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***PYROSEQUENCING AB INITIAL PUBLIC OFFERING, THE
“OFFERING”***

Pyrosequencing AB today launched the Initial Public Offering of its shares. The company plans to list its shares on the OM Stockholm Exchange.

Pyrosequencing is a leading supplier of complete systems for applied genetic analysis based on the company's proprietary Pyrosequencing™ technology. The rapidly emerging market for applied genetic analysis involves the study of genetic variations that exist between individuals of the same species. The understanding of genetic variability is expected to have fundamental importance for improvements in modern health care, as well as in the field of agriculture.

Pyrosequencing's first generation platform product, PSQ™ 96 System was commercially introduced in the 4th quarter of 1999 with the first sales achieved in December of that year. PSQ™ 96 System is marketed through the company's own marketing and sales organization in the United States and the major markets of Europe. In Japan the products are distributed in collaboration with Sumitomo Corporation. Pyrosequencing™ technology and the PSQ™ 96 System have a user base comprising major pharmaceutical companies, genomics companies, agricultural biotechnology companies, contract research organizations and leading edge academic institutions.

10 million shares are being sold in the Offering at an indicative price range of SEK85 to SEK105 per share (approximately US\$9.4-US\$11.7 per share) resulting in a total offering size of SEK850 million to SEK1,050 million (approximately US\$94 million to US\$117 million). In addition, an over-allotment option has been granted to the underwriters of the Offering to issue an additional 1.5 million shares. The Offering will create a free float of approximately 28,8% for Pyrosequencing AB (approximately 31,7% if the over-allotment option is exercised).

Shares are being offered to institutional investors worldwide and to retail investors in Sweden. A limited number of shares have also been reserved for employees and business partners of Pyrosequencing AB. The application period for the Offering is expected to commence on Thursday, June 8 and will continue until Monday, June 19 for Swedish retail investors and Wednesday 21 June for institutional investors. Management is participating in a series of presentations to institutional investors in Sweden, Continental Europe, the United Kingdom and the United States.

Existing shares sold by current shareholders will represent less than 5% of the Offering. Proceeds of the offering to Pyrosequencing AB will be used for working capital and other general purposes.

Pyrosequencing AB shares will be listed on the OM Stockholm Exchange under the symbol "PYRO". It is expected that the shares will commence trading on June 30.

Deutsche Bank is acting as global co ordinator and book runner of the Offering, and Alfred Berg and SG Cowen are acting as co-lead managers. Prospectuses and application forms for the Offering will be made available to Swedish retail investors from the offices of Alfred Berg Fondkommission AB, Emissionsavdelningen, Box 70447 (visiting address: Birger Jarlsgatan 7), SE 107 25 Stockholm, Phone +46 8 527 364 75.

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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.
