
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 16, 2007

SANGAMO BIOSCIENCES, INC.

(Exact name of registrant specified in its charter)

Delaware

000-30171

68-0359556

(State or other jurisdiction of incorporation)

(Commission File Number)

(I.R.S. Employer Identification No.)

501 Canal Blvd, Suite A100, Richmond, California

94804

(Address of principal executive offices)

(Zip Code)

Registrant's telephone, including area code: (510) 970-6000

(Former name and former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On July 16, 2007, Sangamo BioSciences, Inc. (the “Company”) entered into a placement agency agreement (the “Agreement”) with JMP Securities, Piper Jaffray & Co., Leerink Swann & Company and Janney Montgomery Scott LLC relating to a registered direct offering of an aggregate of 3,278,689 shares of common stock of the Company. Under the terms of the transaction, the Company will sell the common stock at \$9.15 per share to a group of institutional investors for gross proceeds of approximately \$30.0 million. The Company has agreed to pay the placement agents an aggregate fee equal to 6.00% of the gross proceeds from the sale of shares of common stock in the offering. The closing of the offering is expected to take place on or about July 20, 2007, subject to the satisfaction of customary closing conditions.

The offering is registered under the Securities Act of 1933, as amended, pursuant to the Company’s registration statement on Form S-3 (Registration No. 333-142425) and will be made pursuant to a prospectus dated May 9, 2007, as supplemented by a prospectus supplement dated on or about July 18, 2007. A copy of the opinion of Morgan, Lewis & Bockius LLP relating to the validity of the shares in the offerings is attached as Exhibit 5.1.

On July 17, 2007, the Company issued a press release announcing the offerings. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

The preceding description is qualified in its entirety by reference to the Agreement, a copy of which is attached hereto as Exhibit 1.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following documents are filed as exhibits to this report:

- 1.1 Placement Agency Agreement dated July 16, 2007 between Sangamo BioSciences, Inc. and JMP Securities, Piper Jaffray & Co., Leerink Swann & Company and Janney Montgomery Scott LLC.
 - 5.1 Opinion of Morgan, Lewis & Bockius LLP.
 - 99.1 Press Release dated July 17, 2007.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SANGAMO BIOSCIENCES, INC.

Date: July 17, 2007

By: /s/ Greg S. Zante

Name: Greg S. Zante

Title: Vice President, Finance & Administration

3,278,689 Shares
SANGAMO BIOSCIENCES, INC.
Common Stock
PLACEMENT AGENCY AGREEMENT

July 16, 2007

JMP SECURITIES LLC
PIPER JAFFRAY & CO.

As Representatives of the several Placement Agents
set forth on Schedule I hereto
c/o JMP Securities LLC
600 Montgomery Street
Suite 1100
San Francisco, CA 94111

Ladies and Gentlemen:

Sangamo BioSciences, Inc. a Delaware corporation (the “*Company*”), proposes, subject to the terms and conditions stated in this Placement Agency Agreement (this “*Agreement*”) and the Subscription Agreements in the form of Exhibit A attached hereto (the “*Subscription Agreements*”) entered into with the investors identified therein (each, an “*Investor*” and collectively, the “*Investors*”), to issue and sell up to an aggregate of 3,278,689 shares (the “*Shares*”) of the Company’s common stock, par value \$0.01 per share (the “*Common Stock*”). The Shares are more fully described in the Registration Statement (as defined herein). This is to confirm the agreement between the Company and the several Placement Agents set forth on Schedule I hereto (the “*Placement Agents*”) for whom JMP Securities LLC and Piper Jaffray & Co. are acting as representatives (in such capacity, the “*Representatives*”) concerning the offering, issuance and sale of the Shares.

1. **Agreement to Act as Placement Agents; Delivery and Payment.** On the basis of the representations, warranties and agreements of the Company herein contained, and subject to the terms and conditions set forth in this Agreement:

(a) The Company hereby authorizes the Placement Agents to act as its exclusive agents in connection with the issuance and sale, by the Company, of Shares (the “*Offering*”) to the Investors and the Placement Agents hereby agree, as agents of the Company, to use their best efforts to solicit offers to purchase all or part of the Shares from the Company upon the terms and conditions set forth in the Prospectus (as defined below). The Placement Agents shall make commercially reasonable efforts to assist the Company in obtaining performance by each Investor whose offer to purchase Shares has been solicited by the Placement Agents and accepted by the Company, but the Placement Agents shall not, except as otherwise provided in this Agreement, have any liability to the Company in the event any such purchase is not consummated for any reason. Under no circumstances will the Placement Agents or any of their affiliates be obligated to underwrite or purchase any of the Shares for their own accounts or

otherwise provide any financing. The Placement Agents shall act solely as the Company's agents and not as principals. The Placement Agents shall have no authority to bind the Company with respect to any prospective offer to purchase Shares and the Company shall have the sole right to accept offers to purchase Shares and may reject any such offer, in whole or in part.

(b) As compensation for services rendered, on the Closing Date, the Company shall pay or cause to be paid to the Placement Agents by wire transfer of immediately available funds to an account or accounts designated by the Representatives, an aggregate amount equal to six percent (6.0%) of the gross proceeds received by the Company from its sale of the Shares on such Closing Date (the "**Agency Fee**"). The Placement Agents agree that the foregoing compensation, together with any expense reimbursement payable hereunder, constitutes all of the cash compensation that the Placement Agents shall be entitled to receive in connection with the Offering contemplated hereby.

(c) The purchases of Shares by the Investors shall be evidenced by the execution of the Subscription Agreements by each of the parties thereto in the form attached hereto as Exhibit A.

(d) Prior to the earlier of (i) the date on which this Agreement is terminated and (ii) the Closing Date, the Company shall not, without the prior written consent of the Representatives, solicit or accept offers to purchase Shares of the Company (other than pursuant to the exercise of options or warrants to purchase shares of Common Stock that are outstanding at the date hereof) otherwise than through the Placement Agents in accordance herewith.

(e) No Shares which the Company has agreed to sell pursuant to this Agreement shall be deemed to have been purchased and paid for, or sold by the Company, until such Shares shall have been delivered to the Investor purchasing such Shares against payment by such Investor. If the Company shall default in its obligations to deliver Shares to an Investor whose offer it has accepted, the Company shall indemnify and hold the Placement Agents (as defined below) harmless against any loss, claim, damage or liability directly or indirectly arising from or as a result of such default by the Company.

(f) Payment of the purchase price for, and delivery of, the Shares shall be made at a closing (the "**Closing**") at the offices of Morgan, Lewis & Bockius LLP, counsel for the Company, located at One Market Street, San Francisco, California, at 10:00 a.m., local time, on July 20, 2007 or at such other time and date as the Representatives and the Company determine pursuant to Rule 15c6-1(a) under the Exchange Act (such date of payment and delivery being herein referred to as the "**Closing Date**"). The Company, the Representatives and JPMorganChase Bank, as escrow agent (the "**Escrow Agent**"), shall have entered into an escrow agreement, dated as of July 16, 2007 (the "**Escrow Agreement**") pursuant to which an escrow account will be established, at the Company's expense, for the benefit of the Company and the Investors (the "**Escrow Account**"). Subject to the terms hereof and of the Escrow Agreement, payment of the purchase price for the Shares shall be made to the Company in the manner set forth below by Federal Funds wire transfer, against delivery of the Shares to such persons and shall be registered in the name or names and shall be in such denominations as the Representatives may request at least one business day before the Closing Date. Payment of the purchase price for the Shares to be purchased by Investors shall be made by such Investors directly to the Escrow Agent by depositing such amount into the Escrow Account and the Escrow Agent agrees to hold such purchase price in escrow in accordance herewith. Subject to the terms and conditions hereof and of the Subscription Agreements and the Escrow Agreement, the Escrow Agent shall, on the Closing Date, deliver to the Company, by Federal Funds wire transfer, the aggregate purchase price so held in escrow, reduced by an amount equal to the sum of the aggregate Agency Fee payable to the Placement Agents and the amount, if any, of expenses for which the Placement Agents are entitled to reimbursement pursuant hereto. Each of the Company and the Representatives hereby agree to deliver to the Escrow Agent a Closing Notice in the form attached as Exhibit C to the Escrow Agreement at least one day prior to the Closing Date. At least

one day prior to the Closing Date, the Placement Agents shall submit to the Company their bona fide estimate of the amount, if any, of expenses for which such Placement Agents are entitled to reimbursement pursuant hereto. As soon as reasonably practicable after the Closing Date, the Placement Agents shall submit to the Company their expense reimbursement invoice and the Company or the Placement Agents, as applicable, shall make any necessary reconciling payment(s) within thirty days of receipt of such invoices.

(g) With respect to any Investor that is a registered investment company and is not settling its purchase of Shares pursuant to Section 1(f) above, on the Closing Date, the Company shall cause the Transfer Agent to electronically deliver the Shares purchased by such Investor to the account designated by such Investor and, upon receipt by such Investor of such Shares, such Investor shall wire, in immediately available funds, the Purchase Amount for such Shares to an account designated by the Company.

2. Representations and Warranties of the Company. The Company represents and warrants to the Placement Agents as of the date hereof, and as of the Closing Date and agrees with the Placement Agents, as follows:

(a) *Filing and Effectiveness of Registration Statement.* The Company has filed, in conformity with the requirements of the Securities Act of 1933, as amended (the “**Securities Act**”), and the published rules and regulations thereunder (the “**Rules and Regulations**”) adopted by the Securities and Exchange Commission (the “**Commission**”), a registration statement on Form S-3 (No. 333-142425), relating to the Shares and the offering thereof from time to time in accordance with Rule 415(a)(1)(x) of the Rules and Regulations, and such amendments thereof as may have been required to date.

