology to agricultural companies capable of incorporating our technology into crops grown for commercial agriculture. We anticipate revenues from these relationships in the form of licensing fees and royalties from our partners, usage fees in the case of the agreement with the Broin Company, or sharing gross profits in the case of the joint venture with Rahan Meristem. In addition, we anticipate payments from our partners upon our achievement of certain research and development benchmarks. This commercialization strategy allows us to generate revenue at various stages of product development, while ensuring that our technology is incorporated into a wide variety of crops. Our optimal partners combine the technological expertise to incorporate our technology into their product line along with the ability to successfully market the enhanced final product, thereby eliminating the need for us to develop and maintain a sales force. Through March 31, 2006, we have entered into five license and development agreements and one joint venture with established agricultural biotechnology companies.

In January 2006, the development and license agreement with The Scotts Company was amended. Certain milestone payments, which were to be made on a calendar basis, have now been deferred and incorporated in the amount to be paid to us upon commercialization. Additionally, the commercialization fee has been increased. All other aspects of the agreement remain unchanged, and the project continues to move forward without interruption.

Generally, projects with our license and joint venture partners begin by our partners transforming seed or germplasm to incorporate our technology. Those seeds or germplasm are then grown in our partners' greenhouse. After successful greenhouse trials, our partners will transfer the plants to the field for field trials. After completion of successful field trials, our partners may have to apply for and receive regulatory approval prior to initiation of any commercialization activities.

Generally, the approximate time to complete each of the development steps is as follows:

Seed Transformation	approximately 1 to 2 years
Greenhouse	approximately 1 to 2 years
Field Trials	approximately 2 to 5 years

The actual amount of time spent on each development phase depends on the crop, its growth cycle and the success of the transformation achieving the desired results. As such, the amount of time for each phase of development could vary, or the time frames may change.

The development of our technology with The Broin Company is different than our other licenses in that we are modifying certain production inputs for ethanol. That process involves modifying the inputs, testing such inputs in Broin's production process and if successful, implementing such inputs in Broin's production process on a plant by plant basis.

The status of each of our projects with our partners is as follows:

Project	Partner	Status
Banana	Rahan Meristem	
- Shelf Life		Field Trials
- Disease		Field Trials
Lettuce	Harris Moran	
- Browning		Field Trials
- Disease		Field Trials
Trees	Arborgen	
- Growth		Field Trials
Alfalfa	Cal / West	Greenhouse

Turfgrass	The Scotts Company	Seed Transformation
Bedding Plants	The Scotts Company	Field Trials
Ethanol	The Broin Company	Modify Inputs

Commercialization by our partners may require a combination of traits in a crop, such as both shelf life and disease resistance, or other traits.

Based upon our commercialization strategy, we anticipate that there may be a significant period of time before plants enhanced using our technology reach consumers. Thus, we have not begun to actively market our technology directly to consumers, but rather, we have sought to establish ourselves within the industry through presentations at industry conferences, our website and direct communication with prospective licensees.

We plan to employ the same partnering strategy in both the human health and agricultural target markets. Our preclinical research has yielded data that we have presented to various biopharmaceutical companies that may be prospective licensees for the development and

marketing of potential applications of our technology. Consistent with our commercialization strategy, we intend to attract other companies interested in strategic partnerships or licensing our technology, which may result in additional license fees, revenues from contract research and other related revenues. Additionally, we may select some human health indications to bring into clinical trials on our own. Successful future operations will depend on our ability to transform our research and development activities into commercially feasible technology.

Patent and Patent Applications

To date, we have been granted nine patents by the United States Patent and Trademark Office, or PTO, and six patents from foreign countries, fourteen of which are for use of our technology in agricultural applications and one of which relates to human health applications.

In addition to our fifteen patents, we have a wide variety of patent applications, including divisional applications and continuations-in-part, in process with the PTO and internationally. We intend to continue our strategy of enhancing these new patent applications through the addition of data as it is collected.

Liquidity and Capital Resources

Overview

As of March 31, 2006, our cash balance and investments totaled $2,514,006, and we had working capital of $1,798,449. As of March 31, 2006, we had a federal tax loss carry-forward of approximately $13,630,000 and a state tax loss carry-forward of approximately $6,160,000 to offset future taxable income. There can be no assurance, however, that we will be able to take advantage of any or all of such tax loss carry-forwards, if at all, in future fiscal years.

Contractual Obligations

The following table lists our cash contractual obligations as of March 31, 2006:

	Payments Due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 - 3 years**	**4 - 5 years**	**More than 5 years**
Research and Development Agreements (1)	$ 271,191	$ 271,191	$ —	$ —	$ —
Facility, Rent and Operating Leases (2)	$ 399,609	$ 71,289	$ 155,648	$ 159,296	$ 13,376
Employment, Consulting and Scientific Advisory Board Agreements (3)	$ 660,046	$ 573,738	$ 86,308	$ —	$ —
Total Contractual Cash Obligations	$ 1,330,846	$ 916,218	$ 241,956	$ 159,296	$ 13,376

(1) Certain of our research and development agreements disclosed herein provide that payment is to be made in Canadian dollars and, therefore, the contractual obligations are subject to fluctuations in the exchange rate.

(2) The lease for our office space in New Brunswick, New Jersey is subject to certain escalations for our proportionate share of increases in the building's operating costs.

(3) Certain of our employment and consulting agreements provide for automatic renewal, which is not reflected in the table, unless terminated earlier by the parties to the respective agreements.

