



## **XTL to Appeal NASDAQ Staff Determination; XTL May Transfer its ADR Listing to the NASDAQ Capital Market**

**Valley Cottage, New York, September 26, 2007** - XTL Biopharmaceuticals Ltd. (NASDAQ: XTLB; LSE: XTL; TASE: XTL) today announced that on September 24, 2007, the Company received a NASDAQ Staff Determination indicating that the Company fails to comply with the minimum \$10 million shareholders' equity requirement for continued listing on the NASDAQ Global Market as set forth in Marketplace Rule 4450(a)(3), and that its ADRs are, therefore, subject to delisting from the NASDAQ Global Market. On August 28, 2007, the Company previously disclosed the receipt of a Staff Letter from NASDAQ, regarding this deficiency in shareholders' equity.

The Company has requested a hearing before a NASDAQ Listing Qualifications Panel to review the Staff Determination. A hearing request will stay the suspension of the Company's ADRs from the NASDAQ Global Market pending the Panel's decision. There can be no assurance that the Panel will grant the Company's request for continued listing. If the Panel does not grant the Company's request for continued listing, the Company has the option to transfer its ADR listing to the NASDAQ Capital Market, previously called the NASDAQ SmallCap Market.

The NASDAQ Capital Market is a continuous trading market that operates in the same manner as The NASDAQ Global Market. The NASDAQ Capital Market is not related to, nor does it operate similarly to the over-the-counter markets including the OTCBB and Pink Sheets. Should the Company transfer its ADR listing to The NASDAQ Capital Market, its trading symbol on NASDAQ would remain "XTLB," and the Company does not expect any interruption in the trading of its ADRs.

The NASDAQ Capital Market includes over 500 issuers of a wide range of capitalization sizes. A NASDAQ Capital Market security satisfies all applicable qualification requirements for NASDAQ securities, and all companies listed on The NASDAQ Capital Market must meet certain financial requirements and adhere to NASDAQ's corporate governance standards.

### **ABOUT XTL BIOPHARMACEUTICALS LTD.**

XTL Biopharmaceuticals Ltd. ("XTL") is engaged in the development of therapeutics for the treatment of neuropathic pain and hepatitis C. XTL is developing Bicifadine, a serotonin and norepinephrine reuptake inhibitor, for the treatment of diabetic neuropathic pain. XTL is also developing several novel pre-clinical hepatitis C small molecule inhibitors. XTL also has an active in-licensing and acquisition program designed to identify and acquire additional drug candidates. XTL is publicly traded on the NASDAQ, London, and Tel-Aviv Stock Exchanges (NASDAQ: XTLB; LSE: XTL; TASE: XTL).

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### **Cautionary Statement**

*Some of the statements included in this press release, particularly those anticipating continued trading of the Company's ADRs on the NASDAQ Global Market, the potential transfer of trading to the NASDAQ Capital Market, the expected uninterrupted trading of the ADR, and the Company's ability to comply with NASDAQ Capital Market listing requirements, may be forward-looking statements that involve a number of risks and uncertainties. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Risk factors that could adversely affect our operations are identified from time to time in our reports filed with the Securities and Exchange Commission and the London Stock Exchange, including our annual report on Form 20-F filed with the Securities and Exchange Commission on March 23, 2007. Any forward-looking statements set forth in this press release speak only as of the date of this press release. We do not intend to update any of these forward-looking statements to reflect events or circumstances that occur after the date hereof. This press release and prior releases are available at <http://www.xtlbio.com>. The information in our website is not incorporated by reference into this press release and is included as an inactive textual reference only.*