

Tuesday, December 9, 2003

COMPANY PRESS RELEASE

Transgenomic Establishes Revolving Credit Facility With Laurus Funds

OMAHA, Neb., Dec. 9 / -- Transgenomic Inc. ([Nasdaq:TBIO](http://nasdaq.com)) announced today that it entered into an agreement for a revolving line of credit with Laurus Master Fund, Ltd. ("Laurus Funds"). This new facility allows the company to have access to \$7.5 million, based on eligible accounts receivable and inventory balances. This new facility replaces a previous \$5.0 million commercial bank line of credit that had a higher interest rate. In conjunction with the establishment of this credit facility, Transgenomic issued warrants to Laurus Funds to acquire up to 550,000 shares of the company's common stock at exercise prices that are based on a premium to the average trading price of the company's common stock for ten trading days prior to execution of the agreement.

"Laurus Funds offered us a flexible credit instrument capable of supporting our working capital needs as we focus on the global markets for our expanding portfolio of products and services," said Collin D'Silva, Transgenomic's CEO. D'Silva continued, "We are pleased to have this credit facility in place as we continue to focus on positioning our business for profitable growth."

David Grin, partner at Laurus Funds, commented, "We look forward to building a long-term relationship with Transgenomic. We are impressed by the company's commercial progress to date and we expect this facility to help Transgenomic continue building on its accomplishments."

About Transgenomic

Transgenomic provides versatile and innovative research tools and related consumable products to the life sciences industry for the synthesis, separation, analysis and purification of nucleic acids and a wide variety of nucleic acid-based specialty chemicals. Transgenomic's biosystems segment offers its WAVE^(R) Systems and associated consumables. These systems are specifically designed for use in genetic variation detection and single- and double-strand DNA/RNA analysis and purification. These systems have broad applicability to genetic research and molecular diagnostics. To date there have been approximately one thousand systems installed in over 30 countries around the world.

Through its nucleic acids business segment, Transgenomic provides specialty chemicals, including advanced nucleic acid building blocks and associated reagents, used in applications such as genetic diagnostics and therapeutics. Manufacturing operations include a cGMP facility for the synthesis of oligonucleotides.

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 a productive working relationship with Laurus Funds. 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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