KINETA

Innovation From Within™

THE IACOCCA FOUNDATION

The Iacocca Family Foundation and Kineta Announce New Partnership on Type 1 Diabetes Mellitus Drug Development Program

Foundation makes initial investment in Kineta's lead autoimmune drug candidate with cutting-edge applications aimed at ending insulin dependence.

SEATTLE, WA, June 7, 2010 – Kineta, Inc. joined with The Iacocca Family Foundation today to announce a new investment partnership to speed development of Kineta's preclinical autoimmune drug candidate – ShK-186 - and its multiple applications to treat Type 1 diabetes mellitus.

"The Iacocca Family Foundation is deeply impressed with the high caliber science imbued in Kineta's program. We also see tremendous vision to chart a course that may one day eliminate insulin dependence for patients," said Kathryn Iacocca Hentz, President of the Iacocca Family Foundation.

"The Iacocca family has been a leader in the pursuit of a cure for Type 1 diabetes for over two decades, and Kineta is very pleased to gain the support of their foundation. This partnership will enable us to fortify our program's pathway into the clinic and further a bold approach to target the underlying cause of Type 1 diabetes," said Kineta President and CEO, Charles L. Magness, Ph.D.

The Iacocca Family Foundation has indicated its investment in Kineta follows a model of supporting the most promising therapeutic opportunities from both the commercial and academic sectors. The foundation has an active grant and endowment program as well as having funded the Type 1 Diabetes Phase 1 clinical trial efforts of Drs. Denise Faustman and David Nathan at Massachusetts General Hospital, Harvard Medical School. The foundation also has invested in Bayhill Therapeutics in 2009 to provide support for that company's Type 1 diabetes effort. Subsequently, Bayhill received additional investments from Juvenile Diabetes Research Foundation (JDRF) and Genentech.

ShK-186 is a first-in-class biologic designed to selectively target effector memory T-cells, the white blood cells responsible for inflammation in multiple autoimmune diseases. Animal studies show it is effective in autoimmune models without causing generalized immunosuppression.

Kineta and its scientific collaborators, K. George Chandy, M.D., Ph.D. and Jonathan Lakey, Ph.D., both of the University of California, Irvine, are advancing innovative protocols to utilize ShK-186 to target Type 1 diabetes. Dr. Chandy is a recognized world-leader in discovering and understanding autoimmune processes and Dr. Lakey is renowned for his co-development of the Edmonton Islet Cell Transplant protocol. Kineta will use a portion of the proceeds of the Foundation investment to support the

groundbreaking work of Drs. Chandy and Lakey. Additionally, Kineta is developing the drug candidate for other autoimmune diseases including multiple sclerosis. First in human trials are scheduled for late 2010.

For more information on today's announcement, contact Meg O'Conor, Director of Investor Relations and corporate communications, moconor@kinetabio.com, 206-251-8638.

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The Iacocca Family Foundation was created in 1984 by Lee A. Iacocca to fund diabetes research and honor his late wife, Mary K. Iacocca who died of complications from the disease. The foundation has funded more than $30 million in promising research projects and has matured to become a leader in the world's battle against diabetes. For more information on the foundation, visit our web site, www.iacoccafoundation.org

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 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 rapid achievement of important clinical milestones. For more information on Kineta, Inc. visit our website, www.Kinetabio.com