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Can-Fite to Collaborate with Leading Academic Institutes in the Development of CF102

Under this collaboration the effect of CF102 on HCV replication in hepatocytes and molecular mechanisms involved with the antiviral activity of CF102 will be Explored

Agreements were signed with world leading laboratories in the field of virology at the Israel's Rabin Medical Center and Temple University in Philadelphia

The number of HCV infected patients worldwide is currently estimated at about 170 million and is increasing annually by 3-4 million

Can-Fite BioPharma Ltd., a biotechnology company traded on the Tel Aviv Stock Exchange, announced today that cooperation agreements were signed with two worldwide leading research laboratories to promote the Company's second drug pipeline, CF102. This cooperation will facilitate joint research to investigate the effect of CF102 on hepatitis C virus (HCV) replication in hepatocytes and elucidate the molecular mechanisms underlying the antiviral activity of CF102. One agreement was signed with Prof. Turkaspa, a world renowned expert in the research and treatment of liver diseases from the Rabin Medical Center in Israel; the second agreement was signed with Prof. Khalili, head of the Center for Neurovirology and Cancer Biology at Philadelphia Temple University and editor of scientific magazines in these fields.

HCV is predominantly transmitted through body fluids and less frequently by sexual intercourse, and no vaccines are currently available. About 50% to 85% of HCV infected patients develop a chronic form of the disease, of whom 25% to 76% develop active chronic disease and cirrhosis, which is the leading cause of liver transplantation in Europe and the US and greatly increases the risk of liver cancer. Patients are currently offered drug therapy that generally consists of oral Ribavirin in combination with interferon injections. These drugs have severe adverse events and most patients rapidly become refractory to them.

Prof. Pnina Fishman, CEO of Can-Fite, said today that "these cooperation agreements will substantially increase our current understanding of the antiviral activity of CF102. Studying the mechanism of drug activity is of utmost importance in the clinical development. The two laboratories with which agreements were signed have a world-class reputation in their fields and we are pleased with these fruitful collaborations."

Can-Fite's second pipeline drug, CF102, is currently being developed for the treatment of liver diseases. The Company previously reported that preclinical studies have suggested that the drug is active against viral and autoimmune liver inflammation. CF102 was also found to trigger programmed cell death (apoptosis) of liver cancer cells. The Company recently announced the completion of the preclinical development program of CF102; an IND application to conduct a phase I clinical trial

was subsequently submitted to the FDA. It is projected that this trial will be initiated in the US in January 2008.

CF101, the other drug being developed by Can-Fite, is in advanced phases of clinical trials. Earlier this month, Can-Fite announced that CF101 may also be effective for Crohn's disease, a severe inflammatory bowel disorder. Can-Fite also announced that it will continue to develop CF101 for rheumatoid arthritis. Can-Fite reported that a phase IIb trial will be initiated in early 2008 as part of the ongoing development of CF101. This drug is also in phase II clinical trials to test its efficacy in the treatment of psoriasis and dry eye syndrome.

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. Pnina Fishman serves as the CEO of Can-Fite. The Company was founded on the basis of scientific findings made by Prof. Pnina 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's development pipeline currently has two drugs: CF101 and CF102. The company is simultaneously conducting several preclinical and clinical 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, including liver cancer, hepatitis virus infections and liver tissue regeneration.

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