BioLineRx signs second out-licensing agreement within one year

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Jerusalem, 20 June, 2010 - BioLineRx (TASE: BLRX) has signed an out-licensing agreement for BL-1020, a novel drug for schizophrenia, with Cypress Bioscience, Inc., a US-based pharmaceutical company (NASDAQ: CYPB). Closing of the transaction is subject to the approval of the Israeli Office of the Chief Scientist. Under the terms of the agreement, BioLineRx will receive a $30 million upfront payment at closing, and will receive future payments totaling up to $335 million, based on regulatory and development milestones, approval of additional indications, and sales milestones. In addition to the above payments, BioLineRx will also receive royalties based on sales of between 12% and 18%, on an incremental basis.

One key aspect of the agreement is that it solely covers the territories of the US, Canada and Mexico. BioLineRx retains the rights to the rest of the world, (constituting approximately 50% of the global market).

In addition, under the terms of the agreement, Cypress will manage and finance all future development, and will be responsible for filing all regulatory applications including the additional clinical trials required for obtaining FDA approval.

BioLineRx received the right to all regulatory data produced by Cypress and to use such data (in consideration for the future repayment to Cypress of a portion of the related costs) for regulatory applications outside of North America. Such data should enable BioLineRx to sign additional outlicensing agreements for the product in its retained territory at a more advanced clinical stage with better terms.

As disclosed in previous press releases, in July 2009, BioLineRx signed an outlicensing agreement with Ikaria holdings Inc. for BL-1040, a compound for patients suffering a myocardial infarction. The total size of that deal, excluding sales royalties, was $282.5 million.

Dr. Aharon Schwartz, BioLineRx's Chairman : "BioLineRx has announced today a very impressive deal, which is a source of pride for the Company and a milestone for the Israeli Biotech Industry. This is the second outlicensing agreement signed by the Company in less than a year, contributing to a significant increase in the Company's value for its investors. BioLineRx's management is committed to advancing the Company's business and strategic goals, including signing additional out-licensing agreements for BL-1020, as well as realizing the significant potential of the Company's pipeline."

Dr. Kinneret Savitsky, BioLineRx's CEO: "We regard it as a huge achievement that we have signed an agreement at this stage with a US company that will continue the drug's development and bring it to market. BioLineRx has once again demonstrated its success at meeting its targets - successful clinical trials, meeting our deadlines and finalizing excellent outlicensing agreements. These all prove the validity of our business model and the quality of our staff, managers and directors. The funds that the Company will receive from this deal and from our previous deal, which may reach up to $650 million (not including royalties), will enable us to continue carrying out our strategy and to continue the progress with our numerous therapeutic programs, while continuing to provide value for our shareholders."

"The agreement we signed today includes a number of excellent achievements, the most important being that BioLineRx has retained the right to make use of all data obtained in the clinical trials performed by Cypress, including data presented for FDA approval, which will enable us to make use of this data for outlicensing agreements with other potential partners in the rest of the world."

"Our US partner is well aware of the great potential in the schizophrenia market and the need to bring an innovative drug to this market, estimated at $13 billion a year in the US. BL-1020 has shown excellent results, including a good safety profile with few adverse effects and the capacity to treat schizophrenia patients who suffer from cognitive impairment - an unmet medical need."

"We chose Cypress because they have the experience and ability to complete the drug development process and bring the product successfully to market. Cypress has considerable know-how in the central nervous system (CNS) area and in our meetings with them we were very impressed by both their knowledge and their creativity. We are convinced that Cypress will act quickly to bring the drug to market in the US."

About BL-1020
BL-1020 is a first in class, innovative, oral treatment for schizophrenia. Pre-clinical and clinical trials to date have shown that BL-1020 is effective for treating schizophrenia symptoms and has a good safety profile. The trials have shown that the drug blocks activity of the neurotransmitter dopamine and enhances the activity of another neurotransmitter, GABA. These characteristics may contribute to the efficacy and safety of the drug. In addition, clinical trials have shown that BL-1020 improves cognitive function in schizophrenia patients. Many schizophrenia patients suffer from a significant decrease in cognitive function, which current therapies do not treat.

BL-1020 was in-licensed from the technology transfer companies, Ramot from Tel Aviv University and BIRAD (Bar Ilan Research and Development) of Bar Ilan University. The inventors are: Prof. Abraham Weitzman from the Sackler Medical School, Tel Aviv University; Prof. Abraham Nudelman from the Dept. of Biochemistry, Bar Ilan University; and Dr. Irit Gilad and Dr. Ada Rephaeli from the Sackler Medical School, Tel Aviv University.

About Schizophrenia
Schizophrenia is a chronic, severe brain disorder which affects approximately 1% of the population worldwide. It is characterized by hallucinations, delusions and disorganized thoughts. In addition, many schizophrenia patients suffer from cognitive impairment which affects their ability to function and lead normal lives.

About Cypress Bioscience
Cypress Bioscience, Inc. develops and commercializes therapeutics and personalized medicine services to facilitate improved and individualized patient care. Cypress' goal is to address the evolving needs of specialist physicians and their patients by identifying unmet medical needs in the areas of pain, rheumatology, and central nervous system disorders, including challenging disorders such as fibromyalgia, rheumatoid arthritis, lupus and schizophrenia. Current marketed products include Savella® (milnacipran HCl) and the Avise PGSM and Avise MCVSM therapeutic monitoring, diagnostic and prognostic testing services for rheumatoid arthritis. Development stage products include CYP-1020 for schizophrenia and AVISE-SLESM, a lupus diagnostic testing service.

For more information about Cypress, please visit www.cypressbio.com.

About BioLineRx
BioLineRx Ltd. is a publicly-traded (TASE: BLRX) biopharmaceutical development company based in Jerusalem, Israel with US offices in Rockville, Maryland. BioLineRx is dedicated to identifying, in-licensing and developing therapeutic candidates for unmet medical needs or that have advantages over currently available therapies. BioLineRx's current development pipeline consists of three clinical stage candidates as well as seven candidates in various pre-clinical development stages spanning a variety of indications including central nervous system diseases, oncology, cardiovascular and autoimmune diseases. One of BioLineRx's lead compounds, BL-1040, has recently been out-licensed to Ikaria Holdings Inc. for a total deal value of $282.5 million.

For more information about BioLineRx, please visit www.biolinerx.com.

The estimates and judgments with respect to BL-1020 included in this report are considered forward-looking statements, which involve certain risks and uncertainties. Factors that could cause actual results to differ materially from those forward-looking statements include the high uncertainty that characterizes research and development activities in general, particularly those of drug development, including inefficiencies, inability to manufacture, toxicity, a high level of risk/reward in comparison to current treatments available, as well as new information regarding intellectual property rights which may affect the economic viability of continued product development. The Company assumes no responsibility for updating forward-looking statements made herein or otherwise.