We expect our capital requirements to increase over the next several years as we commence new research and development efforts, increase our business and administrative infrastructure and embark on developing in-house business capabilities and facilities. Our future liquidity and capital funding

requirements will depend on numerous factors, including, but not limited to, the levels and costs of our research and development initiatives and the cost and timing of the expansion of our business development and administrative staff.

Capital Resources

Since inception, we have generated revenues of $412,083 in connection with the initial fees and milestone payments received under our license and development agreements. We have not been profitable since inception, we will continue to incur additional operating losses in the future, and we will require additional financing to continue the development and subsequent commercialization of our technology. While we do not expect to generate significant revenues from the licensing of our technology for the next one to three years, we may enter into additional licensing or other agreements with marketing and distribution partners that may result in additional license fees. We may also receive revenues from contract research, or other related revenue.

We anticipate that, based upon our current cash and investments, we will be able to fund our operations for the next nine to twelve months. Over the next twelve months, we plan to fund our research and development and commercialization activities by (i) utilizing our current cash balance and investments, (ii) achieving some of the milestones set forth in our current licensing agreements, (iii) through the execution of additional licensing agreements for our technology, and (iv) through a sale of our securities.

Changes to Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are set forth in our Annual Report on Form 10-KSB for the fiscal year ended June 30, 2005. There have been no changes to such critical accounting policies and estimates except as follows:

We adopted FAS No. 123R, “Share-Based Payment” effective July 1, 2005 using the modified-retrospective method. The adoption of this standard requires the recognition of stock-based compensation expense in the consolidated financial statements. Prior to July 1, 2005, we followed Accounting Principles Board Opinion 25, “Accounting for Stock Issued to Employees”, and related interpretations. In accordance with Accounting Principles Board Opinion 25, no stock-based compensation expense had been recognized related to the Company’s stock options granted to employees and directors, as all options had an exercise price equal to the market value of the underlying common stock on the date of grant. In accordance with the modified-retrospective method, we have adjusted previously reported results to reflect the effect of expensing those stock options. The cumulative adjustment associated with the adoption of the modified-retrospective method increased capital in excess of par and deficit accumulated during the development stage by $4,291,051 as of June 30, 2005.

Results of Operations

Three Months Ended March 31, 2006 and Three Months Ended March 31, 2005

The net loss for the three-month periods ended March 31, 2006 and 2005 was $717,421 and $908,900, respectively, a decrease of $191,479, or 21.1%. This decrease was primarily the result of an increase in revenue and interest income, and a decrease in operating expenses.

Revenue

We had revenue of $35,416 and $12,500 during the three-month periods ended March 31, 2006 and 2005, respectively, which consisted of the amortized portion of milestone payments on development and license agreements. It is difficult for us to determine our future revenue expectations because we are a development stage biotechnology company. As such, the timing and outcome of our experiments, the timing of signing new partners and the timing of our partners moving through the development process into commercialization is difficult to accurately predict.

Operating Expenses

Operating expenses consist of general and administrative and research and development expenses. Operating expenses for the three-month periods ended March 31, 2006 and 2005 were $777,447 and $934,527, respectively, a decrease of $157,080, or 16.8%. This decrease was primarily the result of a 17.7% decrease in research and development expenses and a 16.0% decrease in general and administrative expenses. We expect operating expenses to increase over the next twelve months as we continue to expand our research and development activities.

General and Administrative Expenses

General and administrative expenses for the three-month periods ended March 31, 2006 and 2005 were $428,579 and $510,396, respectively, a decrease of $81,817, or 16.0%. General and administrative expenses consist of the following:

	Three months ended March 31,	
	2006	2005
Stock-based compensation	$ 82,377	$ 185,986
Payroll and benefits	157,195	144,288
Investor relations	68,291	66,369
Professional fees	47,126	54,153
Other general and administrative expenses	73,590	59,600
Total general and administrative expenses	$ 428,579	$ 510,396

- Stock-based compensation consists primarily of the amortized portion of Black-Scholes value of options previously granted to consultants, directors and employees. There were no options granted during the three-month periods ended March 31, 2006 and 2005. The decrease is due to a decrease in the Black-Scholes value related to the options granted on December 16, 2005, which, due to market conditions, were at a lower exercise price than the options granted in the previous year.

- Payroll and benefits increased primarily as a result of salary and health insurance rate increases.

- Professional fees decreased primarily as a result of a decrease in auditing fees for the year ended June 30, 2006 as a result of the one-year postponement by the SEC of the auditing requirements in connection with Section 404 of Sarbanes-Oxley.

We expect general and administrative expenses to increase over the next twelve months primarily due to an increase in legal and accounting fees related to the increased regulatory environment.

Research and Development Expenses

Research and development expenses for the three-month periods ended March 31, 2006 and 2005 were $348,868 and $424,131, respectively, a decrease of $75,263, or 17.8%. This decrease was primarily the result of a decrease in stock-based compensation.

The breakdown of our research and development expenses between stock-based compensation and other research and development expenses is as follows:

	Three months ended March 31,	
	2006	2005
Other research and development expenses	$ 326,245	$ 324,455
Stock-based compensation	22,623	99,676
Total research and development expenses	$ 348,868	$ 424,131

The breakdown of our research and development expenses between agricultural and human research programs is as follows:

	Three months ended March 31,			
	2006	%	2005	%
Agricultural research programs	$ 199,508	57%	$ 197,903	47%
Human health research programs	149,360	43%	226,228	53%
Total research and development expenses	$ 348,868	100%	$ 424,131	100%

We expect the percentage of human health research programs to increase as a percentage of the total research and development expenses as we continue to expand our human health initiatives.

Interest Income

Interest income increased during the three-month period ended March 31, 2006 primarily as a result of higher interest rates.

