



**Attn: Trading and Market Making/Legal and Compliance/Operations/Systems**  
**UNIFORM PRACTICE ADVISORY (UPC # 071-2005) August 16, 2005**

**Kosan Biosciences Incorporated – Common Stock (NNM:KOSN)**

On August 10, 2005, the Securities and Exchange Commission declared a secondary public offering effective for 4,500,000 shares of Kosan Biosciences Incorporated. These shares commenced trading on The NASDAQ Stock Market, Inc. on August 11, 2005.

On August 15, 2005, the company announced the termination of the previously announced sale of the 4,500,000 shares underwritten by Credit Suisse First Boston, Inc. As a result, no securities will be delivered to purchasers in the underwriting.

Secondary market transaction in the common stock (KOSN) executed between August 11, 2005 and August 15, 2005 will not be cancelled.

Questions regarding this notice should be directed to: Market Integrity Department, 203.375.9609.

Tara Petta  
Director