



PROLOR BIOTECH REPORTS POSITIVE RESULTS FROM COMPARATIVE STUDY OF ITS LONGER-ACTING VERSION OF MULTIPLE SCLEROSIS DRUG INTERFERON BETA IN PRIMATES

—Primate Study Shows Durability of PROLOR’s IFN-Beta-CTP Is Prolonged 13 Times and Drug Exposure is Prolonged 55 Times Compared to Commercially Available IFN-Beta—

—By Decreasing Frequency of Required Injections, IFN-Beta-CTP Could Provide Important Benefits to Multiple Sclerosis Patients—

Nes-Ziona, Israel – January 25, 2010 – PROLOR Biotech, Inc., (OTCBB: PBTH) today reported positive results from a comparative study in primates of its longer-acting version of the multiple sclerosis drug interferon beta (IFN-beta-1a-CTP, referred to as IFN-beta-CTP). The study was designed to measure the potential increase in durability (half-life), overall drug exposure (AUC) and biological potency of PROLOR’s long-acting CTP-modified human interferon beta when compared with commercially available interferon beta. Interferon-beta-1a (referred to as IFN-beta), which is indicated for the treatment of multiple sclerosis (MS), is currently marketed by Merck Serono as Rebif® and by Biogen Idec as Avonex®, with combined annual sales estimated at more than \$3 billion worldwide.

The study results show that PROLOR’s CTP-modified IFN-beta, when compared with commercially available recombinant IFN-beta, showed 13 times prolonged durability (half-life), and 55 times prolonged overall drug exposure (AUC) in primates. IFN-beta-CTP also demonstrated strong biological potency as measured by several well-validated biomarkers including anti-viral activity and changes in neopterin, and 2’-5’ oligo A synthetase.

The expanded biological potency seen in this new study is consistent with the results of a previous study in mice conducted by PROLOR, which compared the anti-tumor activity of IFN-beta-CTP to commercially available IFN-beta in a model of human cancer. In that study, IFN-beta-CTP showed 100% inhibition of human melanoma tumors implanted in nude mice after eight days and 87.5% inhibition after 10 days, versus 50% inhibition with commercially available IFN-beta after eight days and just 12.5% inhibition after 10 days.

“The results of this new primate study, together with the strong biological activity seen in our melanoma tumor growth model, further confirm the clinical potential for IFN-beta-CTP as a long-acting version for the treatment of multiple sclerosis, with the potential to provide important benefits to MS patients,” said Dr. Abraham Havron, CEO of PROLOR Biotech.

“Many MS patients currently rely on IFN-beta to keep their disease in check, but to do so they must inject the drug frequently, with the attendant risk of adverse reactions that often accompany these injections. By potentially allowing these patients to dramatically reduce the required injection frequency, we believe our IFN-beta-CTP could significantly enhance their quality of life.”

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 is in clinical development, and interferon beta, factor VII, factor IX and erythropoietin, which are in preclinical development, as well as GLP-1 and other therapeutic peptides. For more information on PROLOR, visit www.prolor-biotech.com.

Safe Harbor Statement: *This press release contains forward-looking statements, which statements may be identified by words such as “expects,” “plans,” “projects,” “will,” “may,” “anticipates,” “believes,” “should,” “intends,” “estimates,” and other words of similar meaning, 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 Israel’s Office of the Chief Scientist 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 results of clinical trials in humans may produce results that differ significantly from the results of clinical and other trials in animals. 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. The forward-looking statements contained in this press release speak only as of the date the statements were made, and we do not undertake any obligation to update forward-looking statements, except as required under applicable law.*

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