Nine Months Ended March 31, 2006 and Nine Months Ended March 31, 2005

The net loss for the nine-month periods ended March 31, 2006 and 2005 was $2,528,552 and $2,277,751, respectively, an increase of $250,801, or 11.0%. This increase was primarily the result of a decrease in revenue, a decrease in proceeds from the sale of our state income tax loss, and an increase in research and development expenses, which was partially offset by an increase in interest income.

Revenue

We had revenue of $60,416 and $112,500 during the nine-month periods ended March 31, 2006 and 2005, respectively, which consisted of milestone payments on development and license agreements. The decrease in revenue is due to the deferral of calendar based milestone payments until commercialization under our development and license agreement with The Scotts Company. It is difficult for us to determine our future revenue expectations because we are a development stage biotechnology company. As such, the timing and outcome of our experiments, the timing of signing new partners and the timing of our partners moving through the development process into commercialization is difficult to accurately predict.

Operating Expenses

Operating expenses consist of general and administrative, and research and development expenses. Operating expenses for the nine-month periods ended March 31, 2006 and 2005 were $2,673,618 and $2,574,257, respectively, an increase of $99,361, or 3.9%. This increase was primarily the result of a 12.9% increase in research and development expenses, which was partially offset by a 2.3% decrease in general and administrative expenses. We expect operating expenses to increase over the next twelve months as we anticipate that research and development and general and administrative expenses will increase as we continue to expand our research and development activities.

General and Administrative Expenses

General and administrative expenses for the nine-month periods ended March 31, 2006 and 2005 were $1,499,770 and $1,534,937, respectively, a decrease of $35,167, or 2.3%. General and administrative expenses consist of the following:

	Nine months ended March 31, 2006	2005
Stock-based compensation	$ 408,443	$ 522,397
Payroll and benefits	451,839	418,862
Investor relations	266,603	246,814
Professional fees	167,115	168,955
Other general and administrative expenses	205,770	177,909
Total general and administrative expenses	$ 1,499,770	$ 1,534,937

- Stock-based compensation consists primarily of the amortized portion of Black-Scholes value of options previously granted to consultants, directors and employees as well as those granted during the nine-month periods ended March 31, 2006 and 2005. During the nine-month periods ended March 31, 2006 and 2005, 318,000 and 295,500 options were granted at a strike price of $1.40 and $3.45, respectively. Of the 318,000 and 295,500 options granted, the Black-Sholes value for 235,000 and 195,000 of such options, respectively, were allocated to general and administrative expenses. The balance of the options were allocated to research and development expenses.

- Payroll and benefits increased primarily as a result of salary and health insurance rate increases.

- Investor relations expense increased primarily as a result of an increase in the amount of investor relations consulting fees.

- Professional fees decreased primarily as a result of a decrease in auditing fees for the year ended June 30, 2006 as a result of the one-year postponement by the SEC of the auditing requirements in connection with Section 404 of Sarbanes-Oxley which was mostly offset by an increase in legal fees.

We expect general and administrative expenses to increase over the next twelve months primarily due to an increase in legal and accounting fees related to the increased regulatory environment.

Research and Development Expenses

Research and development expenses, for the nine-month periods ended March 31, 2006 and 2005 were $1,173,848 and $1,039,320, respectively, an increase of $134,528, or 12.9%. This increase was primarily the result of the expanded research programs in both the agricultural and human health applications of our technology, which was partially offset by a decrease in stock-based compensation.

The breakdown of our research and development expenses between stock-based compensation and other research and development expenses is as follows:

	Nine months ended March 31, 2006	2005
Other research and development expenses	$ 993,291	$ 816,979
Stock-based compensation	180,557	222,341
Total research and development expenses	$ 1,173,848	$ 1,039,320

The breakdown of our research and development expenses between agricultural and human research programs is as follows:

	Nine months ended December 31, 2006	%	2005	%
Agricultural research programs	$ 620,800	53%	$ 517,884	50%
Human health research programs	553,048	47%	521,436	50%
Total research and development expenses	$ 1,173,848	100%	$ 1,039,320	100%

We expect the percentage of human health research programs to increase as a percentage of the total research and development expenses as we continue to expand our human health initiatives.

Sale of State Income Tax Loss

During the nine-month period ended March 31, 2005, we received net proceeds of $153,160 from the sale of our New Jersey state tax loss for the year ended June 30, 2003. Because the criteria required for approval changed during the year, we were not approved to sell our New Jersey state tax loss for the year ended June 30, 2004 and therefore, we did not receive any proceeds during the nine-month period ended March 31, 2006, and we will not receive any proceeds during the fiscal year ended June 30, 2006.

Interest Income

Interest income increased during the nine-month period ended March 31, 2006 primarily as a result of higher interest rates.

Period From Inception on July 1, 1998 through March 31, 2006

From inception of operations on July 1, 1998 through March 31, 2006, we had revenues of $412,083, which consist of the initial license fees and milestone payments in connection with our various development and license agreements. We do not expect to generate significant revenues for approximately the next one to three years, during which time we will continue to engage in significant research and development efforts.

We have incurred losses each year since inception and have an accumulated deficit of $21,583,510 at March 31, 2006. We expect to continue to incur losses as a result of expenditures on research and development and administrative activities.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Interest Rate Risk

We invest in high-quality financial instruments, primarily money market funds, federal agency notes, corporate debt securities and United States treasury notes, with an effective duration of the portfolio of less than nine months, and no security with an effective duration in excess of two years, which we believe are subject to limited credit risk. We currently do not hedge our interest rate exposure. Due to the short-term nature of our investments, which we plan to hold until maturity, we do not believe that we have any material exposure to interest rate risk arising from our investments.

