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Press Release

Can-Fite Receives FDA Approval to Conduct Phase I Study with CF102

IND application submitted by Can-Fite last month was approved; phase I study will be initiated in the US in Q1 2008

The Company also received \$0.5 million minimal royalty payment on CF101 from Seikagaku Corporation (SKK)

Can-Fite BioPharma Ltd. is making progress with CF102, the drug it develops for the treatment of liver cancer. Can-Fite reported today that an approval was granted by the Food and Drug Administration (FDA) to conduct a phase I study with its second pipeline drug, CF102.

CF102, which was developed based on Can-Fite's platform technology, is a targeted drug that binds with high affinity to the A3 adenosine receptor. This receptor is highly expressed on the surface of cancer cells but not on normal cells. CF102 binds to its target on cancer cells and triggers programmed cell death (apoptosis).

Can-Fite currently intends to develop CF102 for the treatment of liver cancer and other liver pathologies. Liver cancer is highly common in patients infected with the hepatitis virus and in patients with alcohol addiction. This virus is highly prevalent in Eastern Asia, where liver cancer is the leading cause of cancer related death. According to the information available to Can-Fite, about 630,000 people worldwide are diagnosed with liver cancer each year.

CF102 has shown efficacy in laboratory and preclinical studies of liver cancer. Preclinical development has established that the safety profile of this drug is optimal, thus enabling to advance it into human studies. A phase I study in healthy volunteers will be conducted in the US by a clinical research organization (CRO) in a Phase I unit. Can-Fite estimates that this study will be initiated on Q1 2008, and results should be published by the end of Q1 2008.

Prof. Pnina Fishman, CEO of Can-Fite, said today that "the initiation of this study is a substantial progress for the Company, since it reflects the expansion of our development pipeline with a drug for additional indication. There are almost no competing therapies for liver cancer and there is a market need because the response rate of these patients to curative chemotherapy is very low. Our drug works through a unique mechanism that allows liver cancer cells to be targeted and attacked with high specificity."

Can-Fite also reported receiving \$0.5 million from its Japanese partner SKK. This installment is part of the royalties SKK had agreed to pay under the licensing agreement for the development and marketing in Japan of CF101 for the treatment of autoimmune 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 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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