

For immediate release

Atox Bio announces dosing of the first subject in its phase 1 study of AB103. AB103 is a novel immunomodulator being developed for severe bacterial infections and sepsis.

Rehovot Israel – September 14, 2010 - Atox Bio Inc. today announced that it successfully completed the dosing of the first subject in its phase 1 clinical study of AB103, a novel therapy for the treatment of severe bacterial infections and sepsis.

The trial is designed to evaluate the safety, tolerability and pharmacokinetics of AB103. It is a double blind, placebo controlled study that includes up to 38 healthy volunteers receiving escalating single doses of AB103, with one group receiving multiple doses. The study is being conducted at the University of Maryland in Baltimore.

"This is a major milestone for Atox Bio and a testimony to the novelty of our scientific approach" stated Dan Teleman, Atox Bio's CEO. "Based on our pre-clinical studies, we believe that our new therapeutic approach could offer an effective and safe treatment for patients suffering from severe bacterial infections and sepsis. We are looking forward to continuing the development of AB103."

Alan S. Cross, M.D., Professor of Medicine at UMD's Center for Vaccine Development and the study's PI said that "Atox Bio's strategy of modulating but not totally inhibiting the host immune response is exciting and promises to be an entirely novel approach to the treatment of a broad spectrum of infectious diseases."

Growing resistance to antibiotics among gram-negative and gram-positive pathogens in hospitalized patients and in the community is of major concern. Therapeutic options for such pathogens are extremely limited, creating a clear unmet and urgent need to develop novel and alternative therapy for infections.

AB103, a novel immunomodulator based on the research of Atox Bio co-founders Drs. Raymond Kaempfer and Gila Arad, from the Faculty of Medicine of the Hebrew University, offers a unique approach in the treatment of infectious diseases by modulating but not abrogating the host immune system. This approach of targeting the host immune response rather than the pathogen precludes the rapid generation of drug resistance and provides a multisystem solution for bacterial infections with broad-spectrum coverage, independent of pathogen type.

AB103 inhibits immune over-reaction early in the inflammatory cascade, allowing for attenuation of disease before it advances to severe and irreversible stages, while preserving normal immune responses. It provides protection from bacterial superantigen toxins and from lethal bacterial infections in experimental models of a wide range of bacterial pathogens, both gram positive and gram negative, and blocks symptoms of disease in sepsis and infection models as well as in models of inflammatory/autoimmune diseases.

The phase 1 study is supported by a grant from the Israel-U.S. Binational Industrial Research and Development (BIRD) foundation.

About Atox Bio

Established in 2003, Atox Bio is a clinical stage biotechnology company that develops therapeutics for diseases mediated by an excessive inflammatory response. Atox Bio focuses on novel modulators of the immune response that act broadly to attenuate excessive cytokine responses underlying disease, with therapeutic applications ranging from infectious to inflammatory/autoimmune diseases. These applications represent areas with major unmet medical need.

Atox Bio is located in Rehovot, Israel and is a spin-off of Yissum, the technology transfer company of the Hebrew University of Jerusalem. For more information, please visit <http://www.atoxbio.com>

Media Contact:

Dan Teleman - CEO

Tel: +972-8-938-0901

E-mail: dant@atoxbio.com