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Press release

Can-Fite: CF102 Drug is Effective in Promoting Liver Tissue Regeneration; Clinical Trials with CF102 in the Treatment of Liver Cancer are Due to Commence in Early 2008

Can-Fite filed a patent on the use of the drug to promote liver tissue regeneration; this is in addition to the original indication in the treatment of liver cancer and viral hepatitis

Can-Fite BioPharma Ltd. announced today that its CF102 drug, which is being developed for the treatment of viral hepatitis and liver cancer, was tested in preclinical trials and shown to be effective in promoting liver tissue regeneration following partial hepatectomy. The Company filed a patent application on this innovative findings and will include this indication in further clinical development of CF102.

Partial hepatectomy is usually performed in patients with primary or metastatic liver cancer. Rapid liver regeneration is crucial in these conditions and determines future liver function and chances for successful recovery. Regeneration of normal liver tissue is also needed to preserve liver function in patients with liver failure.

No drugs are currently available to speed up the regeneration process; therefore, developing a drug for the treatment of patients undergoing hepatectomy or patients with liver failure is at need.

Similar to CF101, Can-Fite's first drug which is currently in Phase IIb Clinical studies, CF102 specifically attacks liver tumors and hepatitis infected cells. The novel indication for regeneration of normal liver tissue extends the use of CF102 to include treatment of patients undergoing partial hepatectomy and patients suffering from diseases leading to liver failure.

Can-Fite also announced that preparation is currently underway for a phase I trial with CF102, which is due to commence in the US in the first quarter of 2008. This trial in healthy volunteers will allow the Company to push the drug into advanced phases for the abovementioned indications, including liver cancer, hepatitis and the novel application of rapid liver regeneration.

Prof. Ran Tur-Kaspa, a world wide expert in liver diseases from Rabin Medical Center, said that "*Treatment with CF102, which binds specifically to the A3 Adenosine Receptor, marks a breakthrough in the development of liver regeneration agents. The profile of this drug, which has several applications in the field of liver diseases, is unique and should provide a solution for patients with these debilitating conditions.*"

Can-Fite estimates that the market for drugs that promote liver regeneration mostly derived from patients with hepatitis B and C. Out of 130 million patients with hepatitis

C and 350 million patients with hepatitis B, 100 million patients are at high risk for developing liver failure or liver cancer, and may need drugs that speed up the regeneration of their infected liver during the course of disease.

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 Prof. Pnina Fishman, an investigator from Rabin Medical Center, and patent attorney Dr. Ilan Cohn, a senior associate at Reinhold Cohn Patent Attorneys. Prof. Fishman serves as the CEO of Can-Fite. The Company was founded on the basis of scientific findings made by Prof. Fishman and focuses on the development of molecule-based drugs that bind to receptors of cancerous or inflammatory cells and inhibit their development.

Can-Fite currently has two drugs in development, CF101 and CF102. The company is simultaneously conducting several clinical and preclinical trials with the two drugs for various indications. CF101 is being studied for the treatment of rheumatoid arthritis, dry eye syndrome and psoriasis. Can-Fite has also entered the development of CF102 for the treatment of liver cancer and hepatitis.

For details: Amir Eisenberg, 0528-260285; Shai Eliash 0522-546635; Liron Singer 0525-476661; Hadas Friedman 0524-022274; Miri Riley 0524-022275; Sarah Seltzer 0524-448262; Office 03-7538828