



KineMed Completes \$15 Million Offering of Convertible Notes Funds Will Support Advancement of Lead Program into Clinical Testing in 2008

EMERYVILLE, Calif., Aug. 3 – KineMed, Inc., a pathway-based drug discovery and development company, announced today the completion of a \$15 million convertible notes offering. The offering was led by a direct investment from Stanford Financial Group, joined by existing investors from previous financing rounds. Ledgemont Capital served as placement agent.

David Fineman, President and CEO of KineMed, commented, "We are gratified by the continued engagement of our existing investors and the new participation of Stanford Financial Group. The funds will be used to advance KineMed's lead compound, KM-801, into clinical studies in 2008 for the treatment of Amyotrophic Lateral Sclerosis (ALS, or Lou Gehrig's disease). Additionally, the proceeds from this financing will be used to support further acquisition of compounds for clinical development in our core areas of atherosclerosis and Reverse Cholesterol Transport, diseases of fibrosis and inflammation, and lipid disorders, including metabolic syndrome."

KM-801 is a small-molecule agent, which has been shown to alter microtubule dynamics in nerve cells in preclinical studies (J Biol Chem. 2007 Jun 13). KineMed researchers have discovered that patients with ALS have more rapid rates of turnover of microtubules, which are integral to the structure and functionality of the motor neurons affected by the disease. By using an agent that can slow down this rate of turnover, KineMed has shown in preclinical studies that it can restore balance to this key metabolic pathway and improve both symptoms and survival. KineMed's KM-801 program is currently in IND-enabling studies to support the initiation of clinical trials next year.

About KineMed, Inc.

KineMed, Inc. ("KineMed" or the "Company") is a drug discovery and development company employing its proprietary translational medicine technology (AquaTag™ and KineMarker™) to both identify active drug candidates preclinically and confirm their therapeutic activity and dose response in first-in-man studies. KineMed's technology expedites the drug development process and provides real-time insight into conditions including metabolic disorders, cancer, and diseases of inflammation and neurodegeneration.

KineMed is working to develop drugs both on its own and with pharmaceutical collaborators in therapeutic focus areas where it can demonstrate functional modulation of specific biological pathways that mediate disease. The Company has multiple development programs with more than a dozen major pharmaceutical companies, including Bayer, Merck, Merck KGaA, Organon and Roche.

For further information about KineMed, please visit: <http://www.kinemed.com>

About Stanford Financial Group

Stanford Financial Group is a privately held, wholly owned global group of financial services companies led by Chairman and CEO Sir Allen Stanford and founded by his grandfather, Lodis B. Stanford in 1932.

Stanford's core businesses are private wealth management and investment banking for institutions and emerging growth companies. Stanford provides private and institutional investors with global expertise in asset allocation strategies, investment advisory services, equity research, international private banking and trust administration, commercial banking, investment banking, merchant banking, institutional sales and trading, real estate investment and insurance. Stanford serves clients from 136 countries on six continents. Securities products and services in the United States are offered through Stanford Group Company, member NASD/SIPC. More information on the company can be found at <http://www.stanfordfinancialgroup.com>.

SOURCE KineMed, Inc.

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