

PRESS RELEASE

RedHill Biopharma Appoints Key Opinion Leader Professor Colm O'Morain, President of The United European Gastroenterology Federation (UEGF), as Lead Investigator for the European Pivotal Clinical Trial with RedHill's Crohn's Drug – RHB-104

The Company is Preparing Two Parallel Placebo-Controlled, Double-Blind Clinical Trials with RHB-104 for the Treatment of Crohn's Disease in Patients who are MAP-Infected (a Phase II/III Trial in the US to be led by Prof. David Graham of Baylor College of Medicine in Houston, Texas, and a European Phase III Trial to be lead by Prof. O'Morain of Meath and Adelaide Hospital, at Trinity College, Dublin, Ireland) and has Recently Announced the Acquisition of Exclusive Rights to a MAP Bacterium Companion Diagnostic Test for RHB-104

Tel Aviv, October XX, 2011 - RedHill Biopharma Ltd. (TASE: RDHL), an emerging Israeli biopharmaceutical company focusing primarily on development and acquisition of late clinical-stage patented new formulations and combinations of existing drugs, announced the appointment of Professor Colm O'Morain, MD, as the lead investigator of the Company's planned pivotal European clinical trial with RHB-104, its proprietary therapy for Crohn's disease. In this role, Prof. O'Morain has broad responsibilities in the design of the clinical trial and will be actively involved in its execution and in the publication of its results.

Prof. O'Morain is an internationally renowned researcher and physician and is recognized as one of the most prominent gastroenterologists in Europe. He is the president of the United European Gastroenterology Federation (UEGF), a member of the Bockus International Society of Gastroenterology and the European Representative of OMGE, the World Organisation of Gastroenterology.

Professor O'Morain is on the Editorial Board of eight peer review journals and has published over 200 peer review articles. He has also authored and co-authored four books. His research interests are in inflammatory bowel disease and *Helicobacter pylori*. Professor O'Morain is a member of many academic institutions. He is a former Secretary Treasurer and President elect of the Irish Society of Gastroenterology and was elected Vice President of the Association of the European and Mediterranean Gastroenterological Societies and President. He is a member of the UEGF council and of their public affairs committee. He is on the Scientific Committee of the European Cancer Prevention Group, European *Helicobacter pylori* Study Group, Gastro Surgical Club and International Organisation of Inflammatory Bowel Disease. He is on the Gastroenterology Committee of the Medical Research Council of Ireland and an Irish representative of the European Union Specialist Section of Gastroenterology.

RedHill's RHB-104 drug is intended to treat Crohn's patients who are infected with MAP bacterium (*Mycobacterium avium paratuberculosis*), which is considered to be one of the possible causes for the disease. MAP is believed to be found in 40%-50% of patients who suffer from Crohn's disease - an inflammatory disorder of the gastrointestinal tract, affecting approximately 700,000 patients in the US alone, currently with no available cure.

RedHill is currently preparing two parallel placebo-controlled, double-blind clinical trials with RHB-104 for the treatment of Crohn's patients who are MAP-infected (a European Phase III trial to be led by Prof. Colm O'Morain, and a Phase II/III trial in the US to be lead by Prof. David Y. Graham). In addition to the recent announcement of the appointment of Prof. Graham, one of the world's key opinion leaders in gastroenterology, and the latest appointment of Prof. O'Morain, RedHill also recently announced the acquisition from the University of Central Florida of exclusive rights to a MAP bacterium companion diagnostic test for RHB-104, its engagement in a manufacturing agreement with a Canadian manufacturer and an engagement with a global Clinical Research Organization (CRO).

Dr. Reza Fathi, RedHill's Senior VP R&D said today: "We are very pleased with the addition of Prof. Colm O'Morain to our planned clinical trial with RHB-104 in Europe. Prof. O'Morain's rich scientific and clinical experience will greatly contribute to the execution of the pivotal trial, and we are excited with the opportunity of advancing the European trial with the leadership of one of the key opinion leaders in Crohn's".

Prof. Colm O'Morain, MD, RHB-104 European Lead Investigator said today: "I am delighted to have been appointed as lead investigator for RedHill Biopharma's upcoming RHB-104 European pivotal trial. I am pleased with the opportunity to be one of the leading scientists to investigate RHB-104 as a potential treatment for MAP infected Crohn's patients. I'm hopeful that that this trial will lead to a successful outcome which will give hope to many Crohn's patients around the world".

About Crohn's Disease:

Crohn's disease is an inflammatory disorder of the gastrointestinal tract that affects approximately 700,000 Americans. Common symptoms of Crohn's include severe abdominal pain, diarrhea and rectal bleeding. There is currently no cure for Crohn's disease and existing treatments aim at suppressing inflammation, thus offering symptomatic relief for a limited period of time. Consequently, it is estimated that two-thirds to three-quarters of patients with Crohn's disease will require surgery at some point during their lives¹.

About RedHill Biopharma Ltd.:

RedHill Biopharma is an emerging Israeli biopharmaceutical company focused primarily on development and acquisition of late clinical-stage patented new formulations and combinations 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 drugs. The Company's team includes prominent pharmaceutical experts. For more information please visit: www.redhillbio.com

¹ See Crohn's & Colitis Foundation of America's website at <http://www.ccfa.org>.

PR contact:

Eran Gabay

VP & Managing Director Financial PR

Gelbert-Kahana

+972 (0)54-6787649

erang@gk-biz.com

Company contact:

Adi Frish

VP Business Development & Licensing

RedHill Biopharma

+972 (0)54-6543112

adi@redhillbio.com