UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): October 1, 2005

SANGAMO BIOSCIENCES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware		
(State or Other Jurisdiction of Incorporation)		
000-30171		68-0359556
(Commission File Number)		(IRS Employer Identification No.)
501 Canal Blvd, Suite A100		Richmond, California 94804
(Address of Principal Executive Offices)		(Zip Code)

(510) 970-6000
(Registrant's Telephone Number, Including Area Code)

(Former Name or 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))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

Effective as of October 1, 2005, Sangamo BioSciences, Inc. ("Sangamo"), entered into a Research License and Commercial Option Agreement with Dow AgroSciences LLC ("DAS"), a wholly owned indirect subsidiary of Dow Chemical Corporation. Under this agreement, Sangamo will provide DAS with access to Sangamo's proprietary zinc finger DNA-binding protein ("ZFP") technology and the exclusive right to use Sangamo's ZFP technology to modify the genomes or alter the nucleic acid or protein expression of plant cells, plants, or plant cell cultures. Sangamo will retain all rights to use plants or plant-derived products to deliver ZFP transcription factors or nucleases into human or animals for diagnostic, therapeutic, or prophylactic purposes. The press release announcing the transaction is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Sangamo's agreement with DAS provides for an initial three-year research term during which DAS and Sangamo will work together to validate and optimize the application of Sangamo's ZFP technology to plants, plant cells and plant cell cultures. A joint committee having equal representation from Sangamo and DAS will oversee this research. During the initial three-year research term, DAS will have the option to obtain a commercial license to sell products incorporating or derived from plant cells generated using Sangamo's ZFP

technology, including agricultural crops, industrial products and plant-derived biopharmaceuticals. This commercial license will be exclusive for all such products other than animal and human health products. In the event that DAS exercises this option, DAS may elect to extend the research program beyond the initial three-year term on a year-to-year basis.

Pursuant to the Research License and Commercial Option Agreement, DAS will make an initial cash payment to Sangamo of $7.5 million and will purchase up to $4 million of Sangamo common stock in the next financing transaction meeting certain criteria. In addition, DAS will provide between $4 and $6 million in research funding over the initial three-year research term and may make up to an additional $4 million in research milestone payments to Sangamo during this same period, depending on the success of the research program. In the event that DAS elects to extend the research program beyond the initial three-year term, DAS will provide additional research funding. If DAS exercises its option to obtain a commercial license, Sangamo will be entitled to a one-time exercise fee of $6 million as well as minimum annual payments totaling up to $25.25 million, development and commercialization milestone payments for each product, and royalties on sales of products. Furthermore, DAS will have the right to sublicense Sangamo's ZFP technology to third parties for use in plant cells, plants, or plant cell cultures, and Sangamo will be entitled to twenty five percent (25%) of any cash consideration received by DAS under such sublicenses.

Sangamo has agreed to supply DAS and its sublicensees with ZFP transcription factors and/or nucleases for both research and commercial use. If DAS exercises its option to obtain a commercial license, DAS may request that Sangamo transfer, at DAS's expense, the ZFP manufacturing technology to DAS or to a mutually agreed-upon contract manufacturer.

The Research License and Commercial Option Agreement will terminate automatically if DAS fails to exercise its option for a commercial license by end the initial three-year research term. DAS may also terminate the agreement at the end of the second year of the initial research term if the joint committee overseeing the research determines that disappointing research results have made it unlikely that DAS will exercise the option; Sangamo is guaranteed to receive $4 million in research funding from DAS prior to such a termination. Following DAS's exercise of the option and payment of the exercise fee, DAS may terminate the agreement at any time. In addition, each party may terminate the agreement upon an uncured material breach of the other party. In the event of any termination of the agreement, all rights to use Sangamo's ZFP technology will revert to Sangamo, and DAS will no longer be permitted to practice Sangamo's ZFP technology or to develop or, except in limited circumstances, commercialize any products derived from Sangamo's ZFP technology.