Foreign Currency Risk

Our financial statements are denominated in United States dollars and, except for our agreement with the University of Waterloo, which is denominated in Canadian dollars, all of our contracts are denominated in United States dollars. Therefore, we believe that fluctuations in foreign currency exchange rates will not result in any material adverse effect on our financial condition or results of operations. In the event we derive a greater portion of our revenues from international operations or in the event a greater portion of our expenses are incurred internationally and denominated in a foreign currency, then changes in foreign currency exchange rates could effect our results of operations and financial condition.

Item 4. Controls and Procedures.

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2006. Based on this evaluation, our chief executive officer and chief financial officer concluded that as of March 31, 2006, our disclosure controls and procedures were (1) designed to ensure that material information relating to us, including our consolidated subsidiaries, is made known to our chief executive officer and chief financial officer by others within those entities, particularly during the period in which this report was being prepared and (2) effective, in that they provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

No change in our internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the nine-months ended March 31, 2006 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION.

Item 1A. Risk Factors.

The more prominent risks and uncertainties inherent in our business are described below. However, additional risks and uncertainties may also impair our business operations. If any of the following risks actually occur, our business, financial condition or results of operations may suffer.

Risks Related to our Business

We have a limited operating history and have incurred substantial losses and expect future losses.

We are a development stage biotechnology company with a limited operating history and limited assets and capital. We have incurred losses each year since inception and have an accumulated deficit of $21,583,510 at March 31, 2006. We have generated minimal revenues by licensing our technology for certain crops to companies willing to share in our development costs. However, our technology may not be ready for widespread commercialization for several years. We expect to continue to incur losses for the next several years because we anticipate that our expenditures on research and development, commercialization and administrative activities will significantly exceed our revenues during that period. In addition, we cannot assure you that we will be able to sell our New Jersey state net operating losses for any specific fiscal year. We cannot predict when, if ever, we will become profitable.

We depend on a single principal technology and, if our technology is not commercially successful, we will have no alternative source of revenue.

Our primary business is the development and commercial exploitation of technology to identify, isolate, characterize and silence genes which control the death of cells in humans and plants. Our future revenue and profitability critically depend upon our ability to successfully develop apoptosis and senescence gene technology and later license or market such technology. We have conducted experiments on certain crops with favorable results and have conducted certain preliminary cell-line and animal experiments, which have provided us with data upon which we have designed additional research

programs. However, we cannot give any assurance that our technology will be commercially successful or economically viable for any crops or human health applications.

In addition, no assurance can be given that adverse consequences might not result from the use of our technology such as the development of negative effects on humans or plants or reduced benefits in terms of crop yield or protection. Our failure to obtain market acceptance of our technology or to successfully commercialize such technology or develop a commercially viable product would have a material adverse effect on our business.

We outsource all of our research and development activities and, if we are unsuccessful in maintaining our alliances with these third parties, our research and development efforts may be delayed or curtailed.

We rely on third parties to perform all of our research and development activities. Our primary research and development efforts take place at the University of Waterloo in Ontario, Canada, where our technology was discovered, the University of Colorado, Mayo Clinic, the University of Virginia, the University of Pittsburgh, and with our commercial partners. At this time, we do not have the internal capabilities to perform our research and development activities. Accordingly, the failure of third-party research partners, such as the University of Waterloo, to perform under agreements entered into with us, or our failure to renew important research agreements with these third parties, may delay or curtail our research and development efforts.

We have significant future capital needs and may be unable to raise capital when needed, which could force us to delay or reduce our research and development efforts.

As of March 31, 2006, we had cash and highly-liquid investments valued at $2,514,006 and working capital of $1,798,449. Using our available reserves as of March 31, 2006, we believe that we can operate according to our current business plan for the next nine to twelve months. To date, we have generated minimal revenues and anticipate that our operating costs will exceed any revenues generated over the next several years. Therefore, we will be required to raise additional capital in the future in order to operate according to our current business plan, and this funding may not be available on favorable terms, if at all. If we are unable to raise additional funds, we will need to do one or more of the following:

- delay, scale back or eliminate some or all of our research and development programs;
- license third parties to develop and commercialize our technology that we would otherwise seek to develop and commercialize ourselves;
- seek strategic alliances or business combinations, or attempt to sell our company; or
- cease operations.

In addition, in connection with any funding, if we need to issue more equity securities than our certificate of incorporation currently authorizes, or more than 20% of the shares of our common stock outstanding, we may need stockholder approval. If stockholder approval is not obtained or if adequate funds are not available, we may be required to curtail operations significantly or to obtain funds through arrangements with collaborative partners or others that may require us to relinquish rights to certain of our technologies, product candidates, products or potential markets. Investors may experience dilution in their investment from future offerings of our common stock. For example, if we raise additional capital by issuing equity securities, such an issuance would reduce the percentage ownership of existing stockholders. In addition, assuming the exercise of all options and warrants outstanding, as of March 31, 2006, we had 6,226,021 shares of common stock authorized but unissued, which may be issued from time to time by our board of directors without stockholder approval. Furthermore, we may need to issue securities that have rights, preferences and privileges senior to our common stock. Failure to obtain financing on acceptable terms would have a material adverse effect on our liquidity.

Since our inception, we have financed all of our operations through private equity financings. Our future capital requirements depend on numerous factors, including:

- the scope of our research and development;

- our ability to attract business partners willing to share in our development costs;
- our ability to successfully commercialize our technology;
- competing technological and market developments;
- our ability to enter into collaborative arrangements for the development, regulatory approval and commercialization of other products; and
- the cost of filing, prosecuting, defending and enforcing patent claims and other intellectual property rights.

