



MODIGENE PREPARES TO ADVANCE ITS LONG-ACTING HUMAN GROWTH HORMONE TOWARD CLINICAL TRIALS VIA GMP MANUFACTURING AGREEMENT
--Contract Manufacturer Xcellerex will Produce GMP hGH-CTP for Phase I Trials Projected to Begin Next Year--

VIENNA, VA July 16, 2007 -- Modigene Inc., (OTCBB: MODG) today announced that it has signed a contract with Xcellerex, Inc., to provide GMP production of hGH-CTP, Modigene's long-acting human growth hormone (hGH), for upcoming preclinical studies and for the Phase I clinical trials projected to begin next year.

"We are pleased to be working with Xcellerex, a high quality contract bio-manufacturer, as we prepare for clinical trials of our lead hGH-CTP product that are targeted for next year," said Shai Novik, President of Modigene. "Human growth hormone was one of the earliest biotech drugs and remains among the most important for children, but it can require frequent injections. In preclinical studies, our long-acting hGH-CTP has demonstrated its potential to significantly decrease the frequency of these injections, which could provide important benefits for patients. We look forward to having the GMP material on hand to advance hGH-CTP toward clinical trials."

Human growth hormone is a natural protein produced by the pituitary gland in the brain. hGH fuels growth of the body's bone and muscle and has a variety of therapeutic uses. In patients with an hGH deficiency, current treatments involve subcutaneous hGH injections on a near-daily basis. Approximately 95% of children diagnosed with a growth hormone deficiency currently receive treatment, with costs ranging from \$10,000 to \$30,000 per year. In preclinical models, a single injection of hGH-CTP has shown the potential to replace 7 to 10 daily injections of commercial hGH.

Modigene's technology is based on a short amino acid sequence, the Carboxyl Terminal Peptide (CTP). CTP occurs naturally in humans, and when attached to a therapeutic protein, extends the time that the protein is active in the body. The potential utility of the technology has been demonstrated by Organon, a unit of Akzo Nobel NV, which licenses the CTP technology for fertility applications only. Phase II trials of its CTP follicle stimulating hormone product (FSH-CTP) demonstrated that a single injection provides the same clinical effect as seven consecutive daily injections of standard FSH. These trials also demonstrated that attaching the CTP peptide did not affect the therapeutic activity of FSH or cause a negative immune system response. Modigene has an exclusive license from Washington University for use of CTP with all therapeutic proteins except fertility hormones. Modigene currently has four CTP-enhanced compounds in preclinical development and is preparing to initiate clinical trials in 2008.

Under the terms of the agreement, Xcellerex will produce enough hGH-CTP for further preclinical studies as well as for Phase I and Phase II clinical trials.

ABOUT XCELLEREX

Xcellerex, Inc. provides next-generation manufacturing services and novel manufacturing systems for biotherapeutics and vaccines based on proprietary, single use, disposable component technology. Xcellerex's top quality contract manufacturing services include cell line creation, process development and GMP manufacturing. The company's products and technology include the FlexFactory™ manufacturing system, a complete, turnkey, modular

production train; XDR™ stirred tank disposable bioreactor systems at 1,000L working volume; XDM™ stirred tank mixing systems, and PDMax™, a high throughput process development service platform. Xcellerex is based in Marlborough, MA. Learn more about Xcellerex at www.xcellerex.com.

ABOUT MODIGENE

Modigene Inc. is a biopharmaceutical company applying its patented CTP technology to develop longer-acting, proprietary versions of already approved therapeutic proteins that currently generate billions of dollars in annual global sales. Modigene is currently developing long-acting versions of human growth hormone, erythropoietin, interferon beta, and GLP-1, which are in late preclinical development. For more information on Modigene, please visit www.modigeneinc.com.

Safe Harbor Statement

This press release contains forward-looking statements, including statements regarding the results of current studies and pre-clinical experiments and the effectiveness of Modigene's long-acting protein programs and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties that may affect Modigene's business and prospects, including the risks that Modigene may not succeed in developing any commercial products based upon its long-acting protein technology, including any long-acting versions of human growth hormone, erythropoietin, interferon beta or GLP-1; that the long-acting products in development may fail, may not achieve the expected results or effectiveness and/or may not generate data that would support the approval or marketing of these products for the indications being studied or for other indications; that ongoing studies may not continue to show substantial or any activity; and other risks and uncertainties that may cause results to differ materially from those set forth in the forward-looking statements. The development of any products using the CTP platform technology could also be affected by a number of other factors, including unexpected safety, efficacy or manufacturing issues, additional time requirements for data analyses and decision making, the impact of pharmaceutical industry regulation, the impact of competitive products and pricing and the impact of patents and other proprietary rights held by competitors and other third parties. In addition to the risk factors set forth above, investors should consider the economic, competitive, governmental, technological and other factors discussed in Modigene's filings with the Securities and Exchange Commission.

MODIGENE CONTACT:
Shai Novik, President
Modigene Inc.
Tel: +1 866 644-7811
Email: shai@modigeneinc.com

MEDIA CONTACT:
Barbara Lindheim
GendeLLindheim BioCom Partners
+1 212 918-4650