

Incorporation by Reference: This Form 6-K of XTL Biopharmaceuticals Ltd. dated January 15, 2010 is hereby incorporated by reference into the registration statements on Form F-3 (File No. 333-141529, File No. 333-147024 and File No. 333-153055) filed by XTL Biopharmaceuticals Ltd. with the Securities and Exchange Commission on March 23, 2007, October 30, 2007 and August 15, 2008, respectively, and the registration statements on Form S-8 (File No. 333-148085, File No. 333-148754 and File No. 333-154795) filed by XTL Biopharmaceuticals Ltd. with the Securities and Exchange Commission on December 14, 2007, January 18, 2008, and October 28, 2008, respectively.

XTL Biopharmaceuticals convenes an Extraordinary Shareholder Meeting for the Approval of the XTL – Bio-Gal Agreement (via Xtepo Ltd.) and Share Allocation

Attached is an English translation (from Hebrew) of the announcement and documents submitted on the Tel Aviv Stock Exchange for convening an extraordinary shareholder meeting, which includes the following: (a) Allocation Report; (b) Transaction Outline; and (c) Fairness Opinion.

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(A) Allocation Report

(B) Transaction Outline

(C) Fairness Opinion

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(A) Allocation Report

XTL Biopharmaceuticals Ltd.
("The Company")

January 14, 2010

To	To
The Israel Securities Authority Ltd.	The Tel-Aviv Securities Stock Exchange Ltd.
Through the Magna	("TASE")
www.isa.co.il	Through the Magna
	www.tase.co.il

An immediate report regarding an extraordinary private placement in accordance with the Israeli Securities Regulations (Private Placement of Securities in a Listed Company), 2000, and in accordance with Regulation 36 of the Israeli Securities Regulations (Periodic and Immediate Reports), 1970, with respect to convening an extraordinary general meeting of the Company whose agenda consists, among other things, of approving an extraordinary private placement pursuant to the share swap agreement signed with Xtepo Ltd. (a company that was established by Bio-Gal Ltd. shareholders for the purpose of the execution of the transaction), all as specified in the immediate report

1. Introduction

In furtherance to the immediate report issued by the Company on March 19, 2009 (reference No. 2009-02-061491), in accordance with the Israeli Securities Regulations (Private Placement of Securities in a Listed Company), 2000, Regulation 36 of the Israeli Securities Regulations (Periodic and Immediate Reports), 1970, and in accordance with the decision of the Company's board of directors of December 31st, 2009, the Company hereby announces the convening of an extraordinary general meeting whose agenda includes approving the extraordinary private placement as specified in this immediate report ("the meeting").

2. Condensed information of the transaction's nature and main terms

2.1 On December 31st, 2009, the Company's Board approved the Company's engagement in an agreement to acquire 100% of the shares of Xtepo Ltd. ("Xtepo"), a private company incorporated in Israel on November 9, 2009, which holds an exclusive license to use a patent for the Erythropoietin drug ("EPO"), by way of issuing new shares of the Company in an extraordinary private placement pursuant to the Israeli Securities Regulations (Private Placement of Securities in a Listed Company), 2000 ("the Regulations") to the shareholders of Xtepo 1 ("the share swap agreement"), such that after consummating the share swap agreement as above, Xtepo's shareholders (together with their stake in the Company prior to the share swap) will hold about 70.64%² of the Company's issued and outstanding share capital and the balance of about 29.36% will be held by the Company's shareholders (excluding Xtepo shareholders). For details of Xtepo, see Appendix A to this report.

¹For more details of the shareholders in Xtepo, see paragraph 11 below.

²Xtepo's shareholders were granted a right to invest in Xtepo pro rata to their holdings.

2.2 The execution of the share swap agreement as above is contingent, among other things, on obtaining the approval of the Company's general shareholders' meeting for the execution of the extraordinary private placement as above and on obtaining the approval of the Israeli Tax Authorities as detailed below ("the record date"). For more details of the share swap agreement's prerequisites, see paragraph 13.1.1 below.

3. The extraordinary private placement optionees and their status as interested parties

The optionees in the extraordinary private placement at hand are Xtepo's shareholders ("the optionees"). For details of the optionees who will become interested parties in the Company following the completion of the transaction, see paragraph 14.4 below.

