



PYROSEQUENCING

PRESS RELEASE

GERMAN ARMY BUYS PYROSEQUENCING PSQ™96 SYSTEM TO AID IN FIGHT AGAINST BIOLOGICAL WEAPONS

-- Focus on causative agent for anthrax --

Uppsala, Sweden November 29, 2001— Pyrosequencing AB (Stockholm: PYRO A) today announced that it has sold a PSQ™96 System to the German Armed Forces for the rapid typing and validation of bacteria and viruses used to produce biological weapons. Pyrosequencing™ technology is currently being used by a number of major research institutions to develop diagnostic tests for the rapid detection and identification of harmful bacteria and for resistance to commonly used antibiotics. The German Armed Forces is using Pyrosequencing technology to identify and characterize important biological agents such as bacteria that cause anthrax and viruses that produce smallpox.

"The very possibility of biological warfare necessitates a rapid, accurate way to detect and type any suspicious agent such as *Bacillus anthracis*, the causative agent for anthrax," said the Head of the Molecular Genetics Detection Group, Armed Forces Scientific Institute for Protection Technologies – NBC Protection, Germany. "On the basis of work by Professor Lars Engstrand, we developed our own fast method for identifying anthrax using Pyrosequencing technology. Unlike other detection methods, Pyrosequencing enables us to verify DNA (PCR products) by providing valuable sequence information very quickly."

In July, Pyrosequencing announced a research collaboration with Professor Lars Engstrand of Clinical Bacteriology, Uppsala University, Sweden, 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*. Additionally, the Company has established multiple research collaborations in other infectious disease areas as well as in cardiology, genetic disorders and hematology/oncology as part of its global strategy to expand into clinical diagnostics.

"The Germany Army's purchase of our PSQ 96 System confirms the relevance of Pyrosequencing technology for the rapid identification and typing of infectious bacteria and viruses as well as other mutations in disease-causing agents which may cause resistance," said Erik Walldén, President and CEO of Pyrosequencing AB. "Other defense organizations are also expressing interest in our technology. Our goal is to establish Pyrosequencing technology as a first line of defense against infectious diseases which may ultimately lead to rapid and improved treatments."

Pyrosequencing has independently offered to provide its technology to the U.S. government to assist in the identification and characterization of harmful pathogens.

Pyrosequencing AB formed a Molecular Diagnostics Business Unit earlier this year to establish the Company's proprietary technology as a standard platform for clinical genetic

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analysis. Capitalizing on Pyrosequencing's worldwide market leadership in applied genetic analysis, the Molecular Diagnostics Business Unit is pursuing a global strategy to identify new diagnostic product opportunities, develop clinically useful molecular diagnostic assays, and collaborate with academic and commercial partners in the fields of disease diagnosis, clinical prognosis and pharmacogenomics.

About Pyrosequencing AB

Pyrosequencing AB develops, manufactures and sells complete solutions for rapid applied genetic analysis based on its proprietary Pyrosequencing™ technology, a simple-to-use DNA sequencing technique. Pyrosequencing leads the global market in Applied Genomics with over 120 systems sold to major pharmaceutical and biotech companies and prestigious research institutions worldwide.

Pyrosequencing™ is broadly applicable for the analysis of single nucleotide polymorphisms (SNPs) and for the identification and quantification of short DNA sequences used in bacterial and viral typing. The Company's products include the bench-top PSQ™96 System and a high-throughput PTP™ system which utilize proprietary software and reagents. Among Pyrosequencing's customers are AstraZeneca, GlaxoSmithKline, Merck, the NIH, the Harvard Center for Cancer Prevention, the Karolinska Institute, Biogen, Oxagen, Ltd., and DuPont Agriculture. 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.

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