



September 12, 2010

RedHill Biopharma Raises \$3.5M in a Private Placement

The Company Reports the Closing of Two Transactions and the Possibility of an IPO

Tel Aviv, September 12, 2010 – RedHill Biopharma Ltd, an Israeli biopharmaceutical company, has completed the first part of a private placement, raising \$3.5 million dollars. The Company also reports the final closing of two transactions, a co-development agreement and an acquisition, both for late clinical-stage drugs. RedHill is also exploring the possibility of an initial public offering on the Tel Aviv stock exchange in early 2011.

RedHill has completed a transaction with an Australian company, Giaconda Limited (ASX: GIA), for the acquisition of a late clinical-stage drug for the treatment of Crohn's disease and two additional gastrointestinal products.

RedHill also signed an agreement with a Canadian company, IntelGenx Corp. (TSX-V:IGX) (OTCBB: IGXT), for the joint development of a new drug formulation for the treatment of acute migraine, based on IntelGenx' proprietary VersaFilm technology.

To date, RedHill has completed a total of four transactions for the licensing, acquisition, and co-development of six drug candidates in advanced stages of development. In addition to the agreements with Giaconda and IntelGenx, RedHill previously reported a licensing agreement with SCOLR Pharma, Inc. (NYSE Amex Equities "DDD") for a chemotherapy induced nausea and vomiting drug, and a licensing agreement with Egalet, a private Danish company, for a heart failure and high blood pressure drug.

Dror Ben Asher, CEO of RedHill stated: "In addition to completing the first part of a private placement and signing the final agreements with Giaconda and IntelGenx, we are examining the possibility of an IPO on the Tel Aviv Stock Exchange. RedHill's pipeline of six late clinical-stage drugs positions the Company well for rapidly advancing the development of these drugs".

The Company has an experienced management team backed by leading pharma industry consultants. The Company has been financed up to now by Belgium's ProSeed Capital and a group of private investors from the US, Canada, Europe and Israel, several of whom have considerable experience in the global pharma industry.

About RedHill Biopharma Ltd.

RedHill Biopharma is an Israeli pharmaceutical company focused primarily on acquisition and development of late clinical-stage new formulations of existing drugs. For more information please contact: info@redhillbio.com

About Giaconda Limited

Giaconda (www.giacondalimited.com) is an Australian biotechnology company focused on the development of drugs for the treatment of gastrointestinal diseases. The Company's products were developed by Prof. Thomas Borody, of the Centre for Digestive Diseases in Sydney.

About IntelGenx Corp.

IntelGenx (www.intelgenx.com) is a Canadian drug delivery company focused on the development of oral controlled-release products as well as novel rapidly disintegrating delivery systems.

About Egalet a/s

Egalet (www.egalet.com) is a Danish pain management pharmaceutical company. Egalet creates innovative pharmaceutical products in the field of pain with a special focus on creating abuse deterrent properties.

About SCOLR Pharma Inc.

SCOLR (www.scolr.com) is a specialty US pharmaceutical company focused on applying its formulation expertise with its proprietary and patented Controlled Delivery Technology (CDT®) platforms to develop novel pharmaceutical, over-the-counter

(OTC), and nutritional products.