(b) *Registration Statement and Prospectus; Certain Defined Term.* The Company meets the requirements for use of Form S-3 under the Securities Act and has complied with the requirements of Rule 415 with respect to the Registration Statement (as hereafter defined). The Registration Statement has heretofore become effective under the Securities Act or, with respect to any registration statement to be filed to register the offer and sale of Shares pursuant to Rule 462(b) under the Securities Act, will be filed with the Commission and become effective under the Securities Act no later than 10:00 p.m. New York City time on the date of determination of the public offering price for the Shares. No stop order preventing or suspending the effectiveness of the Registration Statement has been issued by the Commission, and no proceedings for such purpose pursuant to Section 8A of the Securities Act against the Company or related to the Offering have been instituted or are pending or, to the Company’s knowledge, are contemplated or threatened by the Commission, and any request received by the Company on the part of the Commission for additional information has been complied with. As used in this paragraph and elsewhere in this Agreement:

(1) “**Registration Statement**” means the registration statement, as amended at the time of such registration statement’s effectiveness for purposes of Section 11 of the Securities Act, as such section applies to the Placement Agents (the “**Effective Time**”), including (i) all documents filed as a part thereof or incorporated or deemed to be incorporated by reference therein, (ii) any information in the corresponding Basic Prospectus or a prospectus supplement filed with the Commission pursuant to Rule 424(b) under the Securities Act, to the extent such information is deemed pursuant to Rule 430B (“**Rule 430B**”) or 430C (“**Rule 430C**”) under the Securities Act. to be a part thereof at the Effective Time If the Company has filed an abbreviated registration statement to register additional Shares pursuant to Rule 462(b) under the Rules and Regulations (the “**Rule 462(b) Registration Statement**”), then any reference herein to the term “**Registration Statement**” shall also be deemed to include such Rule 462(b) Registration Statement.

(2) “**Basic Prospectus**” means the basic prospectus included in the Registration Statement at the Effective Time.

(3) “**Preliminary Prospectus Supplement**” means any initial prospectus supplement, subject to completion, relating to the Shares, filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act for use in connection with the offering and sale of the Shares.

(4) “**Preliminary Prospectus**” means any Preliminary Prospectus Supplement together with the Basic Prospectus attached to or used with such Preliminary Prospectus Supplement.

(5) “**Final Prospectus Supplement**” means the final prospectus supplement, relating to the Shares, filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act on or before the second business day after the date hereof (or such earlier time as may be required under the Securities Act), in the form furnished by the Company to the Placement Agents, for use in connection with the offering and sale of the Shares that discloses the public offering price and other final terms of the Shares.

(6) “**Prospectus**” means the Final Prospectus Supplement together with the Basic Prospectus attached to or used with the Final Prospectus Supplement.

(7) “**Time of Sale**” with respect to any Investor, means the time of receipt and acceptance of an executed Subscription Agreement (as defined below) from such Investor.

(8) “**General Disclosure Package**” means the Basic Prospectus, each “free-writing prospectus” (as defined pursuant to Rule 405 under the Securities Act) listed on Schedule I hereto and the pricing and other information as set forth on Exhibit D hereto (the “**Pricing Information**”), all considered together.

(c) *Compliance with Securities Act Requirements.* The Registration Statement complied when it became effective, complies as of the date hereof and, as amended or supplemented, at the Time of Sale and at all times during which a prospectus is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with any sale of Shares (the “**Prospectus Delivery Period**”), will comply, in all material respects, with the requirements of the Securities Act and the Rules and Regulations; the Registration Statement did not, as of the Effective Time, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, *provided*, that the Company makes no representations or warranty in this paragraph with respect to statements in or omissions from the Registration Statement in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of the Placement Agents specifically for inclusion therein, which information the parties hereto agree is limited to the Placement Agents’ Information (as defined in Section 8).

(d) *Contents of Prospectus.* Each of the Preliminary Prospectus, if any, and the Prospectus will comply, as of the date that it is filed with the Commission, the date of its delivery to Investors, the Time of Sale and at all times during the Prospectus Delivery Period, in all material respects, with the requirements of the Securities Act (in the case of the Prospectus, including, without limitation, Section 10(a) of the Securities Act); at no time during the period that begins on the earlier of the date of the Preliminary Prospectus, if any, and the date the Prospectus is filed with the Commission and ends at

the later of the Time of Sale and the end of the Prospectus Delivery Period did or will any Preliminary Prospectus or the Prospectus, as then amended or supplemented, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, *provided* that the Company makes no representation or warranty with respect to the Placement Agents' Information.

(e) *Incorporated Documents*. Each of the documents incorporated or deemed to be incorporated by reference in the Registration Statement, at the time such document was filed with the Commission or at the time such document became effective, as applicable, complied, in all material respects, with the requirements of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and did not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) *General Disclosure Package*. The General Disclosure Package, as of the Time of Sale, did not, and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, that the Company makes no representations or warranty in this paragraph with respect to statements in or omissions from the General Disclosure Package in reliance upon, and in conformity with, written information furnished to the Company by the Placement Agents specifically for inclusion therein, which information the parties hereto agree is limited to the Placement Agents' Information. No statement of material fact included in the Prospectus has been omitted from the General Disclosure Package and no statement of material fact included in the General Disclosure Package that is required to be included in the Prospectus has been omitted therefrom.

(g) *Distributed Materials; Conflict with Registration Statement*. Other than the Basic Prospectus, any Preliminary Prospectus and the Prospectus, the Company has not made, used, prepared, authorized, approved or referred to and will not make, use, prepare, authorize, approve or refer to any "written communication" (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or a solicitation of an offer to buy the Shares (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an "*Issuer Free Writing Prospectus*") other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Schedule I hereto and other written communications approved in advance by the Placement Agent. Each such Issuer Free Writing Prospectus, if any, conformed or will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations on the date of first use, and the Company has complied or will comply with any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Rules and Regulations. Each Issuer Free Writing Prospectus, if any, as of its issue date and at all subsequent times through the completion of the offering and sale of the Shares did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, including any document incorporated by reference therein and any prospectus supplement deemed to be a part thereof that has not been superseded or modified.

(h) *Not an Ineligible Issuer*. (1) At the earliest time after the filing of the Registration Statement that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Shares and (2) at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 ("**Rule 405**") under the Securities Act.

(i) *Due Incorporation.* The Company has been duly organized and is validly existing as a corporation or other legal entity in good standing (or the foreign equivalent thereof) under the laws of its jurisdiction of organization, with the corporate power and authority to own its properties and to conduct its business as currently being conducted and as described in the Registration Statement, the Prospectus and the General Disclosure Package and is duly qualified to transact business and is in good standing as a foreign corporation or other legal entity in each other jurisdiction in which its ownership or leasing of property or the conduct of its business requires such qualification, except where the failure to be so qualified and in good standing or have such power or authority (i) would not have, individually or in the aggregate, a material adverse effect upon, the general affairs, business, operations, prospects, properties, financial condition, or results of operations of the Company and its Subsidiaries (as defined below), taken as a whole, or (ii) impair in any material respect the power or ability of the Company to perform its obligations under this Agreement or to consummate any transactions contemplated by the Agreement and the Subscription Agreements, including the issuance and sale of the Shares (any such effect as described in clauses (i) or (ii), a “*Material Adverse Effect*”).

(j) *Subsidiaries.* The Company has no significant subsidiaries (as such term is defined in Rule 1-02 of Regulation S-X promulgated by the Commission) other than as set forth on Schedule II hereto (each, a “*Subsidiary*” and collectively, the “*Subsidiaries*”). Each Subsidiary has been duly organized and is validly existing as a corporation or other legal entity in good standing (or the foreign equivalent thereof) under the laws of its jurisdiction of organization, with the corporate power and authority to own its properties and to conduct its business as currently being conducted and as described in the Registration Statement, the Prospectus and the General Disclosure Package. All of the issued and outstanding capital stock (or similar equity interests) of each Subsidiary has been duly authorized and validly issued and is fully paid and nonassessable and, except as described in the General Disclosure Package, are owned by the Company, directly or through subsidiaries, free from liens, encumbrances and defects.

(k) *Due Authorization and Enforceability.* The Company has the full right, power and authority to enter into this Agreement, each of the Subscription Agreements and the Escrow Agreement, and to perform and discharge its obligations hereunder and thereunder; and each of this Agreement, the Escrow Agreement and each Subscription Agreement has been duly authorized, executed and delivered by the Company, and constitutes a valid, legal and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as rights to indemnity hereunder may be limited by federal or state securities laws and except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally and subject to general principles of equity.

(l) *The Shares.* The issuance of the Shares has been duly and validly authorized by the Company and, when issued, delivered and paid for in accordance with the terms of this Agreement and the Subscription Agreements, will have been duly and validly issued and will be fully paid and nonassessable. Except as otherwise stated in the General Disclosure Package and the Prospectus, there are no statutory or contractual preemptive rights or other rights to subscribe for or purchase or acquire any shares of Common Stock of the Company, which have not been waived or complied with and will conform in all material respects to the description thereof contained in the General Disclosure Package and the Prospectus.

(m) *Capitalization.* The information set forth under the caption “Capitalization” in the Prospectus (and any similar sections or information, if any, contained in the General Disclosure Package) is fairly presented on a basis consistent with the Company’s financial statements. The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Prospectus under the caption “Description of Capital Stock” (and any similar sections or

information, if any, contained in the General Disclosure Package). The issued and outstanding shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and nonassessable, and have been issued in compliance with all federal and state securities laws. None of the outstanding shares of Common Stock was issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase or acquire any securities of the Company. There are no authorized or outstanding shares of capital stock, options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable for, any capital stock of the Company or any of its Subsidiaries other than those described in the Prospectus and the General Disclosure Package. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, as described in the Prospectus and the General Disclosure Package, accurately and fairly present the information required to be shown with respect to such plans, arrangements, options and rights.

