Conquering hepatitis C in our time

XTLbio announces the end of patient dosing in HepeX-B™ hepatitis B Phase 2 trial

XTLbio also announces the accelerated transition of HepeX-B program to Cubist Pharmaceuticals

Rehovot, Israel, 9 August 2005: XTL Biopharmaceuticals Ltd. (LSE:XTL) ("XTLbio") announced today that XTLbio and Cubist Pharmaceuticals (NASDAQ: CBST) have ended patient dosing in the second of two Phase 2 hepatitis B clinical trials of HepeX-B. Cubist plans to review data from this trial with the FDA as part of a discussion of design elements of a Phase 3 trial. A Data Safety Monitoring Board recently reviewed safety data from all patients in the Phase 2 trial and no concerns were raised.

XTLbio also announced that the transition of HepeX-B development activities from XTLbio to Cubist was completed, and that, accordingly, Cubist will not make collaborative support payments which would otherwise have been due to XTLbio in 2005 of $1 million. The collaborative support payments were established to cover XTLbio overhead associated with managing the HepeX-B program. Cubist will reimburse XTLbio for all direct costs associated with the program incurred at the request of Cubist.

"I am very pleased with the completion of transition of HepeX-B development activities to Cubist" said Michael Weiss, Chairman of XTLbio, who continued, "with all further development and commercialization activities of HepeX-B now in the hands of our partner Cubist, we can focus all of XTLbio's current resources on our internal hepatitis C programs."

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Notes to Editors
XTL Biopharmaceuticals Ltd. (XTLbio) is a biopharmaceutical company developing drugs against hepatitis. Established in 1993, XTLbio became a public company in 2000 and its ordinary shares are listed on the Official List of the UK Listing Authority and are traded on the London Stock Exchange under the symbol XTL and in the Tel Aviv Stock Exchange, Israel.