



PRESS RELEASE

RedHill Biopharma Announces Successful Completion of IPO

Significant Oversubscription

IPO Raise Increased to NIS 51.6 Million at a Price 18.3% Higher than Planned

Tel Aviv, February 7, 2011 - RedHill Biopharma Ltd., an Israeli biopharmaceutical company, announced today the successful completion of the Company's initial public offering (IPO), of shares and warrants, on the Tel-Aviv Stock Exchange (TASE). The Company raised NIS 51.6 million (approximately \$13.6 million).

RedHill, which focuses primarily on acquisition and development of late clinical-stage new formulations of existing drugs, had initially planned to raise approximately NIS 40 million. However, strong demand at the IPO led the Company to increase the amount raised to NIS 51.6 million at a price 18.3% higher than planned.

The structure of the public offering consisted of 131,000 units, each comprised of 100 shares and 50 warrants (Series 1), with a minimum unit price of NIS 305. The IPO closed at a higher price of NIS 361 per unit. Assuming full exercise of the IPO warrants (Series 1), the Company may receive up to additional NIS 33 million (\$8.8 million). RedHill's total cash at hand following the IPO is NIS 81 million (approximately \$21.7 million).

RedHill's IPO was led by Poalim I.B.I. - Managing & Underwriting, Ltd. assisted by Apex Underwriting and Issue Management Ltd., Excellence Nessuah Underwriting (1993) Ltd., Meitav Issuing and Finance, Ltd. and Rosario Capital Ltd. GKH Law Offices acted as legal advisor to the IPO and Kesselman & Kesselman (PWC Israel) was the auditor.

The proceeds of the IPO will be used to support the development of RedHill's 6 late clinical-stage products, primarily the Company's experimental treatment of MAP infection in Crohn's (RHB-104).

Dror Ben Asher, RedHill CEO stated: "I would like to thank all the existing and new shareholders of RedHill for their trust and support. I would also like to thank all the advisors and the Company's employees who worked hard to make the IPO a success".

About RedHill Biopharma Ltd.

RedHill Biopharma is an Israeli biopharmaceutical company focused primarily on acquisition and development of late clinical-stage new formulations of existing drugs. The Company's current product pipeline includes a once-daily formulation of a leading congestive heart failure

and high blood pressure drug, a once-daily formulation of a leading chemotherapy induced nausea and vomiting prevention drug, an oral thin film formulation of a leading triptan for the treatment of acute migraine, a combination therapy for the treatment of MAP infection in Crohn's and two additional gastrointestinal products. The Company's team includes world class pharmaceutical experts.

For more information please visit: www.redhillbio.com

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