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PRESS RELEASE

PYROSEQUENCING AB EXTENDS GLOBAL MARKET ACCESS WITH NEW DISTRIBUTION AGREEMENTS

**-- New distributorships complete Company's reach throughout
Europe and the Middle East --**

Uppsala, Sweden, January 29, 2001— With the signing of several new distribution agreements, Pyrosequencing AB (SSE:PYRO A) has significantly extended its worldwide market access and has achieved its goal to complete entrée into the European market, the Company announced today. The new agreements for Pyrosequencing's PSQ™ 96 System cover eastern and central Europe through distributor HVD; Spain and Portugal through IZASA, S.A.; and BioSense Srl, who will target Italy. The Company will continue to maintain its own sales force in the major markets. The recent addition of a direct sales force in France completes that undertaking alongside the United States, the United Kingdom, Scandinavia and Germany.

"Each distributor agreement, by itself, is significant. Together, they represent a real milestone in our ability to generate worldwide sales," said Erik Walldén, President and CEO of Pyrosequencing AB. "The genomics revolution is happening now. Researchers need the most accurate sequencing information available, and our PSQ 96 System provides the answer in a fully scalable solution that meets customer needs today and into the future. We intend to aggressively extend our reach to fuel industry advances in applied genomics—no matter where they occur."

Under the distribution agreements, Pyrosequencing gains access to additional markets, including Italy, Spain, Greece, Austria, Poland and Hungary, as well as several territories in central and eastern Europe and central Asia. A majority of the Middle Eastern countries, including Israel, and major countries on the African continent are also included. Distributors now have exclusive rights to sell Pyrosequencing's PSQ 96 Systems in more than 45 countries.

"Worldwide demand for our products continues to exceed expectations," said Mårten Winge, Vice President, World Wide Marketing, Sales, and Support for Pyrosequencing. "Since we offer the only system designed for, and dedicated to applied genetic analysis, we believe that these distributors recognize the enormous opportunity to push the market forward with our technology."

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
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,



Launched in early 2000, Pyrosequencing's PSQ 96 System is the first commercially available dedicated sequencing system for applied genetic analysis. The PSQ 96 System, which includes a sequencing instrument, software and reagent kits, has rapidly penetrated the U.S., European and Japanese markets because of its ability to accurately, rapidly, reproducibly and cost-effectively analyze single nucleotide polymorphisms (SNPs). Critical to genetic research, SNPs are responsible for most genetic variations within a species. As of September 30, 2000, the Company had sold 32 systems to major pharmaceutical and genomics companies, leading academic institutions, and agbiotech companies throughout the world.

The Company also announced the appointment of Dr. Frederic Lenoir, formerly of LJI BioSystems--Molecular Devices Corporation, as Sales Manager in France. "Frederic brings more than ten years of solid experience from successful sales and marketing in this industry to the Company. By joining our European sales team, he completes the Company's strategic goal to establish its own sales organization in the major markets," added Winge.

About Pyrosequencing AB

Pyrosequencing AB develops, manufactures and sells complete applied genetic analysis systems based on its Pyrosequencing™ technology, a simple-to-use DNA sequencing technique for accurate and consistent analysis. In the post-genome era, Pyrosequencing's technology addresses the increasing demand for applied genetic analysis across various markets, including research and routine clinical testing, as well as large-scale customized industrial applications, such as drug development by pharmaceutical companies. The Company's growing list of customers includes SmithKline Beecham, AstraZeneca, the National Institutes of Health, Harvard Center for Cancer Prevention and DuPont Agriculture. The Company is headquartered in Uppsala, Sweden with North American operations located in Massachusetts. Pyrosequencing AB also has sales offices and distribution partners in Scandinavia, United Kingdom, Germany, BeNeLux, Switzerland and Japan. Pyrosequencing AB is listed on the OM Stockholm Exchange. The Company Web site 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," "anticipate," "should," "planned," "estimated," and "potential," 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
www.pyrosequencing.com

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

Theresa McNeely, Sr. Director

Investor/Public Relations

tmcneely@pyrosequencing.com

Phone: +1 508 389 9911 ext.

PYROSEQUENCING AB

VALLONGATAN 1, SE-752 28 UPPSALA, SWEDEN

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

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PHONE 1 877 797 6767, FAX 1 508 898 3306

info@pyrosequencing.com