

February 22, 2012



Kane Biotech Provides Corporate Update

Highlights

- **FDA Response received on DispersinB(R) topical wound care and regulatory strategy formulated**
- **Prototype formulation completed for US Army**
- **Health Canada approval for KBI Hard Surface Disinfectant received for household use and application for expanded label submitted**

WINNIPEG, MANITOBA -- (MARKET WIRE) -- 02/22/12 -- 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 provide a corporate update and a review of its corporate strategy for 2012. Management is focused on creating shareholder value by delivering on milestones related to the DispersinB technology and its associated programs.

DispersinB is a very unique product that inhibits biofilm formation and breaks down preformed biofilms in bacteria associated with both chronic and acute wounds. This makes the bacteria embedded in the biofilm (which can be 100-1000 times more resistant) susceptible to antibiotic/antimicrobial products.

DispersinB Topical Wound Care Product Regulatory Strategy

In November of 2011 Kane received feedback from the FDA for the development of DispersinB. Since that time the Company has consulted with a number of leading regulatory firms to determine the optimal regulatory path to a clinical trial. As part of the strategy the Company has been working towards a formulation which combines DispersinB with a gelling agent and an FDA approved commercial antimicrobial. In conjunction with the formulation work being conducted a specific wound care indication with a treatment period of about 8 weeks will be selected. By developing a formulation that includes a gelling agent and an antimicrobial and selecting a specific type of wound, the Company will be able to reduce the number of pre clinical animal studies required to enter into a clinical trial. The formulation will be completed this summer and the Company is targeting to have a data package submitted to the FDA in Q3 for review.

US Army

A prototype formulation of DispersinB and the US Army's proprietary antimicrobial has been completed. Additional testing of the formulation is underway - including testing against

currently marketed wound care products. This will be completed and the final study report will be sent to the US Army this summer.

KBI Antibacterial Disinfectant (KBI)

In October 2011 The Therapeutic Products Directorate of Health Canada issued a Drug Identification Number (DIN) for KBI. The DIN provides approval to manufacture and market KBI for the Canadian household domestic use market. Currently the Canadian household hard surface disinfectant market is estimated to be \$100 million per year and has been driven by the recent outbreaks of infectious diseases caused by bacterial and viral pathogens.

A supplemental application was made to Health Canada for an amendment to the DIN to expand label claims to include additional sites of use such as Hospital, Food Processing, Medical Instruments, Institutional/Industrial and Barn.

Management has developed a commercialization strategy for KBI that could lead to the Company's first revenue stream later in 2012 and has opened up discussions with disinfectant industry players to develop partnerships and alliances.

About Kane Biotech Inc.

Kane Biotech is a biotechnology company engaged in the development and commercialization of products that prevent and remove 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.

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