



**PROLOR BIOTECH REPORTS MERCK RECEIVES FINAL MARKETING
AUTHORIZATION IN EUROPE FOR LONG-ACTING CTP-MODIFIED FERTILITY
TREATMENT ELONVA[®] (FSH-CTP)**

***--Merck and PROLOR are Both Licensees of the CTP Technology Used to Prolong
the Duration of Merck's Novel Fertility Drug ELONVA[®]--***

--Supports the Clinical Efficacy and Safety of CTP Technology--

Nes-Ziona, Israel – January 29, 2010 – PROLOR Biotech, Inc., (OTCBB: PBTH) today noted the European Commission (EC) approval of Merck & Co., Inc.'s ELONVA[®], a long-acting CTP-modified version of the fertility drug follicle stimulating hormone (FSH). With the EC approval, Merck has marketing authorization for ELONVA with unified labeling valid in all European Union Member States. Merck and PROLOR are both licensees of the CTP technology from Washington University in St. Louis. CTP prolongs the duration of action of proteins and peptides – Merck has the exclusive license for use of the CTP technology with FSH and three other fertility hormones while PROLOR has the exclusive license to apply CTP to all other therapeutic proteins and peptides. PROLOR's CTP-modified version of human growth hormone (hGH-CTP) is currently in clinical trials.

ELONVA is a sustained follicle stimulant for use in fertility treatments. As a result of the extended longevity provided by the attachment of CTP to FSH, a single injection of the recommended dose of ELONVA is indicated to replace the first seven injections of daily recombinant follicle stimulating hormone currently used for ovarian stimulation in infertility patients.

"The final EC approval in Europe for Merck's CTP version of the fertility drug FSH is a major milestone that serves to validate the utility of our CTP technology platform for the development of superior long-acting protein therapeutics," said Dr. Avri Havron, CEO of PROLOR Biotech." We believe that ELONVA's clinical and regulatory successes bode well for the ongoing clinical development of our CTP-enhanced versions of human growth hormone and interferon beta, as well as PROLOR's other pipeline products."

ABOUT PROLOR BIOTECH

PROLOR Biotech, Inc. is a biopharmaceutical company applying unique technologies, including its patented CTP 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 PROLOR is currently developing long-acting versions of human growth hormone, which is

in clinical development, and interferon beta, factor VII, factor IX and erythropoietin, which are in preclinical development, as well as GLP-1 and other therapeutic peptides. For more information on PROLOR, visit www.prolor-biotech.com.

Safe Harbor Statement: *This press release contains forward-looking statements, which may be identified by words such as “expects,” “plans,” “projects,” “will,” “may,” “anticipates,” “believes,” “should,” “intends,” “estimates,” “suggests” and other words of similar meaning, including statements regarding the results of current clinical studies and preclinical experiments and the effectiveness of PROLOR’s long-acting protein programs, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties that may affect PROLOR’s business and prospects, including the risks that PROLOR may not succeed in developing any commercial products, including any long-acting versions of human growth hormone, erythropoietin, interferon beta, GLP-1, and other products; that the long-acting products in development may fail, may not achieve the expected results or effectiveness and/or may not generate data that would support the approval or marketing of these products for the indications being studied or for other indications; that ongoing studies may not continue to show substantial or any activity; that the actual dollar amount of any grants from Israel’s Office of the Chief Scientist is uncertain and is subject to policy changes of the Israeli government, and that such grants may be insufficient to assist with product development; and other risks and uncertainties that may cause results to differ materially from those set forth in the forward-looking statements. The results of clinical trials in humans may produce results that differ significantly from the results of clinical and other trials in animals. The results of early-stage trials may differ significantly from the results of more developed, later-stage trials. The development of any products using the CTP platform technology could also be affected by a number of other factors, including unexpected safety, efficacy or manufacturing issues, additional time requirements for data analyses and decision making, the impact of pharmaceutical industry regulation, the impact of competitive products and pricing and the impact of patents and other proprietary rights held by competitors and other third parties. In addition to the risk factors described above, investors should consider the economic, competitive, governmental, technological and other factors discussed in PROLOR’s filings with the Securities and Exchange Commission. The forward-looking statements contained in this press release speak only as of the date the statements were made, and we do not undertake any obligation to update forward-looking statements, except as required under applicable law.*

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