



FOR RELEASE

Israeli Biopharmaceutical Company "Can-Fite BioPharma" to raise NIS 45 million on the Tel-Aviv Stock Exchange

Michael Weiss and Alex Rabinovitch granted options for their contribution in raising investment interests

Can-Fite BioPharma, an Israeli science-based biopharmaceutical company that is developing novel treatments for autoimmune diseases and cancer, announced today its intention to raise the sum of NIS 45 million at a company pre-IPO value of US \$25 million, through an initial public offering (IPO) on the Tel-Aviv Stock Exchange. The main underwriters are I.B.I Poalim, Apex Mutavim, and D.I.M.

The IPO is scheduled to take place this Thursday, September 29th 2005. The offering will consist of 133,334 units at NIS 337.5 each. Each such unit will be composed of 300 common shares at NIS 1.125 per share and 100 options which have an index-linked exercise price of NIS 1.35 per share, with a September 30th, 2007 expiry date.

The company signed an agreement with Michael Weiss and Alex Rabinovitch granting them options that are conditional to Can-Fite's share performance. In return, Weiss and Rabinovitch committed to assist the company in raising investment interest for Can-Fite's shares among potential investors. Prior investors, including Giza Ventures, Yozma Group, Ascend and Vitalife, committed to purchase 20% out of the units offered to the public.

Prof. Pnina Fishman, CEO of Can-Fite, stated that the agreement with Michael Weiss, who has vast experience in the US capital market and in the biotechnology arena, will have a significant impact on the company's future business activities and the clinical development strategy of the company's products. Fishman added that the capital that will be raised in the IPO will advance the company one step forward in its drug development which targets a potential very large therapeutic market.

Can-Fite's leading drug, CF101, for the treatment of rheumatoid arthritis, is an oral small molecule drug with both anti-cancer and autoimmune inflammatory activities, low manufacturing costs and a preferential safety profile. The drug's main advantage is in its ability to specifically affect pathological cells without affecting healthy ones. In addition, the fact that the drug is administered orally in the form of a capsule, is a big advantage vs. current treatments which are administered by intravenous IV infusion or injection at much higher associated costs.

Can-Fite recently announced promising results arising from an interim analysis of its early phase II study (Phase IIa) that looked at the safety and preliminary efficacy of CF101 in patients with active rheumatoid arthritis. After 12 weeks of treatment, patients showed reduced disease activity, including a decrease in the number of tender and swollen joints, without drug related serious side effects.

Can-Fite BioPharma Ltd.

Can-Fite BioPharma Ltd. Is a private company headquartered in Petach-Tikva, Israel that began operations at the end of 2000. The company was founded on the basis

on scientific research by Professor Pnina Fishman, formerly a Tumor Immunologist in the Rabin Medical Center and currently the company's CEO, together with Dr Ilan Cohn, Patent Attorney and Senior Partner at Reinhold Cohn and Partners, a leading Israeli Patent Attorney firm. The company has its research laboratory in Israel and has offices in both Israel and the USA. The company collaborates with research institutes overseas, including the NIH and Lynden University in Holland. The company's lead drug, CF101, for the treatment of rheumatoid arthritis is currently at Phase II clinical trials. CF101 was tested to date in clinical trials in the USA, UK and Israel. Past investors in the company include Giza Venture Capital, The Yozma Group, Ascend Technology Ventures, Vitalife, Biocom, BioMedical Innovations Management and BPW Israel Investment LLC.

Michael Weiss

Mr. Michael Weiss is an US citizen and resident who is actively involved in recent years in managing biotechnology companies. Weiss serves as the current Chairman and CEO of the NASDAQ-traded US company, Keryx Biopharmaceuticals and is also the Chairman of XTL Biopharmaceuticals, which is traded on NASDAQ, the Tel-Aviv and the London Stock Exchanges.

For additional information:

www.canfite.com

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