TransPharma Announces Successful Completion of Phase 2 Trial of ViaDerm-hPTH (1-34) in Postmenopausal Women with Osteoporosis

Primary and secondary endpoints for efficacy and safety were met. Phase 2B is expected to begin later this year

Lod, Israel, September 1, 2009 – TransPharma Medical Ltd., a specialty pharmaceutical company focused on the development and commercialization of drug products utilizing a proprietary active transdermal drug delivery technology, announced today the successful completion of the Phase 2A trial of ViaDerm-hPTH(1-34) which is being developed for the treatment of severe osteoporosis.

In June 2008, Eli Lilly and Company and TransPharma entered a licensing and development agreement relating to TransPharma's ViaDerm-hPTH(1-34) product for the treatment of severe osteoporosis. As part of this project, TransPharma has completed a three-month Phase 2A trial for transdermal PTH(1-34). The primary and secondary endpoints for efficacy and safety were met. The safety endpoints included a skin safety endpoint for repeated dosing with the ViaDerm system. More details of the phase 2A study results are expected to be shared during 2010 in one of the leading Osteoporosis conferences. Initiation of a dose-ranging Phase 2B study to be jointly conducted by Eli Lilly and TransPharma is planned for later this year.

"We are very pleased with the results of this trial, which demonstrate remarkable progress in the use of the ViaDerm system in clinical trials," said Dr. Daphna Heffetz, CEO of TransPharma Medical. "We have met the primary and secondary endpoints of the phase 2A trial. We are looking forward to the Phase 2B trial, and hope that, in the future, we will be able to improve therapy for people suffering from osteoporosis by offering an alternative to daily injection of PTH."

About ViaDerm Drug Delivery System

TransPharma's ViaDerm drug delivery system incorporates a handheld electronic device, which creates microscopic passageways through the outer layer of the skin allowing for transdermal delivery of a wide variety of drugs from a patch. The system provides a cost-effective, easy-to-use, self-administered solution that enables the safe, reproducible and accurate delivery of a broad range of product candidates, including hydrophilic small molecules peptides and proteins.

About Osteoporosis

Osteoporosis is a debilitating disease that affects an estimated 75 million people in Europe, the U.S. and Japan. Osteoporosis, which means "porous bone," is a disease in which the density and quality of bone are reduced. As the bones become more porous and fragile, the risk of fracture is greatly increased. The loss of bone occurs "silently" and progressively and no symptoms are apparent until the first fracture occurs. The most common fractures associated with osteoporosis occur at the hip, spine and wrist. The incidence of these fractures, particularly at the hip and spine, increases with age in both women and men. Vertebral fractures can result in serious consequences, including loss of height, intense back pain and deformity.

About Lilly

Lilly, a leading innovation-driven corporation, is developing a growing portfolio of pharmaceutical products by applying the latest research from its own worldwide laboratories and from collaborations with eminent scientific organizations. Headquartered in Indianapolis, Ind., Lilly provides answers -- through medicines and information - for some of the world's most urgent medical needs. Additional information about Lilly is available at www.lilly.com.

About TransPharma Medical

Established in 2000, TransPharma Medical Ltd. is a specialty pharmaceutical company focused on the development and commercialization of drug products utilizing a proprietary active transdermal drug delivery technology. The company aims to develop multiple drug products through strategic partnerships with leading pharmaceutical companies and through independent product development. TransPharma is collaborating with Eli Lilly for the development and commercialization of its ViaDerm-hPTH (1-34) product for the treatment of osteoporosis currently in Phase 2 clinical studies. For more information, please visit the Company's website at www.transpharma-medical.com.