(n) *No Conflict*. The execution, delivery and performance by the Company of this Agreement, the Subscription Agreements and the Escrow Agreement and the consummation of the transactions contemplated hereby and thereby, including the issuance and sale by the Company of the Shares, will not conflict with or result in a breach or violation of, or constitute a default under (nor constitute any event which with notice, lapse of time or both would result in any breach or violation of or constitute a default under), give rise to any right of termination or other right or the cancellation or acceleration of any right or obligation or loss of a benefit under, or give rise to the creation or imposition of any lien, encumbrance, security interest, claim or charge upon any property or assets of the Company or any Subsidiary pursuant to (i) any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any Subsidiary is a party or by which any of them or any of their respective properties may be bound or to which any of the property or assets of the Company or any of its Subsidiaries is subject, (ii) result in any violation of the provisions of the charter or by-laws of the Company or any Subsidiary, or (iii) result in any violation of any law, statute, rule, regulation, judgment, order or decree of any court or governmental agency or body, domestic or foreign, having jurisdiction over the Company or its Subsidiaries or any of their properties or assets except, in the case of each of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(o) *No Consents Required*. No approval, authorization, consent or order of or filing, qualification or registration with, any court or governmental agency or body, foreign or domestic, which has not been made, obtained or taken and is not in full force and effect, is required in connection with the execution, delivery and performance of this Agreement, the Subscription Agreements and the Escrow Agreement by the Company, the issuance and sale of the Shares or the consummation by the Company of the transactions contemplated hereby or thereby other than (i) as may be required under the Securities Act or the Exchange Act, (ii) any necessary qualification of the Shares under the securities or blue sky laws of the various jurisdictions in which the Shares are being offered by the Placement Agents, (iii) under the rules and regulations of the National Association of Securities Dealers, Inc. ("*NASD*") or (iv) the Nasdaq Global Market in connection with the distribution of the Shares by the Placement Agents.

(p) *Registration Rights*. Except as otherwise described in the Registration Statement, the Prospectus and the General Disclosure Package, there are no contracts, agreements or understandings between the Company and any person granting such person the right (other than rights which have been waived in writing in connection with the transactions contemplated by this Agreement or otherwise satisfied) to require the Company to register any securities with the Commission.

(q) *Lock-Up Agreements*. The Company has received copies of the executed Lock-Up Agreements, substantially in the form of Exhibit B hereto (the "*Lock-Up Agreement*") executed by

each person listed on Exhibit C hereto, and such Lock-Up Agreements shall be in full force and effect on the Closing Date.

(r) *Independent Accountants.* Ernst & Young LLP, whose reports on the audited consolidated financial statements of the Company and the Subsidiaries are incorporated by reference in the Registration Statement, the Prospectus and the General Disclosure Package, are independent public accountants with respect to the Company as required by the Securities Act, and the applicable published rules and regulations thereunder.

(s) *Financial Statements.* The consolidated financial statements of the Company, together with the related schedules and notes thereto, set forth or incorporated by reference in the Registration Statement, the Prospectus and the General Disclosure Package, comply in all material respects with the applicable requirements of the Securities Act and the Exchange Act, as applicable, and present fairly in all material respects (i) the financial condition of the Company and the Subsidiaries, taken as a whole, as of the dates indicated and (ii) the consolidated results of operations, stockholders' equity and changes in cash flows of the Company and the Subsidiaries, taken as a whole, for the periods therein specified; and such financial statements and related schedules and notes thereto have been prepared in conformity with United States generally accepted accounting principles, consistently applied throughout the periods involved (except as otherwise stated therein and subject, in the case of unaudited financial statements, to the absence of footnotes and normal year-end adjustments). There are no other financial statements (historical or pro forma) that are required to be included or incorporated by reference in the Registration Statement, the Prospectus or the General Disclosure Package.

(t) *Absence of Material Changes.* Subsequent to the respective dates as of which information is given in the Registration Statement, the Prospectus and the General Disclosure Package, and except as may be otherwise stated or incorporated by reference in the Registration Statement, the Prospectus and the General Disclosure Package, there has not been (i) any change in the capital stock of the Company (except for changes in the number of outstanding shares of Common Stock of the Company due to the issuance of shares upon the exercise or conversion of securities exercisable for, or convertible into, shares of Common Stock outstanding on the date hereof) or long-term debt of the Company or any of its Subsidiaries or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock; (ii) any material adverse change, or, to the knowledge of the Company, any development that would result in a material adverse change in or affecting the general affairs, business, prospects, properties, management, consolidated financial position, stockholders' equity or results of operations of the Company and its Subsidiaries taken as a whole (a "**Material Adverse Change**"); (iii) neither the Company nor any of its Subsidiaries have entered or will enter into any transaction or agreement, not in the ordinary course of business, that is material to the Company and its Subsidiaries taken as a whole or incurred or will incur any liability or obligation, direct or contingent, not in the ordinary course of business, that is material to the Company and its Subsidiaries taken as a whole; and (iv) neither the Company nor any of its Subsidiaries has sustained or will sustain any material loss or interference with its business from any force majeure, including fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Registration Statement, the General Disclosure Package and the Prospectus.

(u) *Legal Proceedings.* There are no legal or governmental actions, suits, claims or proceedings pending (including, without limitation, any proceedings pending before the Food and Drug Administration of the U.S. Department of Health and Human Services (the "**FDA**")) to which the Company or any Subsidiary is or would be a party or of which any of their respective properties is or would be subject at law or in equity, which are required to be described in the Registration Statement, the

General Disclosure Package or the Prospectus or a document incorporated by reference therein and are not so described therein, or which, singularly or in the aggregate, if resolved adversely to the Company or any Subsidiary, would reasonably be likely to result in a Material Adverse Effect or prevent or materially and adversely affect the ability of the Company to consummate the transactions contemplated hereby. To the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(v) *No Violation*. Neither the Company nor any Subsidiary is in breach or violation of or in default (nor has any event occurred which with notice, lapse of time or both would result in any breach or violation of, or constitute a default) (i) under the provisions of its charter or bylaws (or analogous governing instrument, as applicable) or (ii) in the performance or observance of any term, covenant, obligation, agreement or condition contained in any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which the Company or any Subsidiary is a party or by which any of them or any of their properties may be bound or affected, or (iii) in the performance or observance of any statute, law, rule, regulation, ordinance, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company, the Subsidiaries or any of their respective properties, as applicable (including, without limitation, those administered by the FDA or by any foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA), except, with respect to clauses (ii) and (iii) above, to the extent any such contravention has been waived or would not result in a Material Adverse Effect.

(w) *Permits*. The Company and each Subsidiary has made all filings, applications and submissions required by, and owns or possesses all approvals, licenses, certificates, certifications, clearances, consents, exemptions, marks, notifications, orders, permits and other authorizations issued by, the appropriate federal, state or foreign regulatory authorities (including, without limitation, the FDA, and any other foreign, federal state or local government or regulatory authorities performing functions similar to those performed by the FDA) necessary to conduct its business as described in the General Disclosure Package (collectively, "*Permits*"), except for such Permits which the failure to obtain would not have a Material Adverse Effect (the "*Immaterial Permits*"), and is in compliance in all material respects with the terms and conditions of all such Permits other than the Immaterial Permits (the "*Required Permits*"). Neither the Company nor any Subsidiary has received notice of any proceedings relating to revocation or modification of, any such Required Permit, which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect.

(x) *Not an Investment Company*. Neither the Company nor any Subsidiary is or, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the General Disclosure Package and the Prospectus, will be required to register as an "investment company" as defined in the Investment Company Act of 1940, as amended (the "*Investment Company Act*"), and the rules and regulations of the Commission thereunder.

(y) *No Price Stabilization*. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any of their respective officers, directors, affiliates or controlling persons has taken or will take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in, or which has constituted or which might reasonably be expected to constitute the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(z) *Good Title to Property*. The Company and each Subsidiary has good and valid title to all property (whether real or personal) described in the General Disclosure Package as being

owned by each of them, in each case free and clear of all liens, claims, security interests, other encumbrances or defects (collectively, “**Liens**”), except such as are described in the Prospectus and the General Disclosure Package and those that would not, individually or in the aggregate materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries. All of the property described in the General Disclosure Package as being held under lease by the Company or any Subsidiary is held thereby under valid, subsisting and enforceable leases, without any liens, restrictions, encumbrances or claims, except those that, individually or in the aggregate, would not have a Material Adverse Effect and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries.

(aa) *Intellectual Property Rights*. Except as set forth in the Registration Statement, the Prospectus and the General Disclosure Package, the Company and the Subsidiaries own or possess the right to use all patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, software, databases, know-how, Internet domain names, trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures, and other intellectual property (collectively, “**Intellectual Property**”) necessary to carry on their respective businesses as currently conducted, and as proposed to be conducted and described in the General Disclosure Package and the Prospectus, and the Company is not aware of any claim to the contrary or any challenge by any other person to the rights of the Company and the Subsidiaries with respect to the foregoing except for those that could not have a Material Adverse Effect. The Intellectual Property licenses described in the General Disclosure Package and the Prospectus are, to the knowledge of the Company, valid, binding upon, and enforceable by or against the parties thereto in accordance to its terms. The Company and each Subsidiary has complied in all material respects with, and is not in breach nor has received any asserted or threatened claim of breach of, any Intellectual Property license described in the General Disclosure Package and the Prospectus, and the Company has no knowledge of any breach or anticipated breach by any other person to any Intellectual Property license. The Company’s and each Subsidiary’s businesses as now conducted and as proposed to be conducted as set forth in the Registration Statement, the Prospectus and the General Disclosure Package, to the knowledge of the Company, do not and will not infringe or conflict with any patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other Intellectual Property or franchise right of any person. The Company has not received notice of any material claim against the Company or any Subsidiary alleging the infringement by the Company or any of its Subsidiary of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person. The Company and each Subsidiary has taken all reasonable steps to protect, maintain and safeguard its rights in all Intellectual Property, including the execution of appropriate nondisclosure and confidentiality agreements. The consummation of the transactions contemplated by this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Company’s or any of Subsidiary’s right to own, use, or hold for use any of the Intellectual Property as owned, used or held for use in the conduct of the businesses as currently conducted. The Company and each Subsidiary has duly and properly filed or caused to be filed with the United States Patent and Trademark Office (the “**PTO**”) and applicable foreign and international patent authorities all patent applications owned by the Company and the Subsidiaries (the “**Company Patent Applications**”). To the knowledge of the Company, the Company and each Subsidiary has complied with the PTO’s duty of candor and disclosure for the Company Patent Applications and has made no material misrepresentation in the Company Patent Applications. The Company is not aware of any information material to a determination of patentability regarding the Company Patent Applications not called to the attention of the PTO or similar foreign authority. The Company is not aware of any information not called to the attention of the PTO or similar foreign authority that would preclude the grant of a patent for the Company Patent Applications. The Company has no knowledge of any

information that would preclude the Company, or as applicable, any Subsidiary, from having clear title to the Company Patent Applications.

