



MODIGENE AWARDED ISRAELI GOVERNMENT GRANT TO SUPPORT DEVELOPMENT OF ITS LONGER-ACTING HUMAN GROWTH HORMONE

-- \$10 Million hGH-CTP Development Program Has Been Approved For Funding Through A Special Grant From The Israeli Office of The Chief Scientist--

VIENNA, VA November 27, 2007 -- Modigene Inc. (OTCBB: MODG) today reported that its Israeli-based R&D subsidiary has received approval for a special grant from the Israeli Office of the Chief Scientist ("OCS") in support of the company's development program for hGH-CTP, its longer-acting version of human growth hormone (hGH). In preclinical models, a single injection of hGH-CTP has shown the potential to replace 7 to 10 daily injections of commercial hGH.

The OCS has approved a special grant to support Modigene's hGH-CTP program, based on an estimated development budget of \$10 million for calendar years 2007-2009. The grant will provide cash reimbursements of 30% to 50% of expenses paid for hGH-CTP product development during this period, including materials, GMP production, salaries and clinical trials. hGH-CTP is currently in preclinical development, with clinical trials expected to begin in 2008.

Human growth hormone is a natural protein produced by the pituitary gland in the brain. It fuels growth of the body's bone and muscle and has a variety of therapeutic uses. Patients with an hGH deficiency currently receive subcutaneous hGH injections on a near-daily basis. Approximately 95% of children diagnosed with a growth hormone deficiency receive treatment, with costs ranging from \$10,000 to \$30,000 per year. The current annual market for hGH therapies exceeds \$2 billion.

"This generous new grant from the OCS is an important non-dilutive cash resource for Modigene and represents another validation of the potential of our lead candidate," said Abraham Havron, Ph.D., Chief Executive Officer of Modigene. "The OCS has already awarded Modigene funds in support of our EPO-CTP product candidate and we are delighted that our hGH-CTP program has now also been selected for support. This visionary OCS program is particularly attractive for Modigene because it does not require any repayment until the product is generating revenue. We are grateful for this valuable source of non-dilutive capital."

Under the terms of the grant, Modigene shall repay the OCS the sum of the grant plus accrued interest through a series of payments that begin only upon successful commercialization of the hGH-CTP product, or other products developed at the company with its CTP technology.

Modigene's technology 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, a unit of Schering-Plough, 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 therapeutic proteins except four fertility proteins. Modigene currently has three CTP-enhanced compounds in preclinical testing and a fourth in earlier stage development.

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. The CTP technology is applicable to virtually all proteins and Modigene is currently developing long-acting versions of human growth hormone, interferon beta and erythropoietin, which are in late preclinical development, as well as GLP-1. For more information on Modigene, visit www.modigeneinc.com.

***Safe Harbor Statement:** This press release contains forward-looking statements, including statements regarding the results of current studies and preclinical 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; that the actual dollar amount of any grants from the OCS is uncertain and is subject to policy changes of the Israeli government, and that such grants may be insufficient to assist with product development; 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.*

MODIGENE CONTACT:

Shai Novik, President
Modigene Inc.
Tel: +1 866 644-7811
Email: shai@modigeneinc.com

MEDIA CONTACT:

Barbara Lindheim
GendeLLindheim BioCom Partners
+1 212 918-4650