



TransPharma Medical Completes \$18 Million Series C Financing Funding led by Argonaut, with Backing from Teva and Current Investors

LOD, ISRAEL, July 24, 2006 - TransPharma Medical Ltd., a specialty pharmaceutical company focused on the development and commercialization of drug products utilizing a proprietary active transdermal drug delivery technology, today announced that it has secured \$18 million in Series C financing. This oversubscribed Series C funding round was led by Argonaut Private Equity and includes an additional new investor, Teva Pharmaceutical Industries Ltd., as well as TransPharma's current investors: Pitango Venture Capital, Evergreen Partners, T2C2/Bio, Vitalife, Biomedical Investments, and TIF Ventures Pte Ltd. As a result of the financing, Jason Martin, managing director of Argonaut will join the Company's board.

TransPharma will use the funds to progress its lead project, transdermal hPTH (1-34), into advanced clinical trials. Earlier this year, the Company announced promising human clinical results demonstrating efficient and effective transdermal delivery of hPTH (1-34) for the treatment of osteoporosis. TransPharma plans to continue its development process in-house, bringing this high-potential product to an advanced clinical stage before seeking a partner to take it to market.

The Company also plans on using the funds to initiate development of additional drug products in 2007, as well as develop a new generation of transdermal drug delivery systems and scale-up production of its current ViaDerm delivery system. "TransPharma's accomplishments during the six years since its inception are impressive, having succeeded in developing an innovative technology and bringing its drug products to clinical trials in a short amount of time," said Jason Martin, Managing Director, Argonaut Private Equity. "With its strong management team, unique active transdermal delivery system and substantial market potential for its product pipeline, we believe TransPharma is well positioned as a leader in the drug delivery field."

"We are delighted to have concluded this financing round with a syndicate of highly accomplished investors, and are particularly pleased to be adding two new remarkable investors – Argonaut, a diverse private equity fund with unique financial vision, and Teva, a global pharmaceutical company that has already proven to be a productive and valuable partner for us," said Dr. Daphna Heffetz, Chief Executive Officer of TransPharma Medical Ltd. "With the support of our new and existing investors, we will continue to advance our drug products into further stages of development while expanding our product pipeline to include additional drug products."

TransPharma currently has a joint development agreement with Teva for up to five molecules. The Company has already successfully completed initial clinical trials on the first of these molecules. Under the agreement, Teva will exclusively market each of the drug-products and will pay TransPharma milestone payments, royalties, and development costs.

"We are very impressed by the quality and productivity of TransPharma's team thus far in our joint development agreement, which produced successful initial clinical results earlier this year," said Dr. Aharon Schwartz, Vice President, Strategic Business Planning and New Ventures, Teva Pharmaceutical Industries. In the coming years, TransPharma will continue working closely with Teva on the development of the specified molecules, as well as planning to ally with other companies for developing additional drug products.



About Argonaut

Argonaut Private Equity is a diversified global private equity fund dedicated to building emerging market leaders. With more than \$2 billion under management provided by a single entrepreneur, Argonaut is uniquely positioned to assist entrepreneurial companies. Its equity investments range from \$1 million to \$200 million and span such diverse markets as consumer electronics, specialty materials, telecommunications, drug discovery and delivery, medical devices, aviation and healthcare services. Argonaut's portfolio includes investments in the United States, China, Israel, India, Japan, Eastern Europe and Australia.

About TransPharma

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. Providing an easy-to-use, cost-effective, at-home solution, TransPharma's ViaDerm drug delivery system enables the delivery of a wide variety of product candidates, including hydrophilic small molecules, peptides and proteins. TransPharma aims to develop multiple drug products through strategic partnerships with leading pharmaceutical companies and through independent product development. For more information, visit the Company's website at www.transpharma-medical.com.