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Kane Biotech Receives Approval from Health Canada for Hard Surface Disinfectant

Highlights:

- Health Canada Approves Kane Biotech's Hard Surface Disinfectant for the Canadian Household Use Market
- Canadian Household Disinfectant Market is Estimated at \$100 Million Per Year With a \$1.5 Billion US Market
- Kane Biotech is Preparing for Commercialization

WINNIPEG, MANITOBA -- (MARKET WIRE) -- 10/12/11 -- Kane Biotech Inc. (TSX VENTURE: KNE), a biotechnology company engaged in the development and commercialization of products that prevent and remove microbial biofilms is pleased to announce that The Therapeutic Products Directorate of Health Canada has issued a Drug Identification Number (DIN) for KBI Antibacterial Disinfectant. The DIN provides approval to manufacture and market KBI Antibacterial Disinfectant for the Canadian household domestic use market.

The Canadian household hard surface disinfectant market is estimated at \$100 million per year and has been driven by the recent outbreaks of infectious diseases caused by bacterial and viral pathogens throughout the world. The US household disinfectant market is estimated at \$1.5 Billion.

KBI Antimicrobial Disinfectant has a unique mode of action by breaking down the polysaccharide matrix (biofilm) and thus making the exposed bacteria more susceptible to the antimicrobial killing. KBI Antimicrobial Disinfectant has broad-spectrum antimicrobial activity against common pathogens such as bacteria, fungi and viruses. These pathogens include MRSA superbug, E. coli O157:H7, Klebsiella pneumoniae, Pseudomonas aeruginosa, Vancomycin-resistant Enterococci, Clostridium difficile, Acinetobacter spp., Salmonella spp., Candida albicans, Influenza A, H1N1, Hepatitis B and SARS virus.

All regulatory studies were completed following the Drug Submission guideline requirements of Health Canada for hard surface disinfectants.

"We are excited to have received Health Canada approval for our KBI Antibacterial Disinfectant for hard surface applications in the domestic market and we are very

appreciative of Therapeutic Products Directorate for their thorough and timely review", stated Gord Froehlich, President and CEO of Kane Biotech. "This approval opens the door to a new market opportunity, and we look forward to commercializing our first product and providing progress updates as we move forward".

About Kane Biotech Inc.

Kane Biotech is a biotechnology company engaged in the development and commercialization of products to prevent and remove biofilms. Biofilms are a major cause of a number of serious medical problems including chronic infections and medical device related infections. They develop on surfaces such as catheters, prosthetic implants, teeth, lungs and the urogenital tract. Biofilms are pervasive, costly to deal with and are involved in approximately 80% of all human bacterial infections. The healing of chronic wounds alone costs the United States health care system \$20 Billion per year.

Kane Biotech uses patent protected technologies based on molecular mechanisms of biofilm formation/dispersal and methods for finding compounds that inhibit or disrupt biofilms. The Company has evidence that these technologies have potential to significantly improve the ability to prevent and/or destroy biofilms in several medical and industrial applications.

Caution Regarding Forward-Looking Information

Certain statements contained in this press release constitute forward-looking information within the meaning of applicable Canadian provincial securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to, among other things, our objectives, goals, targets, strategies, intentions, plans, beliefs, estimates and outlook, including, without limitation, our anticipated future operating results, and can, in some cases, be identified by the use of words such as "believe," "anticipate," "expect," "intend," "plan," "will," "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements.

These statements reflect management's current beliefs and are based on information currently available to management. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things: Kane's early stage of development, lack of product revenues and history of operating losses, uncertainties related to clinical trials and product development, rapid technological change, uncertainties related to forecasts, competition, potential product liability, additional financing requirements and access to capital, unproven markets, supply of raw materials, income tax matters, management of growth, partnerships for development and commercialization of technology, effects of insurers' willingness to pay for products, system failures, dependence on key personnel, foreign currency risk, risks related to regulatory matters and risks related to intellectual property and other risks detailed from time to time in Kane's filings with Canadian securities regulatory authorities, as well as Kane's ability to anticipate and manage the risks associated with the foregoing. Kane cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on Kane's forward-looking statements to make decisions with respect to Kane, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

These risks and uncertainties should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, Kane cannot provide assurance that actual results will be consistent with these forward-looking statements. Kane undertakes no obligation to update or revise any forward-looking statement.

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