

## **Presidio Pharmaceuticals Obtains Exclusive Worldwide Rights to XTL Biopharmaceuticals Ltd. Hepatitis C Virus (HCV) NS5A Program**

**San Francisco, CA – March 20, 2008** – Presidio Pharmaceuticals, Inc. has entered into an agreement with XTL Biopharmaceuticals Ltd. (NASDAQ: XTLB, TASE: XTL) for an exclusive, worldwide license to XTL's proprietary HCV NS5A program. As part of the license, Presidio obtained rights to several distinct chemical series, including their promising lead series, which exhibits potent activity against both the HCV 1a and 1b genotypes. Presidio will assume responsibility for any additional lead optimization, clinical development, and commercialization activities related to the program.

XTL will receive \$4 million from Presidio as an upfront payment, and could earn an additional \$104 million if all development and commercialization milestones are achieved. In addition, XTL is entitled to royalties on direct net sales by Presidio and may also share in a percentage of income that Presidio obtains from sublicenses to third parties.

"This license agreement with XTL expands the HCV franchise we created in our ongoing agreements with Stanford and Numerate, and firmly establishes Presidio as a leading developer of medicines for HCV," stated Omar K. Haffar, Presidio's President and CEO. "XTL has developed a series of very potent compounds with strong evidence of their mechanism of action, and we have the expertise at Presidio to leverage this excellent starting point into an optimized clinical candidate that eventually sees use by patients. With millions of people worldwide infected with HCV, and treatment options that are only partially effective, it is critical that new therapies are introduced. Presidio's goal is to be at the forefront to meet this need."

"After discussions with multiple potential licensing parties, we felt that Presidio would be an ideal choice to take our program forward", commented Ron Bentsur, XTL's CEO. "Presidio's management team is focused on rapidly advancing the NS5A program, and their scientific team, led by Dr. Richard Colonna, has extensive experience in developing antiviral compounds and taking them through the clinic and on to the market."

### **HCV and NS5A**

HCV infection is a major cause of chronic hepatitis, liver cirrhosis and hepatocellular carcinoma. Approximately 170 million people are infected with HCV worldwide, and an estimated 10,000 to 12,000 deaths occur each year in the USA due to HCV infection. HCV has 6 major genotypes (1-6) and a large number of subtypes, most notably 1a and 1b. Viral infection is a highly dynamic process, with an average daily production of approximately one trillion viral particles and a high degree of genetic variability observed in the clinic. Current therapy with pegylated interferon alpha (IFN- $\alpha$ ) and ribavirin results in a sustained virologic response in 40-80% of patients, depending on the HCV genotype. However therapy is associated with significant side effects and is not suitable for many patients. Also, clinical studies have shown that infection with genotypes 1a and 1b, the major genotypes found throughout the developed world, is associated with a poor response to INF- $\alpha$  therapy. Thus, there is an urgent need to develop more effective, and better tolerated, therapeutics for HCV infection. The HCV NS5A protein is a multi-functional protein that is critical for HCV replication, one of several proteins generated by the virus during replication. It is involved in HCV's

sensitivity to IFN- $\alpha$  and may also play a role in IFN- $\alpha$  resistance. NS5A has been shown to be absolutely essential for viral replication in both cell-based replicon assays and the chimpanzee model of infection, and is therefore a very attractive target for small-molecule inhibitors.

**About Presidio Pharmaceuticals, Inc.**

Presidio Pharmaceuticals, Inc. is a specialty pharmaceutical company focused on the discovery, in-licensing, development and commercialization of novel therapeutics for viral infections, including HIV-1 and HCV. Presidio has raised over \$27 million in financing from Panorama Capital, Baker Brothers Investments, Bay City Capital, Ventures West, Nexus Medical Partners, and Sagamore Bioventures LLC. For more information, please visit our website at [www.presidiopharma.com](http://www.presidiopharma.com).

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**About XTL Biopharmaceuticals Ltd.**

XTL Biopharmaceuticals Ltd. ("XTL") is engaged in the development of therapeutics for the treatment of diabetic neuropathic pain and HCV. XTL is developing Bicifadine, a serotonin and norepinephrine reuptake inhibitor, for the treatment of diabetic neuropathic pain, which is currently in a Phase 2b study. XTL has out-licensed its novel pre-clinical HCV small molecule inhibitor program. 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 and Tel-Aviv Stock Exchanges (NASDAQ: XTLB; TASE: XTL).

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