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Press Release

**Can-Fite Achieved Additional Milestone Payment within
the Framework of its Agreement with Seikagaku
Corporation (SKK) : To Receive \$500,000**

The total sum paid by SKK to Can-Fite to date amounts to \$5 million

**Can-Fite and SKK are jointly pursuing several
non-clinical studies in the US aimed at supporting CF101 drug
development**

Can-Fite BioPharma has announced today that it will receive an additional milestone payment of \$500,000 from its Japanese partner, Seikagaku Corporation (SKK) after achieving an additional milestone in the development of CF101, the receipt of the final report of its Phase IIb study in patients with Rheumatoid Arthritis (RA). The results of the study were released by Can-Fite in July and they support the continuation of the CF101 development program for RA.

As was already released previously, Can-Fite has an exclusive license agreement with SKK for the development and marketing of CF101 in Japan, for the treatment of inflammatory diseases, including RA. In accordance with the terms of the agreement, Can-Fite will receive an aggregate license fees and milestone payments of \$19.5 million, and will also receive significant royalties from the sale of CF101 in Japan. So far, within the confines of the agreement, Can-Fite has received \$5 million from the Japanese company. The newly achieved milestone will grant the company an additional consideration of \$500,000. It should be noted that Can-Fite is free to enter into a global transaction with a different strategic partner to market the CF101 drug in other parts of the world.

In addition, Can-Fite and SKK are jointly pursuing several non-clinical studies in the US aimed at supporting drug development both in Japan, US and Europe. The two companies are sharing the costs associated with such non-clinical studies.

Prof. Pnina Fishman, CEO of Can-Fite, stated today: "We are extremely satisfied with the cooperation with a fine partner such as SKK and from the benefit of being able to work jointly with them on various on-going projects. We have no doubt that this collaboration will considerably contribute to the overall progress of the CF101 development plan".

SEIKAGAKU CORPORATION (www.seikagaku.co.jp/english) is a significant, research-based and innovative Japanese pharmaceutical company traded on the Tokyo Stock Exchange. The company is a pioneer and leader in the field of glycoscience and therapeutics for joint diseases such as arthritis. It has developed sodium hyaluronate injection (trade named: Supartz[®], Artz[®] or Artzal[®]), is a first specialty product for osteoarthritis and acquired approval in 22 countries, including the USA. Based on the existing core business area and further focusing on inflammation including arthritis, Seikagaku is engaged actively in the collaborative research and in-licensing arrangement with companies or organizations who have innovative technologies, particularly in the areas of inflammatory and allergy diseases.

Can-Fite Biopharma Ltd is a public company traded on the Tel-Aviv Stock Exchange. The Company, which commenced business activity in 2000, was founded by researcher Prof. Pnina Fishman and patent attorney Dr. Ilan Cohn. The Company focuses on the development of small molecule-based drugs which target the A3 adenosine receptor and inhibit the development of cancer or inflammatory cells. The market for the company's drugs is estimated at billions of dollars.

Can-Fite develops targeted small-molecule drugs that specifically attack affected cells without compromising normal body systems, and therefore have a favorable safety profile. The Company's drugs are based on a scientific concept, which was proven in trials, suggesting that the A3 adenosine receptor, the target of the drug is only expressed on the surface of affected cells. The Company has recently developed a procedure that uses pre-treatment blood tests to determine the receptor level, which may be indicative of treatment response.

The Company's lead drug, CF101 has completed a multinational study in the treatment of rheumatoid arthritis and Can-Fite plans to continue to develop the drug for this indication. CF101 is also in clinical development for two other indications: Dry Eye Syndrome, for which a Phase II study is ongoing and Psoriasis where a Phase II study has recently started. The Company is also developing another small molecule drug, CF102, for treatment of liver cancer and hepatitis. CF102 is in pre-clinical development and the development is on target for filing an IND towards the end of this year and the onset of Phase I study shortly thereafter. The company also has a number of other small molecule drugs in earlier stages of development.

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