

Kineta Acquires Novel Drug Candidates from Airmid for Potential Treatment of Multiple Sclerosis, Type 1 Diabetes and other Autoimmune Diseases

First Drug Derivative of Caribbean Sea Anemone Scheduled for Clinical Trials in 2010

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Kineta, Inc. of Seattle and Airmid Incorporated of Redwood City, CA jointly announce an agreement in which a Kineta subsidiary has acquired exclusive commercial rights to a portfolio of novel therapeutic compounds from Airmid. The array of compounds holds extraordinary potential for the treatment of multiple sclerosis, type 1 diabetes mellitus and numerous other autoimmune diseases.

"This transaction is a significant milestone for Airmid. It places our peptidic Kv1.3 blockers into the very capable hands of Kineta's drug development team, sets Airmid on a path to provide substantial return-on-investment for our shareholders, and provides funding to enhance the value of Airmid's retained assets," said George Miljanich, Ph.D., CEO of Airmid. Under the terms of the deal, Airmid will receive upfront payments, development, regulatory and commercial milestones as well as sales royalties.

Airmid founder, K. George Chandy, MD, Ph.D., also applauded the announcement: "Kineta possesses both the scientific capacity and the track record of success necessary to advance these promising therapeutics toward the goal of conquering multiple devastating autoimmune diseases."

Following today's agreement, Kineta One, LLC (a subsidiary of Kineta, Inc.) will aggressively pursue additional preclinical studies on a lead compound. The company intends to file an investigational new drug (IND) application with the FDA and begin clinical trials in 2010. "We are very excited to move forward. Dr. Chandy is an extraordinary scientist who has made an exceptional contribution to the scientific field of autoimmune disease. He will remain an integral advisor to our scientific team," said Kineta President and CEO, Charles Magness, Ph.D.

Dr. Chandy, Airmid co-founder Dr. Michael Cahalan and their colleagues at the University of California have spent more than two decades identifying and characterizing ion channels and their role in immune cell function under normal conditions and in autoimmune diseases. Dr. Chandy and his collaborators-Dr. Michael Pennington, Dr. Christine Beeton, Dr. Heike Wulff and Dr. Ray Norton-are credited with discovering an array of novel autoimmune compounds which were later patented. Together they founded Airmid Incorporated. A professor of physiology and biophysics at the University of California, Irvine, Dr. Chandy is an internationally recognized authority on mechanisms of autoimmunity and the role of ion channels in autoimmune disease.

The novel class of compounds acquired by Kineta One, LLC today includes potent and highly specific Kv1.3 potassium channel blockers derived from venom of the Caribbean sea anemone. They are designed to suppress activation of effector memory T cells which are important mediators of inflammation and tissue damage in MS, type 1 diabetes and other autoimmune diseases. These compounds have been shown to significantly reverse disease in animal models of multiple sclerosis and rheumatoid arthritis, and also have potential against a number of other autoimmune diseases controlled by effector memory T cells. Animal models also have demonstrated that efficacy is achieved without the generalized immunosuppression that occurs in competing therapies.

For more information on today's announcement, or to schedule interviews, contact Meg O'Connor moconor@kinetabio.com 206-251-8638.

Kineta, Inc. is a Seattle-based privately held biotechnology company specializing in clinical advancement of drugs that modulate and enhance the human immune system. Our world class scientists are pioneers, developing life-changing classes of drugs that harness the power of the immune system to fight disease. Kineta seeks to improve the lives of millions of people suffering from autoimmune and viral diseases. Our progressive business model focuses on targeting unmet medical needs and on rapid achievement of important clinical milestones. Through careful management of capital, Kineta aims at a strong return for investors. For more information on Kineta, Inc., visit our website, www.Kinetabio.com.

Airmid Inc. is a privately held pharmaceutical company based in Redwood City, California. Airmid is focused on developing its novel potassium ion channel blockers as safer and more effective medicines for a variety of autoimmune diseases that are inadequately treated by current therapies. These diseases include multiple sclerosis, psoriasis, diabetes, and rheumatoid arthritis. For more information on Airmid, visit our website, www.Airmid.com.

This press release contains forward-looking statements, including without limitation, all statements related to plans, future events and financial performance. Forward-looking statements involve risks and uncertainties, which could cause actual results to vary materially from those expressed in or indicated by the forward-looking statements. The companies' actual results and timing of events could differ materially, including efficacy and demand for our products, our ability to manage our costs, competition from other drug development companies, and our ability to recruit and maintain senior management and other key personnel. The companies' stakeholders are cautioned not to place undue reliance on these forward-looking statements, which reflect only an analysis and speak only as of the date of this press release. The companies undertake no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date hereof.

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