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**PLURISTEM ANNOUNCES CLOSING OF PUBLIC OFFERING OF COMMON STOCK
AND WARRANTS TO PURCHASE COMMON STOCK**

The Underwriters Have Exercised Over-Allotment Option In Full

Haifa, Israel – February 1, 2011 – Pluristem Therapeutics Inc. (NASDAQ: PSTI, TASE: PLTR) today announced the closing of its previously announced firm commitment underwritten public offering of 11,000,000 units, with each unit consisting of one share of the Company's common stock and one warrant to purchase 0.4 of a share of common stock, at a purchase price of \$3.25 per unit.

The underwriters have exercised in full their over-allotment option to purchase an additional 1,650,000 shares of the Company's common stock and additional warrants to purchase up to 660,000 shares of the Company's common stock. The net proceeds to the Company are expected to be approximately \$38 million, assuming no exercise of the warrants and after deducting underwriting commissions and discounts and estimated offering expenses payable by the Company.

Oppenheimer & Co. Inc. acted as the sole bookrunner and Needham & Company, LLC acted as co-lead manager for the offering. Maxim Group LLC and National Securities Corp participated in the selling group for the offering. Leader Capital Markets Ltd. advised the Company as did Roth Capital Partners, LLC.

The securities described above were sold by Pluristem pursuant to a "shelf" registration statement on Form S-3 previously filed with the Securities and Exchange Commission (SEC) on December 22, 2010 and declared effective by the SEC on January 11, 2011. A prospectus supplement in connection with the offering, dated January 27, 2011, was filed with the SEC on January 28, 2011 and is available on the SEC's website at <http://www.sec.gov>. A copy of the prospectus supplement and the accompanying base prospectus may be obtained by sending a request to Oppenheimer & Co. Inc., Attention: Syndicate Prospectus Department, 300 Madison Avenue, 4th Floor, New York, NY, 10017, Telephone number: (212) 667-8563, Email: EquityProspectus@opco.com.

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Pluristem Therapeutics Inc.:

Pluristem Therapeutics is a bio-therapeutics company dedicated to the commercialization of non-personalized (allogeneic) cell therapy products for the treatment of several severe degenerative, ischemic and autoimmune disorders.