



## KEY TRIALS OF ORGANON'S LONG-ACTING FERTILITY DRUG USING MODIGENE'S CTP TECHNOLOGY ACHIEVE CLINICAL TRIAL MILESTONE

*--Two Phase III Trials of Organon's FSH-CTP Product  
Reach Patient Randomization Target--  
--These Trials are Expected to Reinforce the Clinical Utility of  
Modigene's CTP Technology--*

**VIENNA, VA July 2, 2007** -- Modigene Inc., (OTCBB: MODG) today noted the achievement of an important milestone by Organon, a unit of Akzo Nobel NV, in two Phase III clinical trials being conducted for a long-acting fertility drug based on the same CTP platform technology being used by Modigene to extend the duration of action of other protein therapeutics. Organon announced on June 27, 2007 that two of its Phase III clinical trials with the investigational drug corifollitropin alfa (FSH-CTP), a long-acting fertility hormone based on the CTP technology, have reached their patient randomization target. Organon has rights to apply the CTP technology to four endocrine protein indications only, with all other applications of the CTP technology exclusively licensed to Modigene.

"The continued positive progress of the Phase III trials being conducted by Organon is very promising for the CTP platform technology for the development of superior long-acting protein therapeutics," said Shai Novik, President of Modigene. "One of the strengths of our CTP technology is that it appears to work with a wide variety of protein drugs and does so with similar results. The extended duration and clinical utility of Organon's FSH-CTP have already been demonstrated in previous clinical studies and we are optimistic that these positive attributes will be replicated in the clinical trials of our CTP-enhanced human growth hormone (hGH-CTP), interferon beta (IFN-Beta-CTP) and erythropoietin (EPO-CTP) products that Modigene expects to initiate next year."

Modigene is the exclusive licensee of Washington University for use of the CTP technology to create long-acting forms of protein and peptide therapeutic drugs. The only exception is FSH and three other endocrine proteins, which are exclusively licensed to Organon. Modigene's long-acting hGH-CTP, IFN-Beta-CTP and EPO-CTP have already successfully demonstrated significantly longer duration of effect and comparative biological efficacy in testing in industry-standard animal models.

Corifollitropin alfa (FSH-CTP) is a new long-acting recombinant fertility hormone based on a modified version of the recombinant follicle stimulating hormone (FSH). FSH is a hormone with approximately \$1 billion in annual sales that is prescribed for women undergoing fertility treatments. In earlier studies Organon has shown that by linking the naturally-occurring peptide CTP to FSH, it can successfully extend the activity of the hormone, enabling a single injection of FSH-CPT to replace seven daily injections of standard FSH. These Phase III trials are designed to test the clinical efficacy of FSH-CPT in a larger population and to provide the data needed for eventual marketing approval.

### **ABOUT CTP**

Modigene's technology was discovered by researchers at Washington University in St. Louis, Missouri and is based on a short amino acid sequence, the Carboxyl Terminal Peptide (CTP). CTP occurs naturally in humans, and when attached to a therapeutic

protein, extends the time that the protein is active in the body. The potential utility of the technology has been demonstrated by Organon, which licenses the CTP technology for fertility applications only. Phase II trials of its CTP follicle stimulating hormone product (FSH-CTP) demonstrated that a single injection provides the same clinical effect as seven consecutive daily injections of standard FSH. These trials also demonstrated that attaching the CTP peptide did not affect the therapeutic activity of FSH or cause a negative immune system response. Modigene has an exclusive license from Washington University for use of CTP with all proteins except fertility hormones. Modigene is initially focusing on three CTP-enhanced compounds in preclinical development and is preparing to initiate clinical trials in 2008.

## **ABOUT MODIGENE**

Modigene Inc. (OTCBB:MODG) is a biopharmaceutical company applying its patented CTP technology to develop longer-acting, proprietary versions of already approved therapeutic proteins that currently generate billions of dollars in annual global sales. Modigene is currently developing long-acting versions of human growth hormone, erythropoietin, interferon beta, and GLP-1, which are in late pre-clinical development. For more information on Modigene, please visit [www.modigeneinc.com](http://www.modigeneinc.com).

### ***Safe Harbor Statement***

*This press release contains forward-looking statements, including statements regarding the results of current studies and pre-clinical experiments and the effectiveness of Modigene's long-acting protein programs and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties that may affect Modigene's business and prospects, including the risks that Modigene may not succeed in developing any commercial products based upon its long-acting protein technology, including any long-acting versions of human growth hormone, erythropoietin, interferon beta or GLP-1; that the long-acting products in development may fail, may not achieve the expected results or effectiveness and/or may not generate data that would support the approval or marketing of these products for the indications being studied or for other indications; that ongoing studies may not continue to show substantial or any activity; and other risks and uncertainties that may cause results to differ materially from those set forth in the forward-looking statements. The development of any products using the CTP platform technology could also be affected by a number of other factors, including unexpected safety, efficacy or manufacturing issues, additional time requirements for data analyses and decision making, the impact of pharmaceutical industry regulation, the impact of competitive products and pricing and the impact of patents and other proprietary rights held by competitors and other third parties. In addition to the risk factors set forth above, investors should consider the economic, competitive, governmental, technological and other factors discussed in Modigene's filings with the Securities and Exchange Commission.*

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