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KaloBios Pharmaceuticals Appoints David W. Pritchard as President and Chief Executive Officer

PALO ALTO, October 12, 2006 - KaloBios Pharmaceuticals Inc., a privately held biopharmaceutical company, today announced the appointment of David W. Pritchard as president and chief executive officer.

Mr. Pritchard has over 25 years of experience in general management, business development and financial management within the biotechnology and pharmaceutical industry. Most recently he held the position of chief business officer at Rinat Neuroscience Corporation, where he managed the negotiations on the acquisition of Rinat by Pfizer earlier this year for a reported \$500 million. Prior to that, he was chief financial officer at Matrix Pharmaceuticals, and managed the sale of the company to Chiron Corporation in 2002 (now Novartis).

Between 1992 and 2000, Mr. Pritchard served as vice president of business development and chief financial officer of Metabolex, Inc. where he completed three major rounds of financing and negotiated four major worldwide corporate alliances with major pharmaceutical companies, and in-licensed metaglidase. He started his biotechnology career at Triton Biosciences, Inc. as one of the founding managers, and held various positions including heading up the sales and marketing efforts, commercial development, a business unit, and ultimately managed the sale of Triton (predominately to Schering AG, now Bayer). Triton developed Betaseron® for multiple sclerosis (2005 sales exceed \$1 billion), and Fludara® for leukemia. He holds an MBA degree from Stanford University, and a B.S. in Chemical Engineering from Cornell.

“David’s extensive experience in corporate financings and negotiation of major corporate partnerships will enable KaloBios to realize the value of its antibody technology platform and product portfolio,” said James Healy, chairman of the Board of KaloBios.

About KaloBios Pharmaceuticals, Inc.

KaloBios Pharmaceuticals is a therapeutic antibody company using its proprietary antibody engineering, humaneering™ and expression technologies for the development of a pipeline of antibody therapeutics. Its two most advanced drug candidates are KB001 and KB002. KB001 is designed to treat life-threatening Pseudomonas lung infections, a common problem of cystic fibrosis and mechanically ventilated patients. KB002 is designed for the treatment of Rheumatoid arthritis and other autoimmune diseases. For more information, visit www.kalobios.com.

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