The performance of the Research License and Commercial Option Agreement and the benefits that may be derived by Sangamo from this agreement are subject to many uncertainties and other factors. A description of some of the uncertainties and other factors that could impact the Research License and Commercial Option Agreement and Sangamo are set forth in Exhibit 99.2 to this Current Report on Form 8-K, which is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

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

99.1	Press Release, dated October 5, 2005.
99.2	Uncertanties and Other Factors

SIGNATURES

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

DATE: October 5, 2005

SANGAMO BIOSCIENCES, INC.

By: /s/ EDWARD O. LANPHIER II

Edward O. Lanphier II
President, Chief Executive Officer

EXHIBIT 99.1

DOW AGROSCIENCES, SANGAMO BIOSCIENCES ANNOUNCE RESEARCH AND COMMERCIAL LICENSE AGREEMENT IN PLANT AGRICULTURE

INDIANAPOLIS and RICHMOND, Calif., Oct. 5 /PRNewswire-FirstCall/ -- Dow AgroSciences LLC, a wholly owned subsidiary of The Dow Chemical Company (NYSE: DOW), and Sangamo BioSciences, Inc. (Nasdaq: SGMO) today announced the signing of a Research and Commercial License Agreement. The agreement provides Dow AgroSciences with access to Sangamo's proprietary zinc finger DNA-binding protein (ZFP) technology for use in plants and plant cell cultures to develop products in areas including, on an exclusive basis, plant agriculture and industrial products, and, on a non-exclusive basis, animal health and biopharmaceutical products produced in plants.

"Dow AgroSciences has a strong tradition of innovation and early adoption of new technologies. We pride ourselves on operating at the cutting edge of plant biotechnology in our mission to provide products that improve the quality and quantity of the earth's food supply and contribute to improving the health and quality of life of the world's growing population," said Dan Kittle, vice president, Research and Development for Dow AgroSciences. "We believe that access to Sangamo's ZFP technology will ensure an early and sustainable competitive advantage for our business. We also look forward to working with the public research sector and other companies to fully develop and apply this technology to plant crop improvement."

"Dow AgroSciences is recognized as a world leader in innovative plant biotechnology," said Edward Lanphier, Sangamo's president and chief executive officer. "Sangamo has demonstrated that our ZFP technology provides a robust and broadly applicable approach for both gene regulation and gene modification in a wide range of organisms. Our business strategy has always been to maximize the commercial potential of this technology across all fields of use. We believe that the combination of our novel technology with Dow AgroSciences' proven experience in development of agricultural biotech products will enable us to accomplish this goal in plant agriculture. In Dow AgroSciences, we have a partner that shares our vision and is capable of fully exploiting the applications of ZFP transcription factors (ZFP TFs(TM)) and ZFP nucleases (ZFNs(TM)) in plants."

ZFPs are the dominant class of naturally occurring transcription factors in organisms from yeast to humans. Transcription factors, which are found in the nucleus of every cell, bind to DNA to regulate gene expression. The ability to selectively control specific genes is emerging as a critical tool in modern biotechnology. Though there are many kinds of transcription factors, only ZFPs are amenable to engineering and precise targeting to a particular gene or genes of interest. By engineering ZFPs that recognize a specific DNA sequence Sangamo scientists have created ZFP TFs(TM) that can control gene expression and consequently, cell function. For example, Sangamo has demonstrated that plant oils can be improved using ZFP TFs(TM).

Sangamo has also developed sequence-specific ZFNs(TM) for precision gene modification and targeted gene insertion. These technologies have the potential to play a major role in bringing new discoveries in genomics forward to the marketplace. According to a 2004 International Service for the Acquisition of Agri-biotech Applications (ISAAA) report, transgenic traits were planted on an estimated 200 million acres, or 29 percent of the global acres for soybean, cotton, maize, and canola. Phillips McDougall, international crop protection and agricultural biotechnology consultants, estimates the value of agricultural biotechnology in these crops for 2004 to be $4.7 billion. Both the acreage and the value of agricultural biotechnology are expected to grow. This increasing demand could be addressed by the use of Sangamo's ZFN and ZFP technologies for combinations or stacks of multiple traits and new traits. Investments globally in genomics are also revealing large numbers of genes with the potential to substantially improve crop quality, expand crop uses and improve agronomic performance.

