Deal with Cypress Bioscience Inc. has been approved by Office of the Chief Scientist

August 11, 2010

Jerusalem, 11 August, 2010 - BioLineRx (TASE: BLRX) is pleased to announce that it has received approval from the Israeli Office of the Chief Scientist of the Ministry of Industry, Trade and Labor ("OCS") for the out-licensing agreement with Cypress Bioscience, Inc. (NASDAQ: CYPB). Following receipt of OCS approval, the out-licensing deal for BL-1020, a novel therapeutic for schizophrenia, has now closed. Under the terms of the agreement, BioLineRx has granted Cypress exclusive rights for completion of development and commercialization of BL-1020 in North America (US, Canada and Mexico). At closing, the $30 million upfront payment, which had been held in escrow pending OCS approval, was released to BioLineRx.

Dr. Kinneret Savitsky, BioLineRx's CEO: "We are delighted at receiving OCS approval so quickly, which we see as an expression of confidence in this agreement. BioLineRx regards the closing of this transaction as a huge achievement and we now look forward towards the continuation and completion of BL-1020's development program and receipt of regulatory approval. At the same time, we continue to execute our business model, which has already proven itself twice, diligently following our strategic objectives - successful clinical trials, meeting our development timelines and closing excellent out-licensing agreements with partners - in order to continue generating value for our shareholders."

"We now eagerly anticipate our continued collaboration with the creative and experienced team at Cypress and continuation of the required clinical trials and regulatory activities. We are convinced that Cypress will do its utmost to ensure that BL-1020 will be available for marketing in the US, Canada and Mexico at the earliest possible time".

"All future development will be managed and financed by Cypress, and Cypress will be responsible for filing all regulatory applications, including the additional clinical trials required for obtaining FDA approval. BioLineRx has retained the right to sign additional out-licensing agreements for the rest of the world (constituting approximately 50% of the global market)."

"This is the second out-licensing agreement signed by BioLineRx within one year. In July 2009, BioLineRx signed an out-licensing agreement with Ikaria holdings Inc. for BL-1040 – a compound for treating patients following acute myocardial infarction. The total potential size of both deals combined, not including royalties on sales, is $650 million."

About BL-1020

BL-1020 is a first in class, oral therapeutic for schizophrenia. Pre-clinical and clinical trials to date have shown that BL-1020 is effective at treating schizophrenia symptoms and has a good safety profile. These trials have shown that BL-1020 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 available therapeutics do not treat.

BL-1020 was in-licensed from the technology transfer companies of two universities - Ramot of 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 mental 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 is a pharmaceutical company dedicated to the development of innovative drugs targeting large unmet medical needs for patients suffering from a variety of disorders of the central nervous system. Since 1999, Cypress has received multiple FDA approvals, including Prosorba™, a medical device for rheumatoid arthritis, and Savella® (milnacipran HCl), for fibromyalgia. Cypress' currently marketed product is Savella. Development-stage assets include CYP-1020 for cognitive impairment in schizophrenia, as well as AVISE-SLESM, a lupus diagnostic testing service. AVISE-SLESM is included in the Company's personalized medicine services business, which the Company recently announced it intends to sell or cease operating by the end of the third quarter of 2010. More information on Cypress and its products and development assets is available at http://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.

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.