Our business depends upon our patents and proprietary rights and the enforcement of these rights. Our failure to obtain and maintain patent protection may increase competition and reduce demand for our technology.

As a result of the substantial length of time and expense associated with developing products and bringing them to the marketplace in the biotechnology and agricultural industries, obtaining and maintaining patent and trade secret protection for technologies, products and processes is of vital importance. Our success will depend in part on several factors, including, without limitation:

- our ability to obtain patent protection for our technologies and processes;
- our ability to preserve our trade secrets; and
- our ability to operate without infringing the proprietary rights of other parties both in the United States and in foreign countries.

We have been issued nine patents by the U.S. Patent and Trademark Office, or PTO, and five patents from foreign countries. We have also filed numerous patent applications for our technology in the United States and in several foreign countries, which technology is vital to our primary business, as well as several Continuations in Part on these patent applications. Our success depends in part upon the grant of patents from our pending patent applications.

Although we believe that our technology is unique and will not violate or infringe upon the proprietary rights of any third party, we cannot assure you that these claims will not be made or if made, could be successfully defended against. If we do not obtain and maintain patent protection, we may face increased competition in the United States and internationally, which would have a material adverse effect on our business.

Since patent applications in the United States are maintained in secrecy until patents are issued, and since publication of discoveries in the scientific and patent literature tend to lag behind actual discoveries by several months, we cannot be certain that we were the first creator of the inventions covered by our pending patent applications or that we were the first to file patent applications for these inventions.

In addition, among other things, we cannot assure you that:

- our patent applications will result in the issuance of patents;
- any patents issued or licensed to us will be free from challenge and that if challenged, would be held to be valid;
- any patents issued or licensed to us will provide commercially significant protection for our technology, products and processes;

- other companies will not independently develop substantially equivalent proprietary information which is not covered by our patent rights;
- other companies will not obtain access to our know-how;
- other companies will not be granted patents that may prevent the commercialization of our technology; or
- we will not require licensing and the payment of significant fees or royalties to third parties for the use of their intellectual property in order to enable us to conduct our business.

Our competitors may allege that we are infringing upon their intellectual property rights, forcing us to incur substantial costs and expenses in resulting litigation, the outcome of which would be uncertain.

Patent law is still evolving relative to the scope and enforceability of claims in the fields in which we operate. We are like most biotechnology companies in that our patent protection is highly uncertain and involves complex legal and technical questions for which legal principles are not yet firmly established. In addition, if issued, our patents may not contain claims sufficiently broad to protect us against third parties with similar technologies or products, or provide us with any competitive advantage.

The PTO and the courts have not established a consistent policy regarding the breadth of claims allowed in biotechnology patents. The allowance of broader claims may increase the incidence and cost of patent interference proceedings and the risk of infringement litigation. On the other hand, the allowance of narrower claims may limit the value of our proprietary rights.

The laws of some foreign countries do not protect proprietary rights to the same extent as the laws of the United States, and many companies have encountered significant problems and costs in protecting their proprietary rights in these foreign countries.

We could become involved in infringement actions to enforce and/or protect our patents. Regardless of the outcome, patent litigation is expensive and time consuming and would distract our management from other activities. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we could because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of any patent litigation could limit our ability to continue our operations.

If our technology infringes the intellectual property of our competitors or other third parties, we may be required to pay license fees or damages.

If any relevant claims of third-party patents that are adverse to us are upheld as valid and enforceable, we could be prevented from commercializing our technology or could be required to obtain licenses from the owners of such patents. We cannot assure you that such licenses would be available or, if available, would be on acceptable terms. Some licenses may be non-exclusive and, therefore, our competitors may have access to the same technology licensed to us. In addition, if any parties successfully claim that the creation or use of our technology infringes upon their intellectual property rights, we may be forced to pay damages, including treble damages.

Our security measures may not adequately protect our unpatented technology and, if we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology may be adversely affected.

Our success depends upon know-how, unpatentable trade secrets, and the skills, knowledge and experience of our scientific and technical personnel. As a result, we require all employees to agree to a confidentiality provision that prohibits the disclosure of confidential information to anyone outside of our company, during the term of employment and thereafter. We also require all employees to disclose and assign to us the rights to their ideas, developments, discoveries and inventions. We also attempt to enter into similar agreements with our consultants, advisors and research collaborators. We cannot assure you that adequate protection for our trade secrets, know-how or other proprietary information against unauthorized use or disclosure will be available.

We occasionally provide information to research collaborators in academic institutions and request the collaborators to conduct certain tests. We cannot assure you that the academic institutions will not assert intellectual property rights in the results of the tests conducted by the research collaborators, or that the academic institutions will grant licenses under such intellectual property rights to us on acceptable terms, if at all. If the assertion of intellectual property rights by an academic institution is substantiated, and the academic institution does not grant intellectual property rights to us, these events could limit our ability to commercialize our technology.

As we evolve from a company primarily involved in the research and development of our technology into one that is also involved in the commercialization of our technology, we may have difficulty managing our growth and expanding our operations.

As our business grows, we may need to add employees and enhance our management, systems and procedures. We will need to successfully integrate our internal operations with the operations of our marketing partners, manufacturers, distributors and suppliers to produce and market commercially viable products. We may also need to manage additional relationships with various collaborative partners, suppliers and other organizations. Although we do not presently conduct research and development activities in-house, we may undertake those activities in the future. Expanding our business will place a significant burden on our management and operations. We may not be able to implement improvements to our management information and control systems in an efficient and timely manner and we may discover deficiencies in our existing systems and controls. Our failure to effectively respond to changes may make it difficult for us to manage our growth and expand our operations.