(bb) *No Labor Disputes*. No labor problem or dispute with the employees of the Company exists, or, to the Company's knowledge, is threatened or imminent, which would reasonably be expected to result in a Material Adverse Effect. The Company is not aware that any key employee or significant group of employees of the Company plans to terminate employment with the Company.

(cc) *Taxes*. The Company and each Subsidiary has (i) timely filed all necessary federal, state, local and foreign income and franchise tax returns (or timely filed applicable extensions therefore) that have been required to be filed and (ii) are not in default in the payment of any taxes which were payable pursuant to said returns or any assessments with respect thereto, other than any which the Company or any Subsidiary is contesting in good faith and for which adequate reserves have been provided.

(dd) *ERISA*. The Company has fulfilled its obligations, if any, under the minimum funding standards of Section 302 of ERISA and the regulations and published interpretations thereunder with respect to each "plan" (as defined in Section 3(3) of ERISA and such regulations and published interpretations) in which employees of the Company are eligible to participate and each such plan is in compliance in all material respects with the presently applicable provisions of ERISA and such regulations and published interpretations. No "prohibited transaction" (as defined in Section 406 of ERISA, or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the "**Code**")) or "accumulated funding deficiency" (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(b) of ERISA (other than events with respect to which the thirty (30)-day notice requirements under Section 4043 of ERISA has been waived) has occurred or could reasonably be expected to occur with respect to any employee benefit plan of the Company or any Subsidiary, which could, singularly or in the aggregate, have a Material Adverse Effect.

(ee) *Compliance with Environmental Laws*. The Company and its Subsidiaries (a) are in compliance with any and all applicable foreign, federal, state and local laws, orders, rules, regulations, directives, decrees and judgments relating to the use, treatment, storage and disposal of hazardous or toxic substances or waste and protection of human health and safety or the environment which are applicable to their businesses ("**Environmental Laws**"), (b) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its business; and (c) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except in the case of subsections (a), (b) and (c) of this subsection (g)(g) as would not, individually or in the aggregate, have a Material Adverse Effect.

(ff) *Insurance*. The Company and each Subsidiary maintains or is covered by insurance provided by recognized, financially sound and reputable institutions with policies in such amounts and covering such risks as is adequate for the conduct of its business and the value of its properties and as is customary for companies engaged in similar businesses in similar industries. All such insurance is fully in force on the date hereof and will be fully in force as of the Closing Date. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(gg) *Accounting Controls*. The Company and each Subsidiary maintains (x) a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are

recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(hh) *Disclosure Controls*. The Company has established, maintains and evaluates "disclosure controls and procedures" (as such term is defined in Rule 13a-15e and 15d-15e under the Exchange Act), which (i) are designed to ensure that material information relating to the Company is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared, (ii) have been evaluated for effectiveness as of the end of the last fiscal period covered by the Registration Statement; and (iii) such disclosure controls and procedures are effective to perform the functions for which they were established. There are no significant deficiencies and material weaknesses in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize, and report financial data to management and the Board of Directors.

(ii) *Contracts; Off-Balance Sheet Interests*. There is no document, contract, permit or instrument, or off-balance sheet transaction (including without limitation, any "variable interests" in "variable interest entities," as such terms are defined in Financial Accounting Standards Board Interpretation No. 46) of a character required by the Securities Act or the Rules and Regulations to be described in the Registration Statement or the General Disclosure Package or to be filed as an exhibit to the Registration Statement or document incorporated by reference therein, which is not described or filed as required. The contracts described in the immediately preceding sentence to which the Company is a party have been duly authorized, executed and delivered by the Company, constitute valid and binding agreements of the Company, are enforceable against and by the Company in accordance with the terms thereof and are in full force and effect on the date hereof.

(jj) *No Undisclosed Relationships*. No relationship, direct or indirect, exists between or among the Company and any of its Subsidiaries on the one hand and the directors, officers, stockholders, customers or suppliers of the Company or any of its Subsidiaries or any of their affiliates on the other hand, which is required to be described in the General Disclosure Package and the Prospectus or a document incorporated by reference therein and which has not been so described.

(kk) *Brokers Fees*. Except as disclosed in the General Disclosure Package, there are no contracts, agreements or understandings between the Company and any person (other than this Agreement) that would give rise to a valid claim against the Company, the Subsidiaries or any of the Placement Agents for a brokerage commission, finder's fee or other like payment in connection with the offering and sale of the Shares.

(ll) *Forward-Looking Statements*. No forward-looking statements (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in either the General Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(mm) *Nasdaq; Exchange Act Registration*. The Common Stock is registered pursuant to Section 12(b) or 12(g) of the Exchange Act and is listed on the Nasdaq Global Market, and the Company has taken no action designed to, or reasonably likely to have the effect of, termination the registration of the Common Stock under the Exchange Act or delisting the Common Stock from the

Nasdaq Global Market, nor has the Company received any notification that the Commission or the Nasdaq Global Market is contemplating terminating such registration or listing.

(nn) *Sarbanes-Oxley Act*. The Company, and to its knowledge, all of the Company's directors or officers, in their capacities as such, is in compliance in all material respects with all applicable effective provisions of the Sarbanes-Oxley Act of 2002, as amended and any related rules and regulations promulgated by the Commission. Each of the principal executive officer and the principal financial officer of the Company (or each former principal executive officer of the Company and each former principal financial officer of the Company as applicable) has made all certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act with respect to all reports, schedules, forms, statements and other documents required to be filed by it with the Commission. For purposes of the preceding sentence, "principal executive officer" and "principal financial officer" shall have the meanings given to such terms in the Sarbanes-Oxley Act.

(oo) *Foreign Corrupt Practices*. Neither the Company nor, to the Company's knowledge, any other person associated with or acting on behalf of the Company, including without limitation any director, officer, agent or employee of the Company or its Subsidiaries has, directly or indirectly, during the last five years, while acting on behalf of the Company or its Subsidiaries (i) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity or failed to disclose fully any contribution in violation of law, (ii) made any payment to any federal or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by the laws of the United States or any jurisdiction thereof, (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(pp) *NASD Affiliations*. Neither the Company nor any Subsidiary nor any of their affiliates (within the meaning of NASD Conduct Rule 2720(b)(1)(a)) directly or indirectly controls, is controlled by, or is under common control with, or is an associated person (within the meaning of Article I, Section 1(e)(e) of the By-laws of the NASD) of, any member firm of the NASD.

(qq) *Trading Market*. Assuming the accuracy of the representations of the Investors in the Subscription Agreements, no approval of the shareholders of the Company under the rules and regulations of any trading market (including Rule 4350 of the Nasdaq Global Marketplace Rules) is required for the Company to issue and deliver to the Investors the Shares.

(rr) *NASD Review*. To enable the Placement Agents to rely on Rule 2710(b)(7)(C)(i) of the NASD, the registration of the Shares registered with the Commission could have been affected on Form S-3 under the Securities Act pursuant to the standards for such Form S-3 in effect prior to October 21, 1992.

(ss) *Clinical Studies*. The clinical, pre-clinical and other studies and tests conducted by or on behalf of or sponsored by the Company or in which the Company or the Subsidiaries or products or product candidates have participated that are described in the General Disclosure Package and the Prospectus were and, if still pending, are being conducted in accordance in all material respects with all applicable federal, state or foreign statutes, laws, rules and regulations (including, without limitation, those administered by the FDA or by any foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA and current Good Laboratory and Good Clinical Practices) and in accordance with experimental protocols, procedures and controls pursuant to, where applicable, accepted professional scientific methods. The descriptions in the Registration Statement, the Prospectus and the General Disclosure Package of the results of such studies, tests and

trials are accurate and complete in all material respects and fairly present the published data derived from such studies, tests and trials. Neither the Company nor any Subsidiary have received any notices or other correspondence from the FDA or any other foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA with respect to any ongoing clinical or pre-clinical studies or tests requiring the termination, suspension or material modification of such studies, tests or preclinical or clinical trials, which termination, suspension or material modification would reasonably be expected to result in a Material Adverse Effect.

Any certificate signed by any officer of the Company or any Subsidiary and delivered to the Placement Agents or to counsel for the Placement Agents in connection with the offering of the Shares shall be deemed a representation and warranty by the Company to the Placement Agents and the Investors as to the matters covered thereby.

3. **Covenants.** The Company covenants and agrees with the Placement Agents as follows:

(a) *Filing of Prospectuses.* The Company will file: (i) each Preliminary Prospectus and the Prospectus with the Commission within the time periods specified by Rule 424(b) and Rules 430 B or 430C under the Securities Act, (ii) any Issuer Free Writing Prospectus to the extent required by Rule 433 under the Securities Act, if applicable, (iii) all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and during the Prospectus Delivery Period.

(b) *Filing of Amendments.* The Company will promptly advise the Placement Agents of any proposal to amend or supplement the Registration Statement, the Prospectus or the General Disclosure Package until the completion of the purchase and sale of the Shares contemplated herein and will afford the Placement Agents a reasonable opportunity to comment on any such proposed amendment or supplement and to file no such amendment or supplement to which the Representatives shall object in writing, which objection shall not be unreasonable; and the Company will also advise the Placement Agents promptly of (i) the filing of any such amendment or supplement, (ii) any request by the Commission or its staff for any amendment to the Registration Statement, for any supplement to the Prospectus or for any additional information, (iii) the time and date when any post-effective amendment to the Registration Statement becomes effective, but only during the Prospectus Delivery Period; (iv) receipt by the Company of any notification with respect to any suspension or the approval of the Shares from any securities exchange upon which it is listed for trading or included or designated for quotation, or the initiation or threatening of any proceeding for such purpose, (v) the institution by the Commission of any stop order proceedings in respect of the Registration Statement or the threatening of any proceeding for that purpose, and (iv) the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares in any jurisdiction or the institution or threatening of any proceedings for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(c) *Continued Compliance with Securities Law.* If, during the Prospectus Delivery Period, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Registration Statement or supplement the Prospectus to comply with the Securities Act, the Company will promptly notify the Placement Agents of such event and will promptly prepare and file with the Commission and furnish, at its own expense, to the Placement Agents and, to the extent applicable, the dealers and any other dealers upon request of the Placement Agents, an

amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance.

