

Sangamo BioSciences, Inc.
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**SANGAMO BIOSCIENCES, ARTEMIS PHARMACEUTICALS AND EXELIXIS
INITIATE COLLABORATION TO CREATE NEW WAY OF GENERATING
KNOCK-OUT MICE FOR DRUG DISCOVERY**

*Proprietary Mouse Genetic Technologies and
Novel Gene Regulation Technologies to be Combined*

Richmond and South San Francisco, California; Cologne, Germany – October 2, 2000 – Sangamo BioSciences, Inc. (Nasdaq: SGMO), Exelixis, Inc. (Nasdaq: EXEL), and Artemis Pharmaceuticals GmbH announced today that the companies will work together to develop a new way to produce knock-out mice for functional gene validation. The collaboration will combine their unique proprietary technologies to create powerful new models in which specific disease-related genes may be turned on and off in a regulated fashion. This compelling new methodology may allow knock-out mice to be generated much more quickly than is currently possible, allow a more complete gene function validation in mice and provide better results, supporting and increasing the efficiency of the drug discovery process.

Sangamo's expertise in gene regulation can be applied to turn on or turn off a specific gene among the vast number that exist in virtually every organism. Exelixis and Artemis are collectively focused on the development of genetic modeling systems for a variety of animal species, including fruit flies, nematode worms, zebrafish, and mice. The study of these simple organisms, which have shorter life cycles and well characterized biology, can be used to improve the understanding of more sophisticated biological systems.

"We are excited about working with Artemis and Exelixis to extend the utility of our ZFP platform into their proprietary systems in mice," said Edward Lanphier, Sangamo's president and chief executive officer. "Having the power to exquisitely manipulate and examine the genomes of multiple organisms provides tremendous insights that can guide the drug discovery process."

"We believe that the combination of Artemis' unique CONDITIONAL™ knock-out expertise, with Sangamo's powerful ZFP technology, can bring functional gene validation with mice to a new level of efficiency," said George A. Scangos, Ph.D., president and chief executive officer of Exelixis. "Together, these technologies and the technology we recently licensed from the Wisconsin Alumni Research Foundation gives us an extremely powerful suite of methodologies that will allow us to answer questions that are otherwise difficult to address and shorten the time currently required to generate knock-out mice."

About Sangamo

Sangamo is focused on the research and development of novel transcription factors for the regulation of gene expression. Sangamo's Universal Gene Recognition™ technology enables the engineering of transcription factors known as zinc finger DNA binding proteins, or ZFPs. By engineering ZFPs so that they can recognize a specific site on a specific gene, Sangamo has created ZFP transcription factors that can control gene expression and, consequently, cell function. The company intends to establish Universal Gene Recognition as a widely used technology for commercial applications in pharmaceutical discovery, human therapeutics, clinical diagnostics, agriculture and industrial biotechnology.

Leading pharmaceutical and biotechnology companies utilizing ZFPs include: AstraZeneca, Bayer Corporation, Bristol-Myers Squibb, DuPont Pharmaceuticals, Genset SA, Glaxo Wellcome, Hoffmann-LaRoche, Immunex, The R. W. Johnson Pharmaceutical Research Institute, Japan Tobacco, Merck,

-- more --

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Merck KGaA, Millennium Pharmaceuticals, Pfizer, Pharmacia & Upjohn, Procter & Gamble Pharmaceuticals, Schering AG, SmithKline Beecham, Warner-Lambert, and Zaiya. In addition, Sangamo has a strategic alliance with Edwards Lifesciences Corporation to develop novel therapeutics for the treatment of cardiovascular disease. For more information about Sangamo, visit the company's web site at www.sangamo.com.

About Exelixis

Exelixis, Inc. is a leading biotechnology company focused on the life sciences industries and product development through its expertise in comparative genomics and model system genetics. These technologies provide a rapid, efficient and cost-effective way to move from DNA sequence data to knowledge about the function of genes and the proteins that they encode. The company's technology is broadly applicable to all life science industries including pharmaceutical, diagnostic, agricultural biotechnology and animal health. Exelixis has partnerships with Bayer, Pharmacia, Bristol-Myers Squibb and Dow AgroSciences and is building its internal development program in the area of oncology. For more information, please visit the company's web site at www.exelixis.com.

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About Artemis

Artemis, a leading genetics and functional genomics company, uses zebrafish and mice as genetic model organisms to identify and functionally validate novel genes *in vivo*. These genes can be used as novel screening targets, or as the basis for secreted proteins in clinically and commercially relevant diseases. The technology is based upon the pioneering work of the co-founders Prof. Christiane Nüsslein-Volhard and Prof. Klaus Rajewsky. Artemis has a strong strategic alliance with Exelixis Inc., and together the companies provide the most comprehensive array of genetic model systems currently available. For more information on Artemis, visit the company's web site at www.artemis-pharmaceuticals.de.

This press release contains forward-looking information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is subject to the safe harbors created by those sections. Those forward-looking statements include statements related to the ability of Sangamo BioSciences and Exelixis to collectively develop successful technology from the collaboration, enter into collaborations or other commercial arrangements using this technology, to address existing or new intellectual property rights of third parties with respect to the proposed research and to continue to meet marketing, technology, and customer demands as it relates to their products. Actual results may differ materially due to a number of factors, including numerous technological, operational and financial challenges associated with the regulation of genes and identification of new transgenic modeling systems. The matters discussed in this press release also involve risks and uncertainties concerning the companies' products and services described in Sangamo's and Exelixis' filings on Form S-1 with the Securities and Exchange Commission (SEC). In particular, see the risk factors described in Sangamo's Prospectus on Form S-1 and Sangamo and Exelixis' most recent Form 10-Q. Sangamo and Exelixis assume no obligation to update the forward-looking information contained in this press release.

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