

Sangamo BioSciences, Inc.
Point Richmond Tech Center
501 Canal Blvd., Suite A100
Richmond, CA 94804
510-970-6000 • 510-236-8951(Fax)

SANGAMO BIOSCIENCES AND MERCK TO COLLABORATE ON DRUG DISCOVERY RESEARCH

Richmond, California – September 18, 2000 - Sangamo BioSciences, Inc. (NASDAQ:SGMO) today announced that it has signed a collaborative research agreement with Merck & Co., Inc. (NYSE: MRK). Under the terms of the agreement, Sangamo will provide its Universal GeneTools™ to Merck for its internal use.

As the human genome is deciphered, the need to understand the role that individual genes play in various diseases has increased dramatically. Sangamo's Universal GeneTools are customized transcription factors designed to meet this growing need. Transcription factors are naturally occurring proteins that are found in virtually all organisms. By recognizing and binding to specific DNA sequences, they are able to turn genes "on" or "off." Sangamo engineers a specific kind of transcription factor called zinc finger DNA binding proteins, or ZFPs, that selectively regulate virtually any gene.

"Merck's decision to use Sangamo's proprietary technology in their internal programs reflects the growing belief that our technology provides a novel way to identify and control gene expression," said Edward Lanphier, president and chief executive officer of Sangamo. "With a more detailed understanding of the disease process, we hope to accelerate the discovery and development of important therapeutics."

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 (PRI), Japan Tobacco, Merck & Co., Inc., 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.

About Sangamo

Sangamo is a leader in the discovery and development of novel transcription factors for the regulation of gene expression. Sangamo's Universal Gene Recognition™ technology enables the production of customized transcription factors known as zinc finger DNA binding proteins, or ZFPs. By engineering ZFPs so that they can recognize 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. For more information on Sangamo, please visit the company's website at www.sangamo.com.

About Merck

Merck & Co., Inc. is a global research-driven pharmaceutical company that discovers, develops, manufactures and markets a broad range of human and animal health products, directly and through its joint ventures, and provides pharmaceutical benefits services through Merck-Medco Managed Care.

Sangamo BioSciences, Inc.
Point Richmond Tech Center
501 Canal Blvd., Suite A100
Richmond, CA 94804
510-970-6000 • 510-236-8951(Fax)

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, Inc. to continue to meet marketing, technology, and customer demands as it relates to its products within the gene regulation market. Actual results may differ materially due to a number of factors, including numerous technological, operational and financial challenges associated with the regulation of genes. The matters discussed in this press release also involve risks and uncertainties concerning Sangamo's products and services described in Sangamo's filings with the Securities and Exchange Commission (SEC). In particular, see the risk factors described in the company's Prospectus on Form S-1 and its most recent 10-Q. Sangamo assumes no obligation to update the forward-looking information contained in this press release.

Contact: Julie Wood
Sr. Director, Corporate Communications
510-970-6000, x256
jwood@sangamo.com

###