(d) *Issuer Free Writing Prospectuses.* The Company will (i) not make any offer relating to the Shares that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a “free writing prospectus” (as defined in Rule 405 under the Securities Act) required to be filed by the Company with the Commission under Rule 433 under the Securities Act unless the Representatives approve its use in writing prior to first use; *provided* that the prior written consent of the Representatives hereto shall be deemed to have been given in respect of the Issuer Free Writing Prospectus(es) included in Schedule III hereto, (ii) comply with the requirements of Rules 164 and 433 under the Securities Act applicable to any Issuer Free Writing Prospectus, including the requirements relating to timely filing with the Commission, legending and record keeping and (iii) not take any action that would result in a Placement Agent or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of such Placement Agents that such Placement Agents otherwise would not have been required to file thereunder. The Company will satisfy the conditions in Rule 433 under the Securities Act to avoid a requirement to file with the Commission any electronic road show.

(e) *Conflicting Issuer Free Writing Prospectus.* If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement relating to the Shares or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, the Company promptly will notify the Placement Agents and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus in reliance upon, and in conformity with, written information furnished to the Company by the Placement Agents specifically for inclusion therein, which information the parties hereto agree is limited to the Placement Agents’ Information.

(f) *Delivery of Copies.* The Company will deliver promptly to the Placement Agents and their counsel such number of the following documents as the Representatives shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits), (ii) copies of any Preliminary Prospectus related to the Shares; (iii) any Issuer Free Writing Prospectus, (iv) during the Prospectus Delivery Period, copies of the Prospectus (or any amendments or supplements thereto); (v) any document incorporated by reference in the Prospectus (other than any such document that is filed with the Commission electronically via EDGAR or any successor system and (vi) all correspondence to and from, and all documents issued to and by, the Commission in connection with the registration of the Shares under the Securities Act.

(g) *Blue Sky Laws.* The Company will promptly take or cause to be taken, from time to time, such actions as the Representatives may reasonably request to qualify the Shares for offering and sale under the state securities, or blue sky, laws of such states or other jurisdictions as the Representatives may reasonably request and to maintain such qualifications in effect so long as the Placement Agents may request for the distribution of the Shares, *provided*, that in no event shall the Company be obligated to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or to file a general consent to service of process in any jurisdiction or subject itself to taxation as doing business in any jurisdiction.

(h) *Earnings Statement*. As soon as practicable, but in any event not later than 16 months after the date of this Agreement, the Company will make generally available to holders of its securities, an earnings statement of the Company and its subsidiaries (which need not be audited) that will satisfy the provisions of Section 11(a) of the Securities Act and the Rules and Regulations (including, at the option of the Company, Rule 158). Any document or information filed with the Commission and available on EDGAR shall be deemed to be delivered for purposes of this section.

(i) *Use of Proceeds*. The Company will apply the net proceeds from the sale of the Shares in the manner set forth in the General Disclosure Package and the Prospectus under the heading "Use of Proceeds."

(j) *Lock-Up Period*. Beginning on the date hereof and continuing for a period of 90 days after the date of the Prospectus (the "**Lock-Up Period**"), the Company will not (1) offer to sell, hypothecate, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, with respect to, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock; (2) file or cause to become effective a registration statement under the Securities Act relating to the offer and sale of any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock except for a registration statement on Form S-8 relating to employee benefit plans and a registration statement on Form S-3 pursuant to the Asset Purchase Agreement dated December 22, 2006 with Edwards Life Sciences LLC or (3) enter into any swap, hedge or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i), (ii) or (iii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, without the prior written consent of the Representatives (which consent may be withheld in its sole discretion), other than (i) the Shares to be sold hereunder, (ii) the issuance of restricted Common Stock or options to acquire Common Stock pursuant to the Company's employee benefit plans, qualified stock option plans or other employee compensation plans as such plans are in existence on the date hereof and described in the Registration Statement (excluding the exhibits thereto), the General Disclosure Package and the Prospectus, (iii) issuances of Common Stock upon the exercise of options or warrants disclosed as outstanding in the Registration Statement (excluding the exhibits thereto), the General Disclosure Package and the Prospectus or upon the conversion or exchange of convertible or exchangeable securities outstanding as of the date of this Agreement; (iv) the issuance by the Company of any shares of Common Stock as consideration for mergers, acquisitions, other business combinations, or strategic alliances, occurring after the date of this Agreement; *provided* that each recipient of shares pursuant to this clause (iv) agrees that all such shares remain subject to restrictions substantially similar to those contained in this subsection 3(j); or (v) the purchase or sale of the Company's securities pursuant to a plan, contract or instruction that satisfies all of the requirements of Rule 10b5-1(c)(1)(i)(B) that was in effect prior to the date hereof. Notwithstanding the foregoing, for the purpose of allowing the Placement Agents to comply with NASD Rule 2711(f)(4), if (1) during the last 17 days of the Lock-Up Period, the Company releases earnings results or publicly announces other material news or a material event relating to the Company occurs or (2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16 day period beginning on the last day of the Lock-Up Period, then in each case the Lock-Up Period will be extended until the expiration of the 18 day period beginning on the date of release of the earnings results or the public announcement regarding the material news or the occurrence of the material event, as applicable, unless the Representatives waive, in writing, such extension. The Company agrees not to accelerate the vesting of any option or warrant or the lapse of any repurchase right prior to the expiration of the Lock-Up Period.

(k) *Press Releases.* Prior to 9:30 a.m. New York City time on the business day immediately subsequent to the date hereof, the Company shall issue a press release (the “**Press Release**”) reasonably acceptable to the Representatives disclosing the execution of this Agreement, the Subscription Agreements and the transaction contemplated hereby and thereby. Prior to the Closing Date, the Company will not issue any press release or other communication directly or indirectly or hold any press conference with respect to the Company, the Subsidiaries, their condition, financial or otherwise, or the earnings, business, operations or prospects of any of them, or the offering of the Shares (except for routine oral marketing communications in the ordinary course of business and consistent with the past practices of the Company and of which the Placement Agents is notified), without the prior written consent of the Representatives, unless in the reasonable judgment of the Company and its counsel, and after notification to the Placement Agents, such press release or communication is required by law or applicable stock exchange, in which case the Company shall use its reasonable best efforts to allow the Placement Agents reasonable time to comment on such release or other communication in advance of such issuance.

(l) *Stabilization.* The Company will not, and will cause the Subsidiaries not to, take directly or indirectly any action designed, or that might reasonably be expected to cause or result in, or that will constitute, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Shares.

(m) *Transfer Agent.* The Company shall engage and maintain, at its expense, a transfer agent and, if necessary under the jurisdiction of incorporation of the Company, a registrar for the Shares.

(n) *Listing.* The Company shall use its best efforts to cause the Shares to be listed for quotation on the Nasdaq Global Market at the Closing Date and to maintain such listing.

4. **Costs and Expenses.** The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, will pay or reimburse if paid by the Placement Agent all costs and expenses incident to the performance of the obligations of the Company under this Agreement and in connection with the transactions contemplated hereby, including but not limited to costs and expenses of or relating to (i) the preparation, printing, filing, delivery and shipping of the Registration Statement, any Issuer Free Writing Prospectus, each Preliminary Prospectus, the General Disclosure Package and the Prospectus, and any amendment or supplement to any of the foregoing (including costs of mailing and shipment), (ii) the registration, issue, sale and delivery of the Shares including any stock or transfer taxes and stamp or similar duties payable upon the sale, issuance or delivery of the Shares and the printing, delivery, and shipping of the certificates representing the Shares, (iii) the registration or qualification of the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions designated pursuant to Section 3(g), (including the reasonable legal fees and filing fees, and other disbursements of counsel to the Placement Agent in connection therewith), and, if reasonably requested by the Placement Agent, the preparation and printing and furnishing of copies of any blue sky surveys to the Placement Agent, (iv) the fees and expenses of any transfer agent or registrar for the Shares, (v) any filings required to be made by the Placement Agent or the Company with the NASD, and the reasonable fees, disbursements and other charges of counsel for the Placement Agent in connection with the NASD’s review and approval of the Placement Agent’s participation in the offering (including all COBRADesk fees), (vi) fees, disbursements and other charges of counsel to the Company (vii) listing fees, if any, for the listing or quotation of the Shares on the Nasdaq Global Market, (viii) fees and disbursements of the Company’s auditor incurred in delivering the letter(s) described in Section 5(i) of this Agreement, (ix) fees of the Escrow Agent, and (x) the costs and expenses of the Company and the Placement Agent in connection with the marketing of the offering and the sale of the Shares to prospective investors including, but not limited to, those related to any presentations or meetings

undertaken in connection therewith including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged with the written consent of the Company in connection with the road show presentations, travel, lodging and other expenses incurred by the officers of the Company and any such consultants, and the cost of any aircraft or other transportation chartered in connection with the road show. In addition to the above, the Company shall reimburse the Placement Agent for all fees, disbursements and other charges of counsel to the Placement Agent in an amount not to exceed \$80,000. If (1) this Agreement shall be terminated by the Placement Agent pursuant to Section 9 hereof, the Company will, in addition to paying the amounts described in Section 4 hereof, reimburse the Placement Agent for all of the reasonable out-of-pocket disbursements including, but not limited to, the reasonable fees and disbursements of its counsel.

5. Conditions of Placement Agents' Obligations. The respective obligations of the Placement Agents hereunder and the Investors under the Subscription Agreements are subject to the following conditions:

(a) *Filings with the Commission.* The Prospectus (including the Final Prospectus Supplement) shall have been filed with the Commission pursuant to Rule 424(b), in the manner and within the time period so required.

(b) *Abbreviated Registration Statement.* If the Company has elected to rely upon Rule 462(b), the registration statement filed under Rule 462(b) shall have become effective under the Securities Act by 8:00 a.m., Washington, D.C. time, on the business day next succeeding the date of this Agreement.

