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DispersinB(R) Wound Spray Passes Final Biocompatibility Sub-Chronic Toxicity Test

Kane Biotech to Submit Investigational Device Exemption Regulatory Package to FDA in Q2 2011

WINNIPEG, MANITOBA -- (MARKET WIRE) -- 01/26/11 -- 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 its DispersinB® wound spray has passed the FDA-recommended sub-chronic toxicity test. The test was conducted by WuXi AppTec Inc. (St. Paul, MN) in compliance with Good Laboratory Practice (GLP). The purpose of this 13-week sub-chronic toxicity study was to evaluate the potential for local and systemic effects of DispersinB® topical wound spray when applied to the abraded skin of rabbits three times a week for thirteen weeks.

"The results of the sub-chronic toxicity study confirming that DispersinB® wound spray does not have any adverse systemic histopathological and toxic effects is the final step in complying with FDA biocompatibility requirements for topical wound care products," stated Dr. Sri Madhyasta, Vice President, Research and Chief Scientific Officer of Kane Biotech Inc. "With these results we now have all the biocompatibility data required for preparing the FDA-IDE package."

The Company is well advanced in the testing and development of its antibiofilm DispersinB® topical spray for wound healing. Coupled with earlier biocompatibility results, the Company has now confirmed that DispersinB® wound spray is non-cytotoxic, non-mutagenic, non-genotoxic, non-irritant and non-sensitizing and non-allergenic. The Company is planning on submitting the Investigational Device Exemption (IDE) regulatory package to the FDA in Q2 2011.

"DispersinB® wound spray is our lead product in development and we are very encouraged by the successful completion of all the FDA-recommended biocompatibility tests and the results that we have seen," stated Gord Froehlich, President and Chief Executive Officer of Kane Biotech Inc. "We can now move forward to prepare and submit our IDE regulatory package to the FDA."

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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accept responsibility for the adequacy or accuracy of this release.

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