



**PROLOR BIOTECH REPORTS POSITIVE PRECLINICAL RESULTS IN WEIGHT LOSS STUDY
OF ITS LONG-ACTING ANTI-OBESITY DRUG CANDIDATE**

--Once or Twice Weekly Injections of PROLOR's Long-Acting Oxyntomodulin Showed Greater Weight Loss Activity than Two Daily Injections of the Oxyntomodulin --

Nes-Ziona, Israel – June 6, 2011 – PROLOR Biotech, Inc. (NYSE Amex: PBTH) today reported positive results from a comparative animal study of its long-acting anti-obesity drug candidate oxyntomodulin (OXY-RPEG). The study measured the potential therapeutic effect of OXY-RPEG injected once or twice weekly as measured by weight loss and reduction in food intake compared with oxyntomodulin injected twice daily. It was conducted using a state-of-the-art animal model specifically designed to test anti-obesity drugs. In the study, OXY-RPEG injected either once or twice over a period of seven days demonstrated significantly higher weight loss, reduction of food intake and duration of weight loss activity compared with oxyntomodulin injected twice daily.

Oxyntomodulin is a naturally occurring peptide hormone released by the digestive system that acts as a natural satiety signal to reduce food intake and increase energy expenditure following food ingestion. Previous third-party studies in humans showed that oxyntomodulin can reduce appetite and food intake, leading to significant weight loss without apparent side effects. However, as a result of oxyntomodulin's very short half-life, it had to be administered via three daily injections in these human studies. PROLOR developed its longer-acting OXY-RPEG version by combining a naturally occurring oxyntomodulin with the company's proprietary Reversible PEGylation technology designed to increase the half-life of therapeutic peptides and small molecules.

In addition to the large reduction in required frequency and number of injections seen with OXY-RPEG in this preclinical study, OXY-RPEG also demonstrated greater potency, with the total dose administered over seven days containing approximately 15% of the cumulative dose of oxyntomodulin injected during the same period.

"We believe that oxyntomodulin's natural role as an appetite suppressant and its anticipated favorable safety profile make it a promising potential weight loss therapy for the millions of obese patients who currently lack safe and effective treatment options," said Dr. Abraham Havron, CEO of PROLOR. "We are very encouraged that OXY-RPEG has demonstrated significant superiority to oxyntomodulin in weight loss, reduction in food intake, number and frequency of required injections and cumulative dose in this study in animals. These results are especially promising because previous studies have shown a correlation between weight loss efficacy in animals and humans with oxyntomodulin. We believe OXY-RPEG has the potential to become an important new treatment for obesity, and we are on track for initiating our first human clinical trial planned for 2012."

"We believe that this rigorous comparative preclinical study further validates our Reversible PEGylation technology as a promising platform for developing long-acting therapeutic peptides and small molecules," noted Shai Novik, President of PROLOR. "These positive results provide us with the confidence to initiate additional Reversible PEGylation development initiatives for peptides and small molecules targeting high potential market segments."

ABOUT PROLOR

PROLOR Biotech, Inc. is a clinical stage biopharmaceutical company applying unique technologies, including its patented CTP technology and its Reversible PEGylation technology, primarily to develop longer-acting, proprietary versions of already approved therapeutic proteins that currently generate billions of dollars in annual global sales. The CTP technology is applicable to virtually all proteins and the Reversible PEGylation technology is well-suited for use with peptides and small molecule therapeutics. PROLOR is currently developing long-acting versions of human growth hormone, which is in Phase II clinical development, and Factor IX, Factor VII, interferon beta and erythropoietin, which are in preclinical development, as well as an anti-obesity peptide and agents for atherosclerosis and rheumatoid arthritis. For more information, visit www.prolor-biotech.com.

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