(c) *No Stop Orders; Negative Assurance.* Prior to the Closing: (i) no stop order suspending the effectiveness of the Registration Statement or any part thereof, preventing or suspending the use of the Prospectus or any Permitted Free Writing Prospectus or any part thereof shall have been issued under the Securities Act and no proceedings for that purpose or pursuant to Section 8A under the Securities Act shall have been initiated or threatened by the Commission, (ii) no order suspending the qualification or registration of the Shares under the securities or blue sky laws of any jurisdiction shall be in effect and (iii) all requests for additional information on the part of the Commission (to be included or incorporated by reference in the Registration Statement, the General Disclosure Package, the Prospectus or any Issuer Free Writing Prospectus or otherwise) shall have been complied with to the reasonable satisfaction of the Staff of the Commission. The Placement Agents shall not have discovered and disclosed to the Company on or prior to the Closing Date that (i) the Registration Statement, or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of the Representatives, is material, or omits to state any fact which, in the opinion of the Representatives, is material and is required to be stated therein or is necessary to make the statements therein not misleading, or (ii) the General Disclosure Package or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, contains an untrue statement of a fact which, in the opinion of the Representatives, is material, or omits to state any fact which, in the opinion of the Representatives, is material and is required to be stated therein or is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) *Action Preventing Issuance.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would, as of the Closing Date, prevent the issuance or sale of the Shares; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued as of the Closing Date which would prevent the issuance or sale of the Shares.

(e) *Objection of Placement Agents.* No Prospectus or amendment or supplement to the Registration Statement shall have been filed to which the Representatives shall have objected in writing, which objection shall not be unreasonable.

(f) *Material Adverse Change.* Subsequent to the date of the latest audited financial statements included or incorporated by reference in the General Disclosure Package, (a) neither the Company nor any of its Subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth in the General Disclosure Package, (b) there has not been any change in the capital stock (other than a change in the number of outstanding shares of Common Stock due to the issuance of shares upon the exercise of outstanding options or warrants or the conversion of convertible indebtedness), or material change in the short-term debt or long-term debt of the Company or any Subsidiary (other than upon conversion of convertible indebtedness) or any material adverse change, in or affecting the business, assets, general affairs, management, financial position, prospects, stockholders' equity or results of operations of the Company and the Subsidiaries, otherwise than as set forth in the General Disclosure Package

(g) *Representations and Warranties.* Each of the representations and warranties of the Company contained herein shall be true and correct when made and on and as of the Closing Date, as if made on such date (except that those representations and warranties that address matters only as of a particular date shall remain true and correct as of such date), and all covenants and agreements herein contained to be performed on the part of the Company and all conditions herein contained to be fulfilled or complied with by the Company at or prior to the Closing Date shall have been duly performed, fulfilled or complied with.

(h) *Opinion of Counsel to the Company.* The Placement Agents shall have received from Morgan, Lewis & Bockius LLP, counsel to the Company, such counsel's written opinion, addressed to the Placement Agents and the Investors and dated the Closing Date, in form and substance as is reasonably satisfactory to the Representatives. Such counsel shall also have furnished to the Placement Agents a written statement covering negative assurances, addressed to the Placement Agents and dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(i) *Opinion of Counsel to the Placement Agents.* The Placement Agents shall have received from Lowenstein Sandler PC, counsel for the Placement Agents, such counsel's written opinion, addressed to the Placement Agents and dated the Closing Date, covering such matters as are customarily covered in transactions of this type. Such counsel shall also have furnished to the Placement Agents a written statement, addressed to the Placement Agents and dated the Closing Date, covering negative assurances.

(j) *Accountant's Comfort Letter.* On the date hereof, the Placement Agents shall have received a letter dated the date hereof, (the "**Comfort Letter**"), addressed to the Placement Agents and in form and substance reasonably satisfactory to the Representatives and its counsel, from Ernst & Young LLP, (i) confirming that they are independent public accountants with respect to the Company within the meaning of the Securities Act and the Rules and Regulations and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the General Disclosure Package, as of a date not more than three days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters, delivered according to Statement of Auditing Standards No. 72 and Statement of Auditing Standard No. 100 (or successor bulletins), in connection with registered public offerings.

(k) *Bring-Down Letter*. At the Closing Date, the Placement Agents shall have received from Ernst & Young LLP a letter (the “*Bring-Down Letter*”), dated the Closing Date, addressed to the Placement Agents and in form and substance reasonably satisfactory to the Placement Agents, (i) confirming that they are independent public accountants with respect to the Company within the meaning of the Securities Act and the Rules and Regulations, (ii) stating, as of the date of the Bring-Down Letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the General Disclosure Package and the Prospectus, as of a date not more than three days prior to the date of the Bring-Down Letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the Comfort Letter and (iii) confirming in all material respects the conclusions and findings set forth in the Comfort Letter.

(l) *Officer’s Certificate*. The Placement Agents shall have received on the Closing Date a certificate, addressed to the Placement Agents and dated the Closing Date, of the chief executive or chief operating officer and the chief financial officer or chief accounting officer of the Company to the effect that:

(i) each of the representations, warranties and agreements of the Company in this Agreement were true and correct when originally made and are true and correct as of the Closing Date; and the Company has complied with all agreements and satisfied all the conditions on its part required under this Agreement to be performed or satisfied at or prior to the Closing Date;

(ii) subsequent to the date of the latest audited financial statements included or incorporated by reference in the General Disclosure Package, (a) neither the Company nor any of its Subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth in the General Disclosure Package, (b) there has been no material change in the financial position or results of operation of the Company, otherwise than as set forth in the General Disclosure Package;

(iii) no stop order suspending the effectiveness of the Registration Statement or any part thereof or any amendment thereof or the qualification of the Shares for offering or sale, nor suspending or preventing the use of the General Disclosure Package, the Prospectus or any Issuer Free Writing Prospectus shall have been issued, and no proceedings for that purpose or pursuant to Section 8A under the Securities Act shall be pending or to their knowledge, threatened by the Commission or any state or regulatory body; and

(iv) (A) as of the date of such certificate, (x) the Registration Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (y) neither the Prospectus nor the General Disclosure Package contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (B) no event has occurred as a result of which it is necessary to amend or supplement the Registration Statement, the Prospectus or the General Disclosure Package in order to make the statements therein not untrue or misleading in any material respect.

(m) *Secretary’s Certificate*. On the Closing Date, the Company shall have furnished to the Placement Agents a Secretary’s Certificate of the Company.

(n) *Lock-Up Agreements*. Each executive officer and director of the Company identified on Exhibit C hereto shall have entered into Lock-Up Agreements substantially in the form

attached as Exhibit B hereto on or prior to the date hereof, and each such Lock-Up Agreement, or a copy thereof, shall have been delivered to you and shall be in full force and effect at the Time of Sale.

(o) *The Nasdaq Global Market.* The Shares shall have been approved for quotation on the Nasdaq Global Market and listed and admitted and authorized for trading on the Nasdaq Global Market, subject only to official notice of issuance. Satisfactory evidence of such actions shall have been provided to the Representatives.

(p) *Other Filings with the Commission.* The Company shall have prepared and filed with the Commission a Current Report on Form 8-K with respect to the transactions contemplated hereby, including as an exhibit thereto this Agreement and any other documents relating thereto.

(q) *No NASD Objection.* The Placement Agents shall not have received any objection from the NASD as to the fairness and reasonableness of the amount of compensation allowable or payable to the Placement Agents in connection with the issuance and sale of the Shares.

(r) *Subscription Agreements.* The Company shall have entered into the Subscription Agreements with each of the Investors, and such agreements shall be in full force and effect on the Closing Date.

(s) *Escrow Agreement.* The Company shall have entered into the Escrow Agreement, and such agreement shall be in full force and effect on the Closing Date.

(t) *Additional Documents.* Prior to the Closing Date, the Company shall have furnished to the Placement Agents such further information, certificates or documents as the Representatives shall have reasonably requested.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Placement Agents.

6. Indemnification and Contribution.

(a) *Indemnification of the Placement Agents.* The Company agrees to indemnify and hold the Placement Agents harmless against any losses, claims, damages or liabilities, joint or several, to which the Placement Agents may become subject, under the Securities Act or otherwise (including in settlement of any litigation if such settlement is effected with the written consent of the Company), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the General Disclosure Package or the Prospectus, or any amendment or supplement thereto, or in any Issuer Free Writing Prospectus, or in any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Shares ("**Marketing Materials**"), (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any breach of the representations and warranties of the Company contained herein, and will reimburse the Placement Agents for any legal or other expenses reasonably incurred by them in connection with investigating or defending against such loss, claim, damage, liability or action; *provided, however*; that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, the General Disclosure Package or the Prospectus, or any amendment or supplement thereto, or in any Issuer Free Writing Prospectus, or in any Marketing Materials, in reliance upon and in conformity with the Placement Agents' Information.

In addition to its other obligations under this Section 6(a), the Company agrees that it will reimburse the Placement Agents for all reasonable legal fees or other expenses incurred in connection with investigating or defending any such claim, action, investigation, inquiry or other proceeding, described in this Section 6(a), as such fees and expenses are incurred.

(b) *Indemnification of the Company.* The Placement Agents, severally but not jointly, will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Securities Act or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Representatives), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the General Disclosure Package, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the General Disclosure Package, the Prospectus, or any such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by the Placement Agents, specifically for use in the preparation thereof, and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending against any such loss, claim, damage, liability or action, it being understood and agreed that the only such information furnished by the Placement Agents consists of the Placement Agents Information.

(c) *Notice and Procedures.* Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; *provided*, that the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to any indemnified party except to the extent such indemnifying party has been materially prejudiced by such failure. In case any such action shall be brought against any indemnified party, and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of the indemnifying party's election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided, however*, that if, in the sole judgment of the indemnified party, it is advisable for the indemnified party to be represented by separate counsel, the indemnified party shall have the right to employ a separate counsel to represent it, in which event the reasonable fees and expenses of such separate counsel shall be borne by the indemnified party or parties except to the extent that (i) the employment thereof has been specifically authorized by the indemnifying party in writing, (ii) the indemnifying party has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict on any material issue between the position of the indemnifying party and the position of the indemnified party, in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party, it being understood, however, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for all such indemnified parties. An indemnifying party shall not be obligated under any settlement agreement relating to

any action under this Section 7 to which it has not agreed in writing. In addition, no indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding unless such settlement includes an unconditional release of such indemnified party for all liability on claims that are the subject matter of the proceeding.

