

September 8, 2009



Kane Biotech Enters Into a Cooperative Research and Development Agreement for Material Transfer With the U.S. Army's Walter Reed Army Institute of Research

WINNIPEG, MANITOBA -- (MARKET WIRE) -- 09/08/09 -- Kane Biotech Inc. (TSX VENTURE: KNE), a biotechnology company engaged in the development of products that prevent and remove microbial biofilms is pleased to announce that the Company has entered into a Cooperative Research and Development Agreement for Material Transfer (CRADA-MT) with the Walter Reed Army Institute of Research (WRAIR) in Silver Springs, Maryland.

Under this agreement, the WRAIR will test the Company's DispersinB® biofilm technology for its effectiveness in inhibiting and disrupting single and mixed-species bacterial biofilms associated with combat trauma wound infections.

Recently, the Company announced the publication of a Harvard Medical School study confirming the presence of DispersinB®-specific polysaccharide target in *Acinetobacter baumannii* biofilm, a commonly associated bacterium in combat trauma wounds. This makes *Acinetobacter baumannii* infection a prime target for DispersinB®.

The Walter Reed Army Institute of Research has an overarching mission to conduct biomedical research focused on the health and medical readiness of US military personnel, to ensure that America's war-fighters are equipped with the most effective medical defenses and treatments relative to international health threats. The WRAIR fulfills its mission by conducting innovative basic and applied biomedical research and development of technologies to: (i) prevent, diagnose, and treat infectious diseases; (ii) treat and transport combat casualties; (iii) prevent and minimize operational stress and health hazards; and (iv) prevent and treat casualties from biological and chemical agents.

"This CRADA-MT is an example of the ongoing collaborative research that Kane Biotech strives to undertake and it is an honor and privilege to have the WRAIR test our biofilm technology against pathogens that are a serious problem in combat trauma wounds," stated Gord Froehlich, President and Chief Executive Officer of Kane Biotech Inc.

About Kane Biotech Inc.

Kane Biotech is a biotechnology company engaged in the development 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.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Contacts:

Kane Biotech Inc.

Gord Froehlich

President & Chief Executive Officer

204-477-7592

204-453-1314 (FAX)

ir@kanebiotech.com

www.kanebiotech.com