

September 28, 2009



Kane Biotech Announces Closing of Early Exercise Warrant Incentive Program

WINNIPEG, MANITOBA -- (MARKET WIRE) -- 09/28/09 -- Kane Biotech Inc. (TSX VENTURE: KNE) (the "Company"), a biotechnology company engaged in the development of products that prevent and disperse microbial biofilms announces that the exercise period of the Company's early exercise warrant incentive program (the "Program") has ended. The Program was previously announced in the Company's press release dated August 6, 2009.

Existing holders of certain common share purchase warrants of the Company (the "Warrants") exercised an aggregate of 2,088,500 Warrants at a price of \$0.12 per Warrant for aggregate gross proceeds of \$250,620. Existing Warrant holders who exercised their Warrants pursuant to the Program shall receive one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant (an "Incentive Warrant") for each Warrant exercised. Each whole Incentive Warrant will have a term of 18 months from the date of issuance and will entitle the holder to purchase one Common Share at a price of \$0.14 for the first six months of its term and at a price of \$0.22 for the remainder of its term. The Incentive Warrants and any Common Shares issuable on the exercise thereof will be subject to a four month hold period commencing on the date of issuance of the Incentive Warrants pursuant to applicable Canadian securities laws. Certificates representing the Common Shares and Incentive Warrants issuable pursuant to the Program will be issued as soon as administratively practical.

All Warrants not exercised pursuant to the Program have now expired.

No compensation was paid by the Company to any soliciting agent or finder in connection with the Program.

About Kane Biotech Inc.

Kane Biotech is a biotechnology company engaged in the development of products to prevent and disperse 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 infections and tooth decay.

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.

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