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COMPANY PRESS RELEASE

Transgenomic's WAVE® System and Surveyor™ Nuclease Used for Detection and Monitoring of Low-Level Mutation in Mast Cell Leukemia

Study Demonstrates Highly Sensitive Detection of Disease-Associated Mutation Over Course of Therapy

OMAHA, Neb., October 17, 2005 / -- Transgenomic Inc. (Nasdaq: TBIO) announced today the publication of a study demonstrating the combined use of its WAVE HS System and Surveyor Nuclease to enable detection of a disease-associated genetic mutation in mast cell leukemia. Importantly, use of Transgenomic's technology enabled detection of this mutation at several post-therapy time points that could not be successfully analyzed by direct DNA sequencing, including a time point at which disease relapse was underway.

Dr. Jason Gotlib (Stanford Cancer Center, Stanford CA) and colleagues described this work in an article entitled "Activity of the Tyrosine Kinase Inhibitor PKC412 in a Patient with Mast Cell Leukemia with the *D816V* KIT Mutation", which was published in the journal *Blood* on October 15.

Dr. Gotlib commented on the significance of the work performed by Transgenomic's Discovery Services team. "The ability of Transgenomic scientists to provide highly-sensitive and semi-quantitative data on the frequency of the *D816V KIT* mutation in bone marrow and peripheral blood before and during PKC412 therapy was a valuable contribution to this study. In addition, the availability of high-sensitivity mutation scanning capability allowed us to have a high degree of confidence that additional mutations in *KIT* were unlikely to have been the cause of relapse."

Dr. Stan Lilleberg, Director of Translational and Clinical Research at Transgenomic, commented that the Company's Discovery Services unit routinely uses Surveyor Nuclease coupled with the WAVE HS System for high-sensitivity mutation scanning. "This approach offers us the capability to detect somatic mutations below the threshold of detection of direct DNA sequencing. This capability is increasingly important in the context of monitoring disease progression during therapy and the potential emergence of drug resistance mutations", Lilleberg said.

Collin D'Silva, Transgenomic's CEO, said, "The important work by Dr. Gotlib and his colleagues provides an excellent example of efforts to study molecular mechanisms of disease in the clinical setting. In addition, it is an exciting proof-of-principle that a drug resistance mutation can be circumvented with an alternative tyrosine kinase inhibitor. We are very pleased that our Discovery Services team had the opportunity to participate in cutting-edge work of this nature."

About Transgenomic

Transgenomic is a global company that provides versatile and innovative products and services to the medical research and pharmaceutical markets. Transgenomic's WAVE Systems are specifically designed for use in genetic variation detection. They have broad applicability to genetic research and molecular diagnostics. The emerging pursuit of personalized medicine is driving the ongoing need to detect new, uncharacterized mutations and genetic polymorphisms. The high analytical sensitivity of the WAVE System makes it a uniquely enabling technology for the advancement of personalized medicine. To date there have been over one thousand systems installed in over 30 countries around the world. In addition to the sale of systems and consumables Transgenomic provides services to pharmaceutical and biopharmaceutical companies in preclinical and clinical development of targeted therapeutics. For more information about the innovative genomics research tools developed and marketed by Transgenomic, please visit the company's Web site at **www.transgenomic.com**.

Forward-Looking Statement

Certain statements in this press release constitute "forward-looking statements" of Transgenomic within the meaning of the Private Securities Litigation Reform Act of 1995, which involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Forward-looking statements include, but are not limited to, those with respect to management's current views and estimates of future economic circumstances, industry conditions, company performance and financial results, including the usefulness of the company's Discovery Services team to contribute toward cutting edge research on targeted therapeutics. The known risks, uncertainties and other factors affecting these forward-looking statements are described from time to time in Transgenomic's reports to the Securities and Exchange Commission. Any change in such factors, risks and uncertainties may cause the actual results, events and performance to differ materially from those referred to in such statements. Accordingly, the company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 with respect to all statements contained in this press release. All information in this press release is as of the date of the release and Transgenomic does not undertake any duty to update this information, including any forward-looking statements, unless required by law.

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