About Dow AgroSciences, LLC

Dow AgroSciences LLC, based in Indianapolis, Indiana, USA, is a global leader in providing pest management, biotechnology and crop products that improve the quality and quantity of the earth's food supply and contribute to improving the health and quality of life of the world's growing population. Dow AgroSciences has approximately 5,500 people in more than 50 countries dedicated to its business, and has worldwide sales of US $3.4 billion. Dow AgroSciences is a wholly owned subsidiary of The Dow Chemical Company. For more information about Dow AgroSciences, visit www.dowagro.com.

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(TM) development programs are currently in Phase I clinical trials for evaluation of safety in patients with diabetic neuropathy and peripheral artery disease. Other therapeutic development programs are focused on macular degeneration, ischemic heart disease, congestive heart failure, neuropathic pain, and infectious 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(TM)) that can control gene expression and, consequently, cell function. Sangamo is also developing sequence-specific ZFP Nucleases (ZFN(TM)) for therapeutic gene modification as a treatment for a variety of monogenic diseases, such as sickle cell anemia, and for infectious diseases, such as HIV. For more information about Sangamo, visit the company's web site at www.sangamo.com.

This press release may contain forward-looking statements based on Dow AgroSciences LLC and Sangamo BioSciences, Inc.'s current expectations. These forward-looking statements include, without limitation, references to the research and development of novel ZFP TFs and ZFNs and 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, Dow AgroSciences 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 10-Q. Dow AgroSciences and Sangamo BioSciences, Inc. assume no obligation to update the forward-looking information contained in this press release.

SOURCE Sangamo BioSciences, Inc.

-0- 10/05/2005

/CONTACT: Elizabeth Wolffe, Ph.D of Sangamo BioSciences, Inc., +1-510-970-6000, ext. 271, or ewolffe@sangamo.com; or media, Justin Jackson, +1-212-213-0006, or investors, John Cummings, +1-415-352-6262, both of Burns McClellan, Inc., for Sangamo; or Robyn Heine, +1-317-337-4807, or rheine@dow.com, for Dow AgroSciences/

/FCMN Contact: ewolffe@sangamo.com /

/Web site: http://www.dowagro.com/

/Web site: http://www.sangamo.com/

(SGMO DOW)

UNCERTAINTIES RELATING TO THE PERFORMANCE OF THE RESEARCH LICENSE AND COMMERCIAL OPTION AGREEMENT MAY CAUSE THE BENEFITS UNDER THIS AGREEMENT TO BE LIMITED.

The Research License and Commercial Option Agreement between Sangamo BioSciences, Inc. ("Sangamo") and Dow AgroSciences LLC ("DAS") agreement provides for an initial phase in which DAS and Sangamo will work together to validate and optimize the application of Sangamo's zinc finger DNA-binding protein (ZFP) technology to plants, plant cells and plant cell cultures. Sangamo can not be certain that DAS and Sangamo will succeed with the development of the necessary technology for the application of the ZFP technology to plants, plant cells and plant cell cultures or with the development of commercially viable products in these fields of use. To the extent Sangamo and DAS do not succeed in developing the necessary technology and commercializing products or if DAS elects not to exercise its option for a commercial license regardless of development achievements, Sangamo's revenue under this agreement will be limited.

This agreement will terminate after 3 years if DAS fails to exercise its option for a commercial license. In addition, it may terminate after only two years if the joint committee determines that disappointing research results make it unlikely for DAS to exercise its commercial license option. The initial cash payment of $7.5 million, $4.0 million purchase of Sangamo's common stock and $4.0 million in research funding are the only payment obligations under this agreement not subject to achievement of milestones or actions at the sole discretion of DAS.