We have no marketing or sales history and depend on third-party marketing partners. Any failure of these parties to perform would delay or limit our commercialization efforts.

We have no history of marketing, distributing or selling biotechnology products and we are relying on our ability to successfully establish marketing partners or other arrangements with third parties to market, distribute and sell a commercially viable product both here and abroad. Our business plan also envisions creating strategic alliances to access needed commercialization and marketing expertise. We may not be able to attract qualified sub-licensees, distributors or marketing partners, and even if qualified, these marketing partners may not be able to

successfully market agricultural products or human health applications developed with our technology. If we fail to successfully establish distribution channels, or if our marketing partners fail to provide adequate levels of sales, our commercialization efforts will be delayed or limited and we will not be able to generate revenue.

We will depend on joint ventures and strategic alliances to develop and market our technology and, if these arrangements are not successful, our technology may not be developed and the expenses to commercialize our technology will increase.

In its current state of development, our technology is not ready to be marketed to consumers. We intend to follow a multi-faceted commercialization strategy that involves the licensing of our technology to business partners for the purpose of further technological development, marketing and distribution. We are seeking business partners who will share the burden of our development costs while our technology is still being developed, and who will pay us royalties when they market and distribute products incorporating our technology upon commercialization. The establishment of joint ventures and strategic alliances may create future competitors, especially in certain regions abroad where we do not pursue patent protection. If we fail to establish beneficial business partners and strategic alliances, our growth will suffer and the continued development of our technology may be harmed.

Competition in the agricultural and human health biotechnology industries is intense and technology is changing rapidly. If our competitors market their technology faster than we do, we may not be able to generate revenues from the commercialization of our technology.

Many agricultural and human health biotechnology companies are engaged in research and development activities relating to senescence and apoptosis. The market for plant protection and yield enhancement products is intensely competitive, rapidly changing and undergoing consolidation. We may be unable to compete successfully against our current and future competitors, which may result in price reductions, reduced margins and the inability to achieve market acceptance for products containing our technology. Our competitors in the field of plant senescence gene technology are companies that develop and produce transgenic plants and include major international agricultural companies, specialized biotechnology companies, research and academic institutions and, potentially, our joint venture and strategic alliance partners. These companies include: Icoria (formerly Paradigm Genetics); Bayer Crop Science; Mendel Biotechnology; Renessen LLC; Exelixis Plant Sciences, Inc.; PlantGenix, Inc.; Syngenta International AG; and Eden Bioscience, among others. Some of our competitors that are involved in apoptosis research include: Amgen; Centocor; Genzyme; OSI Pharmaceuticals, Inc.; Idun Pharmaceuticals; Novartis; Introgen Therapeutics, Inc.; Genta, Inc.; and Vertex Pharmaceuticals, Inc. Many of these competitors have substantially greater financial, marketing, sales, distribution and technical resources than us and have more experience in research and development, clinical trials, regulatory matters, manufacturing and marketing. We anticipate increased competition in the future as new companies enter the market and new technologies become available. Our technology may be rendered obsolete or uneconomical by technological advances or entirely different approaches developed by one or more of our competitors, which will prevent or limit our ability to generate revenues from the commercialization of our technology.

Our business is subject to various government regulations and, if we are unable to obtain regulatory approval, we may not be able to continue our operations.

At present, the U.S. federal government regulation of biotechnology is divided among three agencies:

- the USDA regulates the import, field testing and interstate movement of specific types of genetic engineering that may be used in the creation of transgenic plants;
- the EPA regulates activity related to the invention of plant pesticides and herbicides, which may include certain kinds of transgenic plants; and
- the FDA regulates foods derived from new plant varieties.

The FDA requires that transgenic plants meet the same standards for safety that are required for all other plants and foods in general. Except in the case of additives that significantly alter a food's structure, the FDA does not require any additional standards or specific approval for genetically engineered foods, but expects transgenic plant developers to consult the FDA before introducing a new food into the marketplace.

Use of our technology, if developed for human health applications, will also be subject to FDA regulation. The FDA must approve any drug or biologic product before it can be marketed in the United States. In addition, prior to being sold outside of the U.S., any products resulting from the application of our human health technology must be approved by the regulatory agencies of foreign governments. Prior to filing a new drug application or biologics license application with the FDA, we would have to perform extensive clinical trials, and prior to beginning any clinical trial, we need to perform extensive preclinical testing which could take several years and may require substantial expenditures.

We believe that our current activities, which to date have been confined to research and development efforts, do not require licensing or approval by any governmental regulatory agency. However, federal, state and foreign regulations relating to crop protection products and human health applications developed through biotechnology are subject to public concerns and political circumstances, and, as a result, regulations have changed and may change substantially in the future. Accordingly, we may become subject to governmental regulations or approvals or become subject to licensing requirements in connection with our research and development efforts. We may also be required to obtain such licensing or approval from the governmental regulatory agencies described above, or from state agencies, prior to the commercialization of our genetically transformed plants and human health technology. In addition, our marketing partners who utilize our technology or sell products grown with our technology may be subject to government regulations. If unfavorable governmental regulations are imposed on our technology or if we fail to obtain licenses or approvals in a timely manner, we may not be able to continue our operations.

Preclinical studies and clinical trials of our human health applications may be unsuccessful, which could delay or prevent regulatory approval.

