

PRESS RELEASE

PYROSEQUENCING AB COLLABORATES WITH LEADING MICROBIOLOGY RESEARCHERS FOR RAPID, DNA-BASED TESTS IN INFECTIOUS DISEASES

- Disease-causing bacteria are target of new Pyrosequencing applications -

Uppsala, Sweden July 10, 2001—Pyrosequencing AB's Molecular Diagnostics Business Unit (Stockholm: PYRO A) and Professor Lars Engstrand of Clinical Bacteriology, Uppsala University, Sweden, today announced that they have initiated a research collaboration to investigate several applications of Pyrosequencing™ within the field of bacterial identification and resistance. The initial focus of the agreement includes *Helicobacter pylori*, *Mycobacterium tuberculosis* and *Bacillus anthracis*. *H. pylori* and *M. tuberculosis* are important pathogens for which there is a clinical need for rapid identification and detection of resistance to commonly used antibiotics. Soil bacterium *B. anthracis*, the causative agent of Anthrax, is a serious threat in biological warfare and terrorism.

"This represents our second molecular diagnostics research collaboration within the past month and underscores the breadth of potential applications for our technology in this emerging field," said Jerry Williamson, Molecular Diagnostics Business Unit Head at Pyrosequencing AB. "Our goal is to create many more opportunities for us to work with top clinical microbiology researchers such as those at the University of Uppsala to develop rapid, accurate and more informative tests to address the growing need to identify bacteria that are resistant to antibiotics."

The first phase of the research collaboration involves extending methods already developed for the Pyrosequencing™ platform to identify and determine the antibiotic resistance of *H. pylori*. This bacterium is involved in the development of gastritis, duodenal ulcers and gastric cancer. Approximately 50 percent of the western world's population is infected with *H. pylori* and an estimated 10 percent of these individuals develop ulcers.

The second phase of the collaboration aims to develop robust and easy-to-use methods based on Pyrosequencing™ for rapidly identifying drug-resistant isolates of *Mycobacterium tuberculosis*. This bacterium is responsible for the growing number of cases of tuberculosis and multi drug-resistant strains are increasingly being reported.

"There is an ever-increasing clinical need for rapid and informative tests for bacterial pathogens, particularly for those that have developed resistance to the common treatments," said Professor Lars Engstrand, Head of Clinical Bacteriology, Uppsala University, Sweden. "Current methods for detecting resistant strains are slow and in some cases speed to results is of paramount importance. The DNA sequence results provided by Pyrosequencing technology confers a more comprehensive level of information within minutes versus traditional culture techniques that may take days."

About Pyrosequencing AB

PYROSEQUENCING AB
VALLONGATAN 1, SE-752 28 UPPSALA, SWEDEN
PHONE +46 18 56 59 00, FAX +46 18 59 19 22
info@pyrosequencing.com, www.pyrosequencing.com/

U.S. OFFICE:
2200 West Park Drive, Westborough, MA 01581
PHONE 1 877 797 6767, FAX 1 508 898 3306
info@pyrosequencing.com, www.pyrosequencing.com/



Pyrosequencing AB develops, manufactures and sells complete solutions for applied genetic analysis based on its proprietary Pyrosequencing™ technology, a simple-to-use DNA sequencing technique. In the post-genome era, Pyrosequencing's technology has established the Company as one of the leading suppliers of solutions for accurate, consistent DNA analysis in research institutions and pharmaceutical, genomics and agbiotech companies.

For the analysis of single nucleotide polymorphisms (SNPs), the PSQ™96 System with SNP Software and Reagent Kits is used by customers such as AstraZeneca, GlaxoSmithKline, the Harvard Center for Cancer Prevention, the National Institutes of Health (NIH), the Karolinska Institute and DuPont Agriculture. The Company's Sequence Analysis Software and Reagent Kits together with the PSQ 96 System are used for the identification of gene-specific DNA sequences for applications such as bacterial and viral typing where speed and ease of use are essential.

The Company is headquartered in Uppsala, Sweden with North American operations located in Westborough, Massachusetts. Pyrosequencing AB also has sales offices and distribution partners in Europe, Japan and the Middle East. Pyrosequencing AB is listed on the OM Stockholm Exchange. The Company's web address is www.pyrosequencing.com.

Certain statements in this press release are forward-looking. These may be identified by the use of forward-looking words or phrases such as "believe," "expect," "intend," and "should," among others. These forward-looking statements are based on Pyrosequencing's current expectations. The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for such forward-looking statements. In order to comply with the terms of the safe harbor, Pyrosequencing notes that a variety of factors could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in such forward-looking statements. Such uncertainties and risks include but are not limited to, risks associated with management of growth and international operations (including the effects of currency fluctuations), variability of operating results, the commercial development of the DNA sequencing and genomics market, nucleic acid-based molecular diagnostics market, and genetic vaccination and gene therapy markets, competition, rapid or unexpected changes in technologies, fluctuations in demand for Pyrosequencing's products (including seasonal fluctuations), difficulties in successfully adapting the Company's products to integrated solutions and producing such products, and the Company's ability to identify and develop new products and to differentiate its products from competitors.

FOR FURTHER INFORMATION CONTACT:

Pyrosequencing AB

Erik Walldén

President & CEO

erik.wallden@pyrosequencing.com

Phone: +46 18 565902 or 070-326 98 70

Theresa McNeely, Sr. Director

Investor and Public Relations

theresa.mcneely@pyrosequencing.com

Phone: +1 877 797 6767

Jerry Williamson

Molecular Diagnostics Business Head

jerry.williamson@pyrosequencing.com

Phone: +1 877 797 6767

PYROSEQUENCING AB

VALLONGATAN 1, SE-752 28 UPPSALA, SWEDEN

PHONE +46 18 56 59 00, FAX +46 18 59 19 22

info@pyrosequencing.com, www.pyrosequencing.com

U.S. OFFICE:

2200 West Park Drive, Westborough, MA 01581

PHONE 1 877 797 6767, FAX 1 508 898 3306

info@pyrosequencing.com, www.pyrosequencing.com