

SANGAMO BIOSCIENCES ANNOUNCES SMALL MOLECULE SCREENING COLLABORATION WITH ICAGEN

Richmond, California – July 16, 2002 – Sangamo BioSciences, Inc. (Nasdaq: SGMO) today announced an agreement with Icagen Inc., a North Carolina based drug discovery company, to develop novel cell lines for high throughput small molecule screening. Using its proprietary zinc finger DNA binding protein transcription factor (ZFP-TF) technology platform, Sangamo will engineer cell lines overexpressing specific proteins of established therapeutic importance. Icagen will use the engineered cell lines in its internal drug discovery screening programs. Under the terms of the non-exclusive agreement Sangamo will receive an upfront payment, research funding, product development milestones, and royalties on product sales.

“Following on similar agreements with Johnson & Johnson and Pharmacia, this collaboration further extends the use of our technology platform in the field of high throughput screening and drug discovery. It is gratifying to be able to assist one of the emerging leaders in the therapeutically important field of ion channels,” said Edward Lanphier, Sangamo’s president and chief executive officer. “We believe our approach to creating cell lines in which naturally occurring genes are up-regulated provides a more biologically relevant system in which new drugs can be identified.”

“The Sangamo team has developed a unique approach to the development of cell lines which we believe will be very useful in our high throughput screening efforts,” said Kay Wagoner, president and chief executive officer of Icagen. “We are delighted to be working with this talented and innovative group of scientists as we continue to accelerate our efforts to develop novel compounds for multiple promising ion channel targets.”

Proteins known as transcription factors control the regulation of gene expression in all organisms. A transcription factor regulates gene expression by recognizing and binding to a specific DNA sequence associated with a particular gene and causing that gene to be activated or repressed. By using its ZFP TF technology to activate or repress a gene believed to be at the root of a disease, Sangamo provides researchers with a tool that enables them to more efficiently discover new drugs that are effective against the proteins encoded by such genes.

Small molecule screening is used by the pharmaceutical industry to rapidly test large libraries of chemical compounds for their effects on cellular proteins that have been identified to have a role in a disease process. This type of assay enables the efficient identification of viable drug candidates. In this application, a cell line can be engineered using a specific ZFP TF that will effect overexpression of a protein that has been implicated in a specific disease. By employing a customized cell line that induces the endogenous gene of interest to overexpress the protein target, pharmaceutical researchers should be able to more quickly assess and quantify the impact of various chemical compounds on that target.

Sangamo BioSciences, Inc., of Richmond, CA, is focused on the research and development of novel transcription factors for the regulation of gene expression. The company’s most advanced therapeutic development program involves the use of transcription factors for the treatment of cardiovascular disease. Other therapeutics development programs are focused on cancer and infectious diseases. Sangamo’s proprietary technology enables the engineering of transcription factors known as zinc finger DNA-binding proteins, or ZFPs. By engineering ZFPs so that they can recognize a specific gene, Sangamo has created ZFP transcription factors (ZFP TFs) that can control gene expression and, consequently, cell function. The company is developing ZFP TFs as a fundamentally enabling

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technology for commercial applications in human therapeutics, pharmaceutical discovery, clinical diagnostics, agriculture and industrial biotechnology. Over twenty leading pharmaceutical and biotechnology companies have utilized ZFP TFs. For more information about Sangamo, visit the company's web site at www.sangamo.com.

This press release may contain forward-looking statements based on Sangamo's current expectations. These forward-looking statements include, without limitation, references to the research and development of novel ZFP TFs and applications of Sangamo's ZFP TF technology platform. Actual results may differ materially from these forward-looking statements due to a number of factors, including technological challenges, our ability to develop commercially viable products and technological developments by our competitors. See the company's SEC filings, and in particular, the risk factors described in the company's Annual Report on Form 10-K and its most recent 10-Q. Sangamo assumes no obligation to update the forward-looking information contained in this press release.

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