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PRESS RELEASE

Kineta Awarded NIH Grant to Complete Preclinical Studies on Type 1 Diabetes / Multiple Sclerosis Drug Candidate

\$600,000 grant supports company's novel Kv1.3 inhibitor program

SEATTLE, WA, March, 29, 2010 – Kineta, Inc. announced today receipt of a Phase 1 Small Business Innovation Research (SBIR) grant from the National Institute of Allergy and Infectious Diseases (NIAID) of the National Institutes of Health (NIH).

Awarded under the NIAID's expanded Phase 1 program, the \$600,000, two-year grant will help finance IND-enabling studies of ShK-186, Kineta's first-in-class therapeutic for type 1 diabetes mellitus, multiple sclerosis and other autoimmune diseases. The award includes a subcontract to George Chandy, M.D., Ph.D. of the University of California at Irvine for mechanistic studies. Kineta intends to begin human clinical trials on the investigational drug in the second half of 2010.

"This SBIR award is great validation of the importance and novelty of Kineta's autoimmune program. The funding adds to Kineta's financial horsepower as we conclude preclinical studies and move into man later this year," said Charles L. Magness, Ph.D., President and Chief Executive Officer of Kineta, Inc.

"It is very gratifying to see the high level support for ShK-186, and to witness its steady momentum through the development pipeline," added Dr. Chandy.

ShK-186 is a potent and highly specific Kv1.3 potassium channel blocker. It is designed to suppress activation of effector memory T cells, which are important mediators of inflammation and tissue damage in MS, type 1 diabetes mellitus and other autoimmune diseases. The drug candidate has been shown to significantly reverse disease in animal models of MS and rheumatoid arthritis. Animal models also have demonstrated that efficacy is achieved without the generalized immunosuppression that occurs with competing therapies. The synthetically manufactured compound was originally isolated from the Caribbean sea anemone, *Stichodactyla helianthus*, and subsequently optimized by Dr. Chandy's laboratory.

For more information on today's announcement or to schedule interviews, contact Meg O'Connor, Director of Corporate Communications and Investor Relations, moconor@kinetabio.com 206-251- 8638

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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 in developing life-changing 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. For more information on Kineta, Inc. visit our website, www.Kinetabio.com

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