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Kane Biotech Releases a Report from Recent Research on the Ability of DispersinB(TM) to Combat Biofilms and Its Application in Wound Care

WINNIPEG, MANITOBA -- (MARKET WIRE) -- 09/04/07 -- Kane Biotech's (TSX VENTURE: KNE) Chief Scientific Officer prepares a report on the recent research related to the potential application of the Company's DispersinB(TM) technology together with bacteriophage for biofilm-based chronic wound treatment. There is increasing evidence that biofilm formation in wounds is the main reason for the failure of chronic wounds to heal, because biofilm-embedded bacteria are resistant to antibiotic/antimicrobial treatments and also to host immune responses.

DispersinB(TM) enzyme inhibits and disperses the biofilms of important wound-associated pathogens such as *S. aureus*, *S. epidermidis* and *E. coli*. This unique ability of DispersinB(TM) makes it a first of its kind antibiofilm technology with applications in chronic wound care.

The recent research conducted by The Southwest Regional Wound Care Center and also by the Harvard-MIT and Boston University team has shown that DispersinB(TM) in combination with bacteriophage is highly effective against biofilm-embedded bacteria. The highlights of their research findings can be summarized as follows:

- Dr. Wolcott's team at the Southwest Regional Wound Care Center in Lubbock, Texas formulated a composition comprising DispersinB(TM) and a lytic bacteriophage mixture. This DispersinB(TM) and bacteriophage mixture showed almost 99% inhibition of *E. coli* biofilm as compared to only 9% inhibition by the phage mixture alone.
- Timothy K. Lu of Harvard-MIT Division of Health Sciences and Technology and James J. Collins of Boston University published their study in *The Proceedings of The National Academy of Sciences of the USA* (PNAS. 104: 11197-11202, 2007). Lu and Collins engineered *E. coli* T7 bacteriophage to express DispersinB(TM) in order to simultaneously attack the bacterial cells in the biofilm. This DispersinB(TM)-expressing bacteriophage removed almost 100% of bacterial biofilm, which were two orders of magnitude better than that of bacteriophage alone.

In this two-pronged strategy, DispersinB(TM) makes biofilm-embedded bacteria more susceptible to bacteriophage by inhibiting or dispersing the biofilms and then the lytic bacteriophage invades bacterial cells and disrupts the metabolism of the bacteria. "These studies on DispersinB(TM) and bacteriophage mixture combinations and DispersinB(TM)-

expressing bacteriophage provide a novel strategy for treating chronic wounds which is more effective than the current antibiotic/antimicrobial therapies" stated Dr. Sri Madhyastha, Chief Scientific Officer of Kane Biotech.

The potential applications of DispersinB(TM) and Bacteriophage combinations include:

(i) treatment of acute and chronic wounds in humans and animals (acute wounds include: surgical wounds, bites, burns, minor cuts and abrasions, and more severe traumatic wounds such as lacerations and those caused by crush or gun shot injuries; chronic wounds include: venous leg ulcers, diabetic foot ulcers, pressure sores or impaired venous drainage, and bedsores)

(ii) food and feed additives, cosmetics, disinfectants and device coatings

(iii) an effective and safe substitute for the current antibiotic use in livestock

(iv) other industrial, environmental, agricultural and medical uses

For the detailed report, visit www.kanebiotech.com/investor_overview.htm or contact Justin Gagnon, Manager, Investor Relations by calling 204-478-5602 or emailing jgagnon@kanebiotech.com with the request.

About Chronic Wounds

The healing of chronic wounds is a huge unmet clinical need that costs the United States health care system \$20 billion per year. In the United Kingdom, management of bedsores costs approximately 3-4 billion dollars annually, which is over 4% of the total National Health Service expenditure. The incidence of chronic wounds including diabetic foot ulcers, venous leg ulcers, bedsores, and surgical site infections are increasing at alarming rates and clinical evidence indicates improved healing when chronic wounds are treated with the assumption that biofilms are the cause of the failure to heal.

About Kane Biotech Inc.

Kane Biotech is a biotechnology company engaged in the development of products to prevent and disperse microbial biofilms. Biofilms develop when bacteria and other microorganisms form a protective matrix that acts as a shield against attack. When in a biofilm, bacteria become highly resistant to antibiotics, biocides, disinfectants, high temperatures and host immune responses. This resiliency contributes to human health problems such as recurrent urinary tract infections, medical device associated nosocomial infections and tooth decay.

Kane Biotech Inc. uses a patent protected technology based on molecular mechanisms of biofilm formation/dispersal and methods for finding compounds that inhibit or disrupt biofilms. The Company has evidence that this technology has potential to prevent and/or destroy biofilms, and significantly enhance the performance of currently used antibiotics/antimicrobials and biocides in clinical and industrial settings.

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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