



PROLOR BIOTECH ANNOUNCES INITIATION OF PHASE I CLINICAL TRIAL FOR ITS LONG-ACTING GROWTH HORMONE

Nes-Ziona, Israel, September 21, 2009 -- PROLOR Biotech, Inc. (OTCBB: PBTH) formerly Modigene Inc., today announced the initiation of a Phase I clinical trial of its long-acting human growth hormone drug candidate hGH-CTP.

hGH-CTP is being developed to provide growth hormone deficient adults and children with the option to replace the multiple injections per week that are currently required with a once-weekly or bi-monthly injection. The initiation of the trial follows a successful safety and immunogenicity study of hGH-CTP in primates and regulatory approvals by the IRB committee of the Tel-Aviv Medical Center and the Israeli Ministry of Health.

The Phase I trial is a randomized, double-blinded, placebo-controlled, single-dose, dose-escalating study to evaluate the safety, tolerability, and pharmacokinetic and pharmacodynamic properties of hGH-CTP in 24 healthy volunteers. It will be conducted at the Early-Phase Clinical Pharmacology Unit located at the Tel-Aviv Medical Center.

“The initiation of a Phase I clinical trial of our long-acting hGH-CTP represents an important milestone for PROLOR,” said Dr. Avri Havron, CEO of PROLOR. “We were delighted with the results of our hGH-CTP studies in primates, which showed that hGH-CTP had an excellent half-life and biological activity, without any signs of immunogenicity. We are now eager to obtain data on its bioactivity in humans.”

Dr. Havron continued, “This trial is being conducted at the Early-Phase Clinical Pharmacology Unit at the Tel-Aviv Medical Center, a top-notch facility that has a successful track record of conducting more than 250 clinical studies for leading global pharmaceutical and biotech companies in a variety of clinical areas. We look forward to completing the Phase I trial so that we can move ahead with the further clinical development of hGH-CTP.”

ABOUT hGH-CTP

hGH-CTP is PROLOR’s proprietary long-acting version of human growth hormone. hGH is used for the long-term treatment of children and adults with growth failure due to inadequate secretion of endogenous growth hormone. It is also sometimes used to counter involuntary weight loss and certain physical manifestations of aging. Patients currently using hGH must inject the drug between two and seven times each week. In contrast, hGH-CTP is expected to require only weekly or bi-monthly injections. In 2007 the annual market for hGH was estimated at \$2.5 billion.

ABOUT CTP

PROLOR's CTP technology is based on an amino acid sequence that occurs naturally in humans, the carboxyl terminal peptide. When attached to a therapeutic protein, CTP extends the time that the protein is active in the body. The potential utility of the technology has been demonstrated by Schering-Plough, which in 2009 announced successful data from its Phase III ENGAGE trial demonstrating that women receiving a single injection of the fertility drug FSH-CTP achieved the same pregnancy rates as women receiving seven consecutive daily injections of commercial FSH. This 1,509 patient trial formed the basis for a Marketing Authorization Application by Schering-Plough that is currently under review by the European Medicines Agency. PROLOR is using the same CTP technology to extend the duration of action of human growth hormone and other therapeutic proteins. It has an exclusive license from Washington University in St. Louis to the CTP technology for use with all therapeutic proteins except for the four fertility hormones licensed to Schering-Plough.

ABOUT PROLOR BIOTECH

PROLOR Biotech, Inc. is a biopharmaceutical company applying unique technologies, including its patented CTP technology, primarily 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 PROLOR is currently developing long-acting versions of human growth hormone, which recently entered Phase I clinical trials, and interferon beta and erythropoietin, which are in late preclinical development, as well as GLP-1. For more information on PROLOR, visit www.prolor-biotech.com.

Safe Harbor Statement: *This press release contains forward-looking statements, including statements regarding the results of current clinical studies and preclinical experiments and the effectiveness of PROLOR's long-acting protein programs, which 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 PROLOR's business and prospects, including the risks that PROLOR may not succeed in developing any commercial products, including any long-acting versions of human growth hormone, erythropoietin, interferon beta, GLP-1, and other products; 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 described above, investors should consider the economic, competitive, governmental, technological and other factors discussed in PROLOR's filings with the Securities and Exchange Commission.*

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