



PRESS RELEASE

PYROSEQUENCING SECURES ACCESS TO INTELLECTUAL PROPERTY FOR BACTERIAL IDENTIFICATION

Uppsala, Sweden, September 3, 2002—Pyrosequencing AB (Stockholm: PYRO A) today announced that the Company has secured access to important intellectual property covering the use of the RNase P gene for identifying clinically relevant bacteria. The RNase P enzyme, found in all living cells, contains both conserved as well as highly variable sequences. The variable sequences may be used to differentiate important infectious bacteria and could provide an alternative to existing methods such as those that use 16S RNA. The Company has been granted an option from Bioimics AB for an exclusive worldwide license to the RNase P gene for detecting pathogenic organisms. Under the license agreement, Pyrosequencing would also have rights to sublicense the target to potential collaborators for bacterial identification.

"We believe the RNase P gene may provide an attractive alternative to existing diagnostic methods for bacterial typing, which include phenotypic expression, biochemical techniques and sequencing whole genes, such as 16S RNA," said Björn Ekström, Vice President and Chief Technology Officer at Pyrosequencing AB. "Integral to our strategy, we will continue to expand the applications of Pyrosequencing™ technology for clinical applications while bolstering our intellectual property portfolio," he added.

As part of the agreement, Pyrosequencing will fund a research project in which Bioimics will use Pyrosequencing's PSQ™96 System to sequence the Endoribonuclease P (RNase P) gene in various micro-organisms to further validate its utility for identifying clinically relevant bacteria. The resulting information will be used to enhance the intellectual property surrounding the gene. Bioimics, based in Uppsala, Sweden, is focused on research in novel antibiotics that are targeted against a class of bacterial molecules called ribonucleic acids (RNA).

"Diagnostic determination of bacterial infections today is not optimal when considering the time and complexity of many methods," said Professor Leif Kirseborn of Bioimics. "We intend to demonstrate that the RNase P gene is a valuable target for bacterial identification and that Pyrosequencing technology is a reliable, high resolution method that is much easier to use than existing platforms and may decrease the time required to complete the analysis."

RNase P is responsible for transforming precursor molecules into functional transfer RNA (tRNA) molecules. The role of tRNAs is to bind with and transfer amino acids to the ribosomes where they are assembled into proteins. Some regions of the Rnase P gene are conserved while other positions are highly variable and may be used to differentiate between species within the same genus and as a diagnostic method for detecting bacteria. Bioimics' researchers will use Pyrosequencing technology to sequence informative regions of the RNase P gene of clinically relevant bacteria.

About Pyrosequencing AB

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Pyrosequencing AB develops, manufactures and sells complete solutions for rapid applied genetic analysis based on its proprietary Pyrosequencing™ technology, a broadly applicable DNA sequencing technique. Pyrosequencing leads the global market in Applied Genomics with over 180 systems sold to major pharmaceutical and biotech companies and prestigious research institutions worldwide. The Company actively collaborates with industry leaders to develop clinical applications of the technology for disease diagnosis, clinical prognosis and pharmacogenomics testing.

Pyrosequencing products include the bench-top PSQ™96, PSQ™96MA and PSQ™HS 96A Systems and a high-throughput 384-well system available through a Preferred Technology Program (PTP™), all of which utilize proprietary software and reagent kits. Among Pyrosequencing's customers are AstraZeneca, GlaxoSmithKline, Merck, Schering-Plough, the NIH, the CDC, Yale University, the Karolinska Institute, Genzyme Corp., Biogen, Oxagen, NASA, DuPont Agriculture, Goethe-Universität, and IMGM Laboratories. The 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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