



FOR RELEASE

Can-Fite Seals Its Commitment To Relocate To The U.S.
With The Appointment of a US-Based CEO

New Jersey, U.S. and Petach Tikva, Israel, July 14, 2004 --- Can-Fite BioPharma, Ltd. (www.canfite.com) announced today it is finalizing its reincorporation as a U.S. company and has appointed New Jersey based Ashleigh Palmer as CEO. The announcement demonstrates that Can-Fite's strategic intent to rapidly transition itself from an Israeli biopharmaceutical start-up to a U.S.-based development stage company is fast becoming a reality.

Can-Fite's U.S. business operations are being built upon a solid foundation of pre-clinical and clinical activity already undertaken or ongoing in the U.S. To date, the company has carried out all of its GLP pre-clinical studies and GMP manufacture in the U.S. While some of the company's initial clinical studies were carried out in the UK and Israel, Can-Fite's recent opening of a U.S. IND and clinical trial activation at the Harvard Medical School has clearly shifted the company's clinical development focus to the U.S.

"Can-Fite has arrived at the next stage of its promising and impressive evolution. It is maturing into a strong development stage biopharmaceutical company with its corporate leadership and headquarters now firmly planted in the U.S. As a result, we believe it to be a lower risk, more convenient investment and a more valuable and transactable licensing partner and/or acquisition target," said Dr. Avi Molcho, Chairman of the Board of Directors and a Partner at Giza Venture Capital, which led the most recent investment round in Can-Fite. "Mr. Palmer was chosen to lead Can-Fite into the next phase of its development for his strong and proven drug and corporate development track-record. The Board and senior management strongly support the appointment of Mr. Palmer and are committed to a smooth and successful transition."

A 20-year veteran of the biopharmaceutical industry, Mr. Palmer joined Can-Fite in February 2004 as the U.S.-based CBO charged with leading the expansion of Can-Fite's U.S. development capabilities and operational infrastructure. Mr. Palmer was the founding CEO of INO Therapeutics, Inc., where he brought to market INOmax® (nitric oxide) for the treatment of newborns with hypoxic respiratory failure. Mr. Palmer also served as the turn-around CEO and Chairman of Restoragen, Inc., and the Vice President of Business Development for Ohmeda Pharmaceutical Products, Inc.

"Can-Fite's technology platform, built around the A3 adenosine receptor, represents a robust foundation upon which to continue building a world class biopharmaceutical company," said Mr. Palmer. "The founding CEO, Dr. Ilan Cohn, and the founding CSO, Prof. Pnina Fishman, have done a remarkable job leading Can-Fite through the start-up and early stages of corporate development. I'm looking forward to working closely with them to build a best-in-class management team and corporate headquarters here in the U.S."

Ilan Cohn, who served as the CEO until now, will continue in the role of President & COO. "This is a significant move for the company and is part of our ongoing commitment to transitioning the company from an emerging Israeli start-up to a fully-fledge, U.S. development stage company. I am strongly committed to continue to serve the company and assist Ashleigh in meeting the new opportunities and challenges that lie ahead." said Dr. Cohn.

About Can-Fite BioPharma, Ltd.

Can-Fite BioPharma Ltd. is a privately held company originally an Israeli company that began operations at the end of 2000. The Company was founded based on the work of Professor Pnina Fishman, formerly a Tumor Immunologist in the Rabin Medical Center in Israel, and who now serves as the Company's Chief Scientific Officer. Professor Fishman addressed a fundamental observation: *why doesn't cancer metastasize in muscle?* She discovered that muscle cells release a molecule with a very potent anti-cancer activity. Her research led to an oral drug, CF101, which has a mechanism of action based on this natural phenomenon and works in a manner similar to that of the natural, muscle-released factor. The company is moving its headquarters from Israel to the U.S. where it has been conducting business and development operations for some time. Can-Fite is currently engaged in two Phase II trials of its lead drug CF101, one for the treatment of colorectal cancer and the other for rheumatoid arthritis, in addition to research and development of a pipeline of drugs for a variety of clinical indications. Can-Fite is also currently engaged in a Phase I study of CF101 in combination with chemotherapy at the Harvard Medical School under an open IND. The market potential for CF101 is estimated at more than US\$ 1 billion worldwide. Current investors in the company include top tier Israeli VCs.

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