(d) *Contribution; Limitation on Liability.* If the indemnification provided for in this Section 6 is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Placement Agents on the other from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Placement Agents on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Placement Agents on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bears to the total compensation received by the Placement Agents. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Placement Agents and the parties' relevant intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Placement Agents agree that they would not be just and equitable if contributions pursuant to this subsection (d) were to be determined by pro rata allocation (even if the Placement Agents were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the first sentence of this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party (and not reimbursed by the indemnifying party) in connection with investigating or defending against any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection, the Placement Agents shall not be required to contribute any amount in excess of the total commissions received by the Placement Agents in accordance with Section 1(b) less the amount of any damages which the Placement Agent has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement, omission or alleged omission, act or alleged act or failure to act or alleged failure to act. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Placement Agents' obligations to contribute as provided in this Section 6(d) are several in proportion to the total compensation received by each of the Placement Agents in accordance with Section 1(b) and not joint.

(e) *Non-Exclusive Remedies.* The obligations of the Company under this Section 6 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls a Placement Agent within the meaning of the Securities Act; and the Placement Agents' obligations under this Section 6 shall be in addition to any liability that the Placement Agents may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company (including any person who, with his consent, is named in the Registration Statement as about to become a director of the Company), to each officer of the Company who has signed the Registration Statement and to each person, if any, who controls the Company within the meaning of the Securities Act.

7. **Representations and Agreements to Survive Delivery.** All representations, warranties, and agreements of the Company herein or in certificates delivered pursuant hereto, and the agreements of the Placement Agents and the Company contained in Section 6 hereof, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Placement Agents or any controlling person thereof, or the Company or any of its officers, directors, or controlling persons and shall survive delivery of, and payment for, the Shares. The respective agreements, covenants, indemnities and other statements set forth in Sections 4, 6 and 12 hereof shall remain in full force and effect, regardless of any termination of this Agreement.

8. **Information Furnished by Placement Agents.** The Company acknowledges that the statements set forth in (i) the first sentence of the seventh paragraph and (ii) the tenth paragraph, under the heading “Plan of Distribution” in the Prospectus (the “**Placement Agents Information**”), constitute the only information relating to the Placement Agents furnished in writing to the Company by the Placement Agents as such information is referred to in Sections 2 and 6 hereof.

9. **Termination.** The Placement Agents shall have the right to terminate this Agreement by giving notice as hereinafter specified at any time at or prior to the Closing Date, without liability on the part of the Placement Agents to the Company, if (i) prior to delivery and payment for the Shares (A) trading in securities generally shall have been suspended on or by the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Market (each, a “**Trading Market**”), (B) trading in the Common Stock of the Company shall have been suspended on any exchange, in the over-the-counter market or by the Commission, (C) a general moratorium on commercial banking activities shall have been declared by federal or New York state authorities or a material disruption shall have occurred in commercial banking or securities settlement or clearance services in the United States, (D) there shall have occurred any outbreak or material escalation of hostilities or acts of terrorism involving the United States or there shall have been a declaration by the United States of a national emergency or war, or (E) there shall have occurred any other calamity or crisis or any material change in general economic, political or financial conditions in the United States or elsewhere, if the effect of any such event specified in clause (D) or (E), in the judgment of the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with the completion of the sale of and payment for the Shares on the Closing Date on the terms and in the manner contemplated by this Agreement, the General Disclosure Package and the Prospectus, (ii) since the time of execution of this Agreement or the earlier respective dates as of which information is given in the General Disclosure Package or incorporated by reference therein, there has been any Material Adverse Effect, if the effect of any such event specified in this clause (ii), in the judgment of the Representatives, makes it impractical or inadvisable to proceed with the completion of the sale of and payment for the Shares on the Closing Date on the terms and in the manner contemplated by this Agreement, the General Disclosure Package and the Prospectus, (iii) the Company shall have failed, refused or been unable to comply with the terms or perform any agreement or obligation of this Agreement or any Subscription Agreement, other than by reason of a default by the Placement Agents, or (iv) any condition of the Placement Agents’ obligations hereunder is not fulfilled. Any such termination shall be without liability of any party to any other party except that the provisions of Section 4, Section 6, and Section 12 hereof shall at all times be effective notwithstanding such termination.

10. **Notices.** All statements, requests, notices and agreements hereunder shall be in writing or by facsimile, and:

(a) if to the Placement Agents, shall be delivered or sent by mail, telex or facsimile transmission to the Representatives:

c/o JMP Securities LLC
600 Montgomery Street
Suite 1100
San Francisco, California 94111
Attention: Janet Tarkoff, Esq.
Facsimile No.: 415-835-8982

with a copy (which shall not constitute notice) to:

Lowenstein Sandler PC
1251 Avenue of the Americas
New York, New York 10020
Attention: Michael D. Maline, Esq.
Facsimile No.: 973-422-6873

(b) if to the Company shall be delivered or sent by mail, telex or facsimile transmission to Sangamo BioSciences, Inc., 501 Canal Boulevard, Suite A100, Richmond, California 94804. Attention: Greg S. Zante, (Fax: 510-236-8951), with a copy (which shall not constitute notice) to: Morgan, Lewis & Bockius LLP, One Market Street, San Francisco, California 94105, Attention: John Larson, Esq., (Fax: 415-442-1001).

11. **Persons Entitled to Benefit of Agreement.** This Agreement shall inure to the benefit of and shall be binding upon the Placement Agents, the Company, and their respective successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person other than the persons mentioned in the preceding sentence any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person, except that (i) the representations, warranties, covenants, agreements and indemnities of the Company contained in this Agreement shall also be for the benefit of the controlling persons, officers and directors referred to in Section 6(a) and the indemnities of the Placement Agents shall also be for the benefit of the controlling persons, officers and directors referred to in Section 6(a) and (ii) the Investors are relying on the representations made by the Company under, and are intended third party beneficiaries of, this Agreement. The term "successors and assigns" as herein used shall not include any purchaser of the Shares by reason merely of such purchase.

12. **Governing Law; Submission to Jurisdiction.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the conflicts of laws provisions thereof. Except as set forth below, no proceeding may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and the Company hereby consents to the jurisdiction of such courts and personal service with respect thereto. The Company hereby consents to personal jurisdiction, service and venue in any court in which any proceeding arising out of or in any way relating to this Agreement is brought by any third party against the Placement Agents. The Company hereby waives all right to trial by jury in any proceeding (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. The Company agrees that a final judgment in any such Proceeding brought in any such court shall be conclusive and binding upon the Company and may

be enforced in any other courts in the jurisdiction of which the Company is or may be subject, by suit upon such judgment.

13. **No Fiduciary Relationship.** The Company hereby acknowledges and agrees that:

(a) *No Other Relationship.* The Placement Agents have been retained solely to act as placement agents in connection with the Offering of the Company's securities. The Company further acknowledges that the Placement Agents are acting pursuant to a contractual relationship created solely by this Agreement and entered into on an arm's length basis and in no event do the parties intend that the Placement Agents act or be responsible as a fiduciary to the Company, its management, stockholders, creditors or any other person in connection with any activity that the Placement Agents may undertake or have undertaken in furtherance of the Offering of the Company's securities, either before or after the date hereof. The Placement Agents hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect.

(b) *Absence of Obligation to Disclose.* The Company has been advised that the Placement Agents and their affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Placement Agents have no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship.

(c) *Waiver.* The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Placement Agents with respect to any breach or alleged breach of any fiduciary or similar duty to the Company in connection with the transactions contemplated by this Agreement and agrees that the Placement Agents shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim to any person asserting a fiduciary duty claim on behalf of the Company, including stockholders, employees or creditors of the Company.

14. **Headings.** The Section headings in this Agreement have been inserted as a matter of convenience of reference and are not a part of this Agreement.

15. **Amendments and Waivers.** No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The failure of a party to exercise any right or remedy shall not be deemed or constitute a waiver of such right or remedy in the future. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

16. **Counterparts.** This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original and all such counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart by facsimile shall be effective as delivery of a manually executed counterpart thereof.

17. **Research Analyst Independence.** The Company acknowledges that the Placement Agents' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Placement Agents' research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the Offering that

differ from the views of their respective investment banking divisions. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Placement Agents with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by such Placement Agents' investment banking divisions. The Company acknowledges that each of the Placement Agents is a full service securities firm and as such from time to time, subject to applicable securities laws, rules and regulations, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the Company; *provided, however*, that nothing in this Section 17 shall relieve the Placement Agents of any responsibility or liability they may otherwise bear in connection with activities in violation of applicable securities laws, rules and regulations.

18. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof.

19. **Partial Unenforceability.** The invalidity or unenforceability of any section, paragraph, clause or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph, clause or provision hereof. If any section, paragraph, clause or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

20. **Effectiveness.** This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

[Signature Page Follows]

If the foregoing is in accordance with your understanding of the agreement between the Company and the Placement Agents, kindly indicate your acceptance in the space provided for that purpose below.

Very truly yours,

SANGAMO BIOSCIENCES, INC.

By: /s/ Greg S. Zante

Name: Greg S. Zante

Title: Vice President, Finance & Administration

Accepted as of
the date first above written:

JMP SECURITIES LLC

By: /s/ Stephen Ortiz

Name: Stephen Ortiz

Title: Managing Director

PIPER JAFFRAY & CO.

By: /s/ David S. Stadinski

Name: David S. Stadinski

Title: Managing Director

LEERINK SWANN & COMPANY

By: /s/ Daniel Yamron

Name: Daniel Yamron

Title: Managing Director, Equity Capital Markets

JANNEY MONTGOMERY SCOTT LLC

By: /s/ James R. McNaughton

Name: James R. McNaughton

Title: Vice President

Schedules and Exhibits

Schedule I:	Placement Agents
Schedule II:	Subsidiaries
Schedule III	Permitted Free Writing Prospectuses
Exhibit A:	Form of Subscription Agreement
Exhibit B:	Form of Lock-Up Agreement
Exhibit C:	List of Directors, Executive Officers and Stockholders Executing Lock-Up Agreements
Exhibit D:	Pricing Information

Schedule I
Placement Agents

JMP Securities LLC

Piper Jaffray & Co.

