



PRESS RELEASE

RedHill Biopharma Raises over \$10M – 3 Times More than Originally Planned

Investors include: Fidelity VC biotechnology fund, the Canadian biotech fund Rosalind Capital, Lautman family, Dr. Fischer Group, Dr. Shmuel Cabilly, and other pharma investors

Tel Aviv, November 3, 2010 - RedHill Biopharma Ltd., a global biopharmaceutical company, has completed a private placement of more than \$10 million from Israeli and foreign investors; 3 times more than originally planned.

So far, RedHill has completed the acquisitions of, and rights pertaining to, 6 late clinical-stage products, including the recently reported acquisition from Sydney-based Giaconda Limited (ASX: GIA) of a late clinical-stage drug for the treatment of MAP infection in Crohn's ("RHB-104"), and two additional gastrointestinal products. RHB-104 is planned to begin phase II and III of clinical trials in 2011 under an existing FDA IND (Investigational New Drug) status.

In September 2010, RedHill announced a deal with Montreal-based 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.

RedHill previously reported additional agreements with Seattle-based SCOLR Pharma, Inc. (NYSE Amex Equities "DDD") for a new formulation of a chemotherapy induced nausea and vomiting drug based on SCOLR's CDT® proprietary technology, and with Copenhagen-based Egalet, for a new formulation of a leading congestive heart failure and high blood pressure drug.

The company intends to conduct several Phase II/III trials and plans to file two NDAs (New Drug Applications) for marketing approvals with the FDA during 2011.

"We are pleased to have successfully completed the private placement, the proceeds from which will be used to fund RedHill's ongoing late clinical stage development programs." says **Dror Ben Asher, RedHill CEO**. "We are also exploring the possibility of an IPO on the Tel-Aviv Stock Exchange."

About RedHill Biopharma Ltd.

RedHill Biopharma (www.redhillbio.com) is an Israeli pharmaceutical company focused primarily on acquisition and development of late clinical-stage new formulations of existing drugs.

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.

This press release contains forward-looking statements concerning our operations plans. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. All forward-looking statements in this press release are made based on management's current expectations which involve risks, uncertainties and other factors that could cause results to differ materially from those expressed in forward-looking statements.

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