Preclinical studies may reveal that our human health technology is ineffective or harmful, and/or clinical trials may be unsuccessful in demonstrating efficacy and safety of our human health technology, which would significantly limit the possibility of obtaining regulatory approval for any drug or biologic product manufactured with our technology. The FDA requires

submission of extensive preclinical, clinical and manufacturing data to assess the efficacy and safety of potential products. Furthermore, the success of preliminary studies does not ensure commercial success, and later-stage clinical trials may fail to confirm the results of the preliminary studies.

Even if we receive regulatory approval, consumers may not accept products containing our technology, which will prevent us from being profitable since we have no other source of revenue.

We cannot guarantee that consumers will accept products containing our technology. Recently, there has been consumer concern and consumer advocate activism with respect to genetically engineered consumer products. The adverse consequences from heightened consumer concern in this regard could affect the markets for products developed with our technology and could also result in increased government regulation in response to that concern. If the public or potential customers perceive our technology to be genetic modification or genetic engineering, agricultural products grown with our technology may not gain market acceptance.

We depend on our key personnel and, if we are not able to attract and retain qualified scientific and business personnel, we may not be able to grow our business or develop and commercialize our technology.

We are highly dependent on our scientific advisors, consultants and third-party research partners. Our success will also depend in part on the continued service of our key employees and our ability to identify, hire and retain additional qualified personnel in an intensely competitive market. Although we have employment agreements with all of our key employees and a research agreement with Dr. Thompson, these agreements may be terminated upon short or no notice. We do not maintain key person life insurance on any member of management. The failure to attract and retain key personnel could limit our growth and hinder our research and development efforts.

Certain provisions of our charter, by-laws and Delaware law could make a takeover difficult.

Certain provisions of our certificate of incorporation and by-laws could make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to stockholders. Our certificate of incorporation authorizes our board of directors to issue, without stockholder approval, except as may be required by the rules of the American Stock Exchange, 5,000,000 shares of preferred stock with voting, conversion and other rights and preferences that could adversely affect the voting power or other rights of the holders of our common stock. Similarly, our by-laws do not restrict our board of directors from issuing preferred stock without stockholder approval.

In addition, we are subject to the Business Combination Act of the Delaware General Corporation Law which, subject to certain exceptions, restricts certain transactions and business combinations between a corporation and a stockholder owning 15% or more of the corporation's outstanding voting stock for a period of three years from the date such stockholder becomes a 15% owner. These provisions may have the effect of delaying or preventing a change of control of us without action by our stockholders and, therefore, could adversely affect the value of our common stock.

Furthermore, in the event of our merger or consolidation with or into another corporation, or the sale of all or substantially all of our assets in which the successor corporation does not assume outstanding options or issue equivalent options, our board of directors is required to provide accelerated vesting of outstanding options.

Increasing political and social turmoil, such as terrorist and military actions, increase the difficulty for us and our strategic partners to forecast accurately and plan future business activities.

Recent political and social turmoil, including the conflict in Iraq and the current crisis in the Middle East, can be expected to put further pressure on economic conditions in the United States and worldwide. These political, social and economic conditions may make it difficult for us to plan future business activities. Specifically, if the current situation in Israel begins to escalate, our joint venture with Rahan Meristem Ltd. could be adversely affected.

Risks Related to Our Common Stock

Our management and other affiliates have significant control of our common stock and could significantly influence our actions in a manner that conflicts with our interests and the interests of other stockholders.

As of March 31, 2006, our executive officers, directors and affiliated entities together beneficially own approximately 41.4% of the outstanding shares of our common stock, assuming the exercise of options and warrants which are currently exercisable or will become exercisable within 60 days of

March 31, 2006, held by these stockholders. As a result, these stockholders, acting together, will be able to exercise significant influence over matters requiring approval by our stockholders, including the election of directors, and may not always act in the best interests of other stockholders. Such a concentration of ownership may have the effect of delaying or preventing a change in control of us, including transactions in which our stockholders might otherwise receive a premium for their shares over then current market prices.

Our stockholders may experience substantial dilution as a result of the exercise of outstanding options and warrants to purchase our common stock.

As of March 31, 2006, we have granted options outside of our stock option plan to purchase 10,000 shares of our common stock and outstanding warrants to purchase 5,870,091 shares of our common stock. In addition, as of March 31, 2006, we have reserved 3,000,000 shares of our common stock for issuance upon the exercise of options granted pursuant to our stock option plan, 2,516,500 of which have been granted, 90,000 of which have been exercised, 2,426,500 of which are outstanding, and 483,500 of which may be granted in the future. The exercise of these options and warrants will result in dilution to our existing stockholders and could have a material adverse effect on our stock price.

A significant portion of our total outstanding shares of common stock may be sold in the market in the near future, which could cause the market price of our common stock to drop significantly.

As of March 31, 2006, we had 15,467,388 shares of our common stock issued and outstanding, of which approximately 1,595,651 shares are registered pursuant to a registration

statement on Form S-3, which was declared effective on June 17, 2005, and the remainder of which are either eligible to be sold under SEC Rule 144 or are in the public float. In addition, we have registered 965,380 shares of our Common Stock underlying warrants previously issued on the Form S-3 registration statement that was declared effective on June 17, 2005, and we registered 3,000,000 shares of our common stock underlying options granted or to be granted under our stock option plan. Consequently, sales of substantial amounts of our common stock in the public market, or the perception that such sales could occur, may have a material adverse effect on our stock price.

Our common stock has a limited trading market, which could limit your ability to resell your shares of common stock at or above your purchase price.

Our common stock is quoted on the American Stock Exchange and currently has a limited trading market. We cannot assure you that an active trading market will develop or, if developed, will be maintained. As a result, our stockholders may find it difficult to dispose of shares of our common stock and, as a result, may suffer a loss of all or a substantial portion of their investment.