Leerink Swann & Company

Janney Montgomery Scott LLC

Schedule II
Subsidiaries

<u>Name</u>	<u>Percent Owned</u>	<u>Jurisdiction of Incorporation</u>
Gendaq Limited	100%	United Kingdom

Schedule III
Permitted Free Writing Prospectus

None.

Exhibit A
Form of Subscription Agreement

Exhibit B
Form of Lock-Up Agreement

JMP SECURITIES LLC
PIPER JAFFRAY & CO.

As Representatives of the several Placement Agents
set forth on Schedule I hereto

c/o JMP Securities LLC
600 Montgomery Street
Suite 1100
San Francisco, CA 94111

Ladies and Gentlemen:

The undersigned understands that you propose to enter into a Placement Agency Agreement (the "**Placement Agency Agreement**") with Sangamo BioSciences, Inc., a Delaware corporation (the "**Company**"), providing for the offering (the "**Offering**") of shares (the "**Shares**") of common stock, par value \$0.01 per share (the "**Common Stock**"), of the Company pursuant to a registration statement on Form S-3 (File No. 333-142425) filed by the Company. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Placement Agency Agreement.

In consideration of the foregoing, and in order to induce you to act as placement agents in the offering, and for other good and valuable consideration receipt of which is hereby acknowledged, the undersigned hereby agrees that, without your prior written consent (which consent may be withheld in your sole discretion), the undersigned will not, during the period (the "**Lock-Up Period**") beginning on the date hereof and ending on the date 90 days after the date of the final prospectus (including the final prospectus supplement) to be used in confirming the sale of the Shares (the "**Final Prospectus**"), (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (including without limitation, Common Stock which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and securities which may be issued upon exercise of a stock option or warrant), or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. In addition, the undersigned agrees that, without your prior written consent (which consent may be withheld in your sole discretion), it will not, during the period ending 90 days after the date of such Final Prospectus, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock.

Notwithstanding the foregoing, the restrictions set forth in clause (1) and (2) above shall not apply to (a) transfers (i) as a bona fide gift or gifts, provided that the donee or donees thereof agree to be bound in writing by the restrictions set forth herein, (ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (iii) with your prior written consent or (iv) effected pursuant to any exchange of "underwater" options with the Company, (b) the acquisition or exercise of any stock option

issued pursuant to the Company's existing stock option plan, including any exercise effected by the delivery of Shares of the Company held by the undersigned, or (c) the purchase or sale of the Company's securities pursuant to a plan, contract or instruction that satisfies all of the requirements of Rule 10b5-1(c)(1)(i)(B) that was in effect prior to the date hereof. For purposes of this Lock-Up Agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. None of the restrictions set forth in this Lock-Up Agreement shall apply to Common Stock acquired in open market transactions.

For the purpose of allowing you to comply with NASD Rule 2711(f)(4), if (1) during the last 17 days of the Lock-Up Period, the Company releases earnings results or publicly announces other material news or a material event relating to the Company occurs or (2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16 day period beginning on the last day of the Lock-Up Period, then in each case the Lock-Up Period will be extended until the expiration of the 18 day period beginning on the date of release of the earnings results or the public announcement regarding the material news or the occurrence of the material event, as applicable, unless you waive, in writing, such extension. The undersigned hereby acknowledges that the Company has agreed not to accelerate the vesting of any option or warrant or the lapse of any repurchase right prior to the expiration of the Lock-Up Period. In furtherance of the foregoing, the Company, and any duly appointed transfer agent for the registration or transfer of the securities described herein, are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Agreement.

The foregoing restrictions are expressly agreed to preclude the undersigned from engaging in any hedging or other transaction which is designed to or reasonably expected to lead to or result in a sale or disposition of the Common Stock even if such Common Stock would be disposed of by someone other than the undersigned. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put option or put equivalent position or call option or call equivalent position) with respect to any of the Common Stock or with respect to any security that includes, relates to, or derives any significant part of its value from such Common Stock.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Agreement. All authority herein conferred or agreed to be conferred and any obligations of the undersigned shall be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

The undersigned understands that, if the Placement Agency Agreement does not become effective, or if the Placement Agency Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Shares to be sold thereunder, the undersigned shall be released from all obligations under this Lock-Up Agreement.

This Lock-Up Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof.

Very truly yours,

Name:

Exhibit C

List of Directors and Executive Officers Executing Lock-Up Agreements

Edward O. Lanphier II
William G. Gerber, M.D.
H. Ward Wolff
John W. Larson
Michael C. Wood
Dale G. Ando
David G. Ichikawa
Margaret A. Liu, M.D.
Steven J. Mento, Ph.D.
Gregory S. Zante
Philip Gregory

Exhibit D

Pricing Information

Number of Shares to be Issued: 3,278,689

Offering Price: \$9.15 per Share

Placement Agency Fee: 6.0% of the gross proceeds to the Company from the sale of the Shares

Estimated Net Proceeds to the Company (exclusive of estimated expenses of the Company): \$28,200,004.09

July 16, 2007

Sangamo BioSciences, Inc.
501 Canal Boulevard, Suite A100
Richmond, CA 94804

Ladies and Gentlemen:

We have acted as counsel to Sangamo BioSciences, Inc., a Delaware corporation (the "Company"), in connection with its filing of the registration statement (Reg. No. 333-142425) on Form S-3 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), with the Securities and Exchange Commission (the "SEC") on April 27, 2007 and with its filing of the prospectus supplement together with the prospectus contained in the Registration Statement (together, the "Prospectus") with the SEC on the date hereof pursuant to Rule 424(b)(5) under the Act. The Registration Statement relates to the proposed offer and sale by the Company of its common stock, \$0.01 par value per share (the "Common Stock"), and warrants to purchase shares of the Common Stock from time to time, as set forth in the prospectus contained in the Registration Statement, and as shall be set forth in one or more supplements to the prospectus contained in the Registration Statement with an aggregate offering price of \$50,000,000. The Prospectus relates to the proposed issuance and sale by the Company of up to 3,278,689 shares of Common Stock (the "Shares").

In connection with this opinion letter, we have examined the Registration Statement and the Prospectus and originals, or copies certified or otherwise identified to our satisfaction, of the certificate of incorporation, as amended through the date hereof, and bylaws, as in effect on the date hereof, of the Company, and such other documents, records and other instruments, including resolutions adopted by the board of directors of the Company and a committee of the board of directors of the Company at meetings of the board of directors or by written consent of such committee regarding the transactions contemplated by the Prospectus (the "Resolutions"), as we have deemed appropriate for purposes of the opinion set forth herein.

We have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of the documents submitted to us as originals, the conformity with the originals of all documents submitted to us as certified, facsimile or photostatic copies and the authenticity of the originals of all documents submitted to us as copies.

Based upon the foregoing, we are of the opinion that the Shares have been duly authorized by the Company and, when issued and sold by the Company and delivered by the Company against receipt of the purchase price therefor, in the manner contemplated by the Prospectus and in accordance with the conditions set forth in the Resolutions, will be validly issued, fully paid and non-assessable.

The opinions expressed herein are limited to the Delaware General Corporation Law.

We hereby consent to the use of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to us under the caption "Legal Matters" in the Prospectus. In giving such consent, we do not hereby admit that we are acting within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the SEC thereunder.

Very truly yours,

/s/ **Morgan, Lewis & Bockius LLP**



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

SANGAMO ANNOUNCES SALE OF \$30 MILLION OF COMMON STOCK TO INSTITUTIONAL INVESTORS

Richmond, California — July 17, 2007— Sangamo BioSciences, Inc. (Nasdaq: SGMO) announced today that it has obtained commitments from a select group of institutional investors to purchase an aggregate of 3,278,689 shares of common stock, at a price of \$9.15 per share, for gross proceeds of approximately \$30.0 million, before fees and expenses. The closing is expected to take place on Friday, July 20, 2007, subject to the satisfaction of customary closing conditions. JMP Securities and Piper Jaffray & Co. acted as joint lead placement agents, with Leerink Swann & Company and Janney Montgomery Scott acting as co-placement agents for this offering.

The shares are being offered pursuant to the Company's registration statement on Form S-3 declared effective by the Securities and Exchange Commission on May 9, 2007. This press release shall not constitute an offer to sell nor the solicitation of an offer to buy, nor shall there be any sales of these securities in any jurisdiction in which such an offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About Sangamo

Sangamo BioSciences, Inc. is focused on the research and development of novel DNA-binding proteins for therapeutic gene regulation and modification. The most advanced ZFP Therapeutic™ development program is currently in Phase 2 clinical trials for evaluation of safety and clinical effect in patients with diabetic neuropathy. Phase 1 clinical trials are ongoing to evaluate a ZFP Therapeutic for peripheral artery disease. Other therapeutic development programs are focused on HIV/AIDS, neuropathic pain, cancer, nerve regeneration, ischemic heart disease and monogenic diseases. Sangamo's core competencies enable the engineering of a class of DNA-binding proteins known as zinc finger DNA-binding proteins (ZFPs). By engineering ZFPs that recognize a specific DNA sequence Sangamo has created ZFP transcription factors (ZFP TF™) that can control gene expression and, consequently, cell function. Sangamo is also developing sequence-specific ZFP Nucleases (ZFN™) for therapeutic gene modification as a treatment for a variety of monogenic diseases, such as X-linked SCID and hemophilia, and for infectious diseases, such as HIV. Sangamo has established several Enabling Technology Agreements with companies to apply its ZFP Technology to enhance the production of protein pharmaceuticals. For more information about Sangamo, visit the company's web site at <http://www.sangamo.com/>.

This press release may contain forward-looking statements based on Sangamo's current expectations. These forward-looking statements include, without limitation, references to amount of proceeds expected to be received from the closing of the offering, the research and development of novel ZFP TFs and ZFNs and therapeutic applications of Sangamo's ZFP technology platform. Actual results may differ materially from these forward-looking statements due to a number of factors, including technological challenges, Sangamo's ability to develop commercially viable products and technological developments by our competitors. See the company's SEC filings, and in particular, the risk factors described in the company's Annual Report on Form 10-K and its most recent Form 10-Q and Form 8-K. Sangamo assumes no obligation to update the forward-looking information contained in this press release.

Contact

Sangamo BioSciences, Inc.

Elizabeth Wolfe, Ph.D.

510-970-6000, x271

ewolffe@sangamo.com

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