

Sangamo BioSciences, Inc.
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**SANGAMO BIOSCIENCES SIGNS DEFINITIVE
AGREEMENT TO ACQUIRE GENDAQ LTD.**

Sangamo Consolidates Leadership in the Emerging Field of Gene Regulation

Richmond, California – June 28, 2001 – Sangamo BioSciences, Inc. (Nasdaq: SGM0) today announced that it has signed a definitive purchase agreement to acquire Gendaq Ltd., a privately held biotechnology company headquartered in London. Under the terms of the agreement, Sangamo will issue 2,125,000 shares of its common stock to acquire all of Gendaq's outstanding shares, and will reserve an additional 125,000 shares to assume all of Gendaq's outstanding options. The transaction, which values Gendaq at approximately \$30 million, is expected to be completed next quarter. Once the transaction is finalized, Sangamo will acquire all of the business of Gendaq including a research team comprising 16 scientists, 22 patent applications and 2 issued patents, and in excess of \$5 million in cash.

“This acquisition reflects our belief that zinc finger DNA-binding protein transcription factors will be the dominant platform for targeted gene regulation, and the addition of Gendaq's considerable scientific and intellectual property assets will be a critical component of our future commercial success,” said Edward Lanphier, Sangamo's president and chief executive officer. “The Gendaq acquisition adds further strength to our already substantial patent portfolio and achieves our goal of gaining the participation within Sangamo of the principal academic thought leaders in the ZFP field.”

Gene Regulation

Both Sangamo and Gendaq have focused their research efforts on regulating genes through the engineering of a specific class of transcription factors known as zinc finger DNA-binding proteins (ZFPs). ZFPs are the dominant class of naturally occurring transcription factors in humans and many other organisms. Transcription factors, which are found in the nucleus of every cell, interact with DNA to regulate gene expression. Since the over-expression or under-expression of individual genes is the basis for many diseases, the ability to regulate genes with engineered zinc finger DNA-binding protein transcription factors (ZFP TFs) has significant potential in the discovery and validation of new drug targets and the therapeutic regulation of disease-associated genes.

Sangamo, founded in 1995, has established a number of corporate partnerships to access important commercial opportunities in diverse markets, including: the discovery and validation of new genomics-based drug targets, the discovery and development of novel human therapeutics, and in plant agriculture. Founded in 1999, Gendaq is focused on the engineering of ZFPs based on the research of Sir Aaron Klug of the Medical Research Council. Gendaq's structural biology capabilities, particularly in the areas of high-throughput *in vitro* selection of ZFPs, will augment Sangamo's existing methodologies.

“We are looking forward to integrating Gendaq's distinctive expertise in the selection and engineering of ZFPs into the Sangamo technology platform,” said Casey Case, Ph.D., Sangamo's vice president of research. “We have a great deal of respect for the caliber of Gendaq's research, and it directly complements Sangamo's science. By consolidating resources, we are further enhancing Sangamo as the leader in this technology.”

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Management Roles

Members of Gendaq's management team will continue to play a key role in the combined organization. Sir Aaron Klug, OM FRS, one of Gendaq's scientific founders and a pioneer in the ZFP field, will join Sangamo's scientific advisory board. Professor Klug has been the recipient of numerous honors and awards including the Nobel Prize for Chemistry in 1982. He was director of the Medical Research Council (MRC) Laboratory of Molecular Biology from 1986 to 1996, and is the immediate past president of the Royal Society. Timothy Brears, Ph.D., Gendaq co-founder and chief executive officer, will have expanded strategic and business development responsibilities. Yen Choo, Ph.D., co-founder of Gendaq and chief scientific officer, will continue to head the UK research operation.

"Sangamo has moved strategically and aggressively to build the pre-eminent position in the scientific and commercial application of ZFP TFs," said Sir Aaron. "This consolidation of intellectual property and scientific assets catapults Sangamo into a unique position. I look forward to working with their research team, including the Sangamo scientific advisory board, to advance this very powerful gene regulation platform."

"Sangamo has sent a very clear message that they are establishing themselves as the leading gene regulation company," said Dr. Brears. "Their vision of leveraging technical excellence to achieve commercial success resonated well with our team. We believe the combined organization will make significant contributions in a number of different markets."

About Sangamo

Sangamo is focused on the research and development of novel transcription factors for the regulation of gene expression. Sangamo's Universal Gene Recognition™ technology enables the engineering of transcription factors known as zinc finger DNA-binding proteins, or ZFP TFs. By engineering ZFP TFs so that they can recognize a specific gene, Sangamo has created ZFP TFs that can control gene expression and, consequently, cell function. The company intends to establish Universal Gene Recognition as a widely used technology for commercial applications in pharmaceutical discovery, human therapeutics, clinical diagnostics, agriculture and industrial biotechnology. Over twenty leading pharmaceutical and biotechnology companies have utilized ZFP TFs. In addition, Sangamo is developing novel ZFP TF-based therapeutics for the treatment of cardiovascular disease. For more information about Sangamo, visit the company's web site at www.sangamo.com.

This press release contains forward-looking information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is subject to the safe harbors created by those sections. Those forward-looking statements include statements related to the ability of Sangamo BioSciences, Inc. to continue to meet marketing, technology, and customer demands as it relates to its products within the gene regulation market and to completed the acquisition of Gendaq. Actual results may differ materially due to a number of factors, including numerous technological, operational and financial challenges associated with the regulation of genes. The matters discussed in this press release also involve risks and uncertainties concerning Sangamo's products and services described in Sangamo's filings with the Securities and Exchange Commission (SEC). In particular, see the risk factors described in the company's Annual Report on Form 10-K and its most recent quarterly report on Form 10-Q. Sangamo assumes no obligation to update the forward-looking information contained in this press release.

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