The market price of our common stock may fluctuate and may drop below the price you paid.

We cannot assure you that you will be able to resell the shares of our common stock at or above your purchase price. The market price of our common stock may fluctuate significantly in response to a number of factors, some of which are beyond our control. These factors include:

- quarterly variations in operating results;
- the progress or perceived progress of our research and development efforts;
- changes in accounting treatments or principles;
- announcements by us or our competitors of new technology, product and service offerings, significant contracts, acquisitions or strategic relationships;
- additions or departures of key personnel;
- future offerings or resales of our common stock or other securities;
- stock market price and volume fluctuations of publicly-traded companies in general and development companies in particular; and
- general political, economic and market conditions.

Because we do not intend to pay, and have not paid, any cash dividends on our shares of common stock, our stockholders will not be able to receive a return on their shares unless the value of our common stock appreciates and they sell their shares.

We have never paid or declared any cash dividends on our common stock and we intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Therefore, our stockholders will not be able to receive a return on their investment unless the value of our common stock appreciates and they sell their shares.

If our common stock is delisted from the American Stock Exchange, it may be subject to the "penny stock" regulations which may affect the ability of our stockholders to sell their shares.

In general, regulations of the SEC define a "penny stock" to be an equity security that is not listed on a national securities exchange or the NASDAQ Stock Market and that has a market

price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. If the American Stock Exchange delists our common stock, it could be deemed a penny stock, which imposes additional sales practice requirements on broker-dealers that sell such securities to persons other than certain qualified investors. For transactions involving a penny stock, unless exempt, a broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written consent to the transaction prior to the sale. In addition, the rules on penny stocks require delivery, prior to and after any penny stock transaction, of disclosures required by the SEC.

If our common stock were subject to the rules on penny stocks, the market liquidity for our common stock could be severely and adversely affected. Accordingly, the ability of holders of our common stock to sell their shares in the secondary market may also be adversely affected.

Item 4. Submission of Matters to a Vote of Security Holders.

At our annual meeting of stockholders, held on December 14, 2005, our stockholders voted on two matters: (1) the election of seven (7) directors of the Company; and (2) a proposal to ratify the appointment of Goldstein Golub Kessler LLP as independent auditors for the year ending June 30, 2006. The results of these two votes were recorded as follows:

(A) For the election of the nominees for our Board of Directors:

Nominee	For	Withheld
Ruedi Stalder	10,047,246	631,722
Bruce C. Galton	9,916,286	762,682
John E. Thompson, Ph.D.	10,404,046	274,922
Christopher Forbes	10,338,055	340,913
Thomas C. Quick	10,128,246	550,722
David Rector	10,333,055	345,913
John Braca	10,311,855	367,113

(B) For the proposal to ratify the appointment of Goldstein Golub and Kessler, LLP as our independent auditors for the fiscal year ending June 30, 2006:

For	Against	Abstain
10,487,785	72,091	119,092

Subsequent to the annual meeting of stockholders, we learned that one of our stockholders voted their 1,200,000 shares of our common stock, but their vote was not recorded due to a technical difficulty. Under Delaware law, once a vote has been closed, we are unable to open it unless the stockholder petitions the Delaware Court of Chancery. However, because the vote was inadvertantly omitted due to a technical difficulty, we have decided to disclose how the stockholder voted its shares of common stock in this Form 10-Q. The stockholder voted for the election of all of the nominees for our Board of Directors except for Bruce C. Galton, which vote they withheld. The stockholder also voted for the proposal to ratify the appointment of Goldstein Golub Kessler, LLP as our independent auditors for the fiscal year ended June 30, 2006.

Item 6. Exhibits.

Exhibits.	
31.1*	Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of principal financial and accounting officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.
32.2*	Certification of principal financial and accounting officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.

* Filed herewith.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SENESCO TECHNOLOGIES, INC.

DATE: May 15, 2006

By: /s/ Bruce C. Galton
Bruce C. Galton, President
and Chief Executive Officer
(Principal Executive Officer)

DATE: May 15, 2006

By: /s/ Joel Brooks
Joel Brooks, Chief Financial Officer
and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Bruce C. Galton, President and Chief Executive Officer of Senesco Technologies, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Senesco Technologies, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [Paragraph omitted in accordance with SEC transition instructions contained in SEC Release 34-47986]

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

---

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2006

/s/ Bruce C. Galton
Bruce C. Galton
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Joel Brooks, Chief Financial Officer and Treasurer of Senesco Technologies, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Senesco Technologies, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [Paragraph omitted in accordance with SEC transition instructions contained in SEC Release 34-47986]

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

---

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2006

/s/ Joel Brooks
Joel Brooks
Chief Financial Officer and Treasurer
(principal financial and accounting officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Senesco Technologies, Inc. for the period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof, the undersigned, Bruce C. Galton, President and Chief Executive Officer, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

(1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Senesco Technologies, Inc.

Dated: May 15, 2006

/s/ Bruce C. Galton *
Bruce C. Galton
President and Chief Executive Officer
(principal executive officer)

* A signed original of this written statement required by Section 906 has been provided to us and will be retained by us and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Senesco Technologies, Inc. for the period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof, the undersigned, Joel Brooks, Chief Financial Officer and Treasurer, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

(1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Senesco Technologies, Inc.

Dated: May 15, 2006

/s/ Joel Brooks *
Joel Brooks
Chief Financial Officer and Treasurer
(principal financial and accounting officer)

* A signed original of this written statement required by Section 906 has been provided to us and will be retained by us and furnished to the Securities and Exchange Commission or its staff upon request.