



Modigene Announces Successful Completion of Pharmacokinetic & Pharmacodynamic Pre-Clinical Experiments for Proprietary Long-Acting Human Growth Hormone, Long-acting Interferon Beta and Long-acting Erythropoietin

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Modigene Inc., a Nevada corporation (OTCBB: MODG) today announced the successful completion of pharmacokinetic and pharmacodynamic pre-clinical experiments for long-acting human growth hormone, long-acting interferon beta and long-acting erythropoietin.

Modigene's pharmacodynamic and pharmacokinetic pre-clinical experiments demonstrated superb durability of the long-acting proteins, indicating a potential administration protocol in patients of once per week or up to once every four weeks, pending the specific protein and disease indication. The models were conducted using the industry standard animal models and methods as well as comparative studies to the commercially available versions. Human growth hormone is used to treat growth failure in children and adults, is injected 3-7 times per week, and has an existing estimated market size of \$2.2 billion; while interferon beta is prescribed for the treatment of multiple sclerosis, is injected 1-3 times per week, and has an existing estimated market size of \$3.8 billion. Neither of these markets currently have a commercial long-acting version available.

In addition, Modigene's long-acting erythropoietin has demonstrated, in a pre-clinical animal model comparative study, increased durability and biological effect over Amgen Inc.'s Aranesp®, a long-acting erythropoietin with reported sales of \$4.1 billion in 2006, out of a total estimated EPO market size of \$11.7 billion. Erythropoietin is prescribed for the treatment of anemia.

"We are very excited about Modigene's pre-clinical work to date," said Dr. Phillip Frost, Vice Chairman of Teva Pharmaceutical Industries, and Modigene's largest shareholder and board member. "With four CTP-modified proteins demonstrating to date exceptional results, including Schering-Plough/Organon's FSH-CTP now in Phase III clinical trial, and Modigene's human growth hormone, interferon beta and EPO in pre-clinical models, the CTP platform is gaining credibility as having the potential to become the platform of choice for developing long-acting therapeutic proteins."

"The accomplishment of this milestone was important for Modigene as it continues its long-acting protein programs, and as a key indicator that the CTP platform is universal and could be applicable to a variety of therapeutic proteins and peptides that suffer from weak durability and hence dictate short injection frequencies", said Shai Novik, Modigene's President. "We are moving forward with our preparations for GMP production of our lead protein candidates and initiation of clinical trials thereafter. We have also commenced development of a long-acting version of GLP-1, a therapeutic peptide that is prescribed for diabetes type II patients, and is

currently injected twice daily, and will continue to apply the technology to several other key blockbuster therapeutic proteins.

Modigene's technology was discovered by researchers at Washington University in St. Louis, Missouri, and is based on a short amino acid sequence, the Carboxyl Terminal Peptide (CTP). CTP occurs naturally in the human body, and when attached to a therapeutic protein, extends the time that such protein can last effectively in the body. This has been demonstrated and validated by Organon – which, on March 12 2007, announced a deal to be acquired by Schering-Plough for \$14.4 billion. Organon also licenses the CTP technology from Washington University, and has attached the CTP to a Follicle-Stimulating Hormone (FSH)—a hormone with approximately \$1 billion in annual sales that is prescribed for females undergoing fertility treatments. Organon is currently in Phase III clinical trials with its FSH-CTP product, which could complete during 2007. Phase II trials demonstrated that a single injection of FSH-CTP was able to provide the same clinical effect as 7 consecutive daily injections of commercial FSH. These trials demonstrated that attaching the CTP did not affect the therapeutic activity of FSH or cause a negative immune system response in patients. Modigene has an exclusive license with Washington University for use of the CTP with all proteins except four endocrine proteins, which are licensed to Schering-Plough/Organon.

ABOUT MODIGENE

Modigene Inc. (OTCBB:MODG) is a publicly-traded biopharmaceutical company utilizing patented technology to develop longer-acting, proprietary versions of already approved therapeutic proteins that currently generate billions in annual global sales. Modigene is currently developing long-acting versions of human growth hormone, erythropoietin, interferon beta, and GLP-1 – each representing a multi-billion dollar market. For more information on Modigene, please visit www.modigeneinc.com.

Safe Harbor Statement

This press release contains forward-looking statements, including statements regarding the results of current studies and pre-clinical experiments and the effectiveness of Modigene's long-acting protein programs and 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 Modigene's' business and prospects, including the risks that Modigene may not succeed in developing any commercial products based upon its long-acting protein technology, including any long-acting versions of human growth hormone, erythropoietin, interferon beta or GLP-1; 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; and other risks and uncertainties that may cause results to differ materially from those set forth in the forward-looking statements. 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 set forth above, investors should consider the economic, competitive, governmental, technological and other factors discussed in Modigene's filings with the Securities and Exchange Commission.

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