The optionee, Mr. Alex Rabinovitch 3, who is a controlling shareholder in Xtepo, holds about 30.81% of Xtepo's shares and will hold about 22.25% of the Company's shares following the share swap transaction (including his stake in the Company prior to the completion of the transaction, see paragraph 14.4 below).

4. The terms, number and percentage of the Company's share capital of the offered securities following the allocation

4.1 On the record date, the optionees will be allocated - 133,063,688 Ordinary shares of NIS 0.1 par value each of the Company representing after their allocation 69.44% of the Company's issued and outstanding share capital after the completion of the transaction.

4.2 The allocated shares will have rights that are equal in all respects to the rights of existing Ordinary shares in the Company on the date of the publication of this report and that confer upon their holders, among other things, equal rights in participating and voting in the Company's general meetings, receiving dividends or any other distribution and participating in excess assets of the Company in the event of liquidation.

5. The consideration for the offered securities

In return for the allocation of 133,063,688 Ordinary shares of NIS 0.1 par value each of the Company to the optionees, the optionees will assign to the Company all the Xtepo shares held by them, representing 100% of Xtepo's issued share capital. Consequently, after the completion of the transaction, the optionees (together with their stake in the Company prior to the share swap) will hold about 70.64% of the Company's issued and outstanding share capital and the Company will hold 100% of Xtepo's issued and outstanding share capital.

6. The price of the Company's shares in the extraordinary private placement and their quoted market price

6.1 The price of the Company's share in the private placement is approx. NIS 0.104. The quoted market price of the Company's share as of March 18, 2009 (the original transaction date) is NIS 0.205, which is 111% higher than the price of the Company's share in the private placement.

3 Mr. Alex Rabinovitch holds shares of Xtepo both directly and through a company controlled by him.

4 It should be mentioned that the investors in Xtepo prior to the transaction make their investments in U.S. dollars. Accordingly, the transaction is according to a share price in U.S. dollars equivalent to \$ 0.0262. As of the date of this report, in relation to the foreign currency exchange rate at January 14, 2009, this price reflects NIS 0.097 per share.

6.2 It should be mentioned that the price of the Company's share according to the private placement is identical to the exercise price of the options allocated to several investors in Xtepo⁵ which will be exercised after the prerequisites specified in paragraph 13.1.1 to this report are met, based, among other things, on a fairness opinion attached as Appendix B to this report which established that the swap ratios reflected in the Company's share prices in the private placement are fair.

6.3 The Company shares' quoted market price at January 14, 2009 is NIS 0.287.

7. The names of the controlling shareholders in the Company, the interested parties, the directors and/or officers in the Company with personal interest in the private placement and the nature of the personal interest

To the best of the Company's knowledge, as of the date of this report, the Company has no controlling shareholders. Furthermore, to the best of the Company's knowledge, none of the officers or interested parties in the Company has personal interest in the private placement.

8. Announcement of convening an extraordinary general meeting of the Company's shareholders

8.1 Pursuant to the Companies Law, 1999 ("the Companies Law"), an announcement is hereby provided of the convening of an extraordinary general meeting of the Company's shareholders to be held on Tuesday February 23rd, 2010 at 10:00 am at the law offices of Kantor & Co. on 14 Abba Hillel Silver, 12th floor, Ramat-Gan, Israel under the following agenda:

8.1.1 The approval of the share swap agreement including the extraordinary private placement.

8.2 The meeting's venue and date

8.2.1 The extraordinary general meeting will convene on Tuesday February 23, 2010 at 10:00 at the law offices of Kantor & Co. on 14 Abba Hillel Silver, 12th floor, Ramat-Gan, Israel. A deferred meeting, if necessary, will convene on Tuesday March 2nd, 2010 at the same place and time.

8.2.2 In the extraordinary general meeting, a legal quorum will constitute the presence of at least two (2) shareholders, represented by themselves or by their proxies, who hold or represent together at least 33.33% of the voting rights in the Company. If at the elapse of thirty minutes from the meeting's scheduled date, the legal quorum is not achieved, the meeting will be automatically deferred to the same day of the following week, at the same time and place as scheduled for the original meeting; or to a different time or place as decided by the board of directors in an announcement to the shareholders. If in such deferred meeting no legal quorum is obtained within thirty minutes from the scheduled date, two shareholders that are present by themselves or by a proxy will form a legal quorum and the meeting will be entitled to discuss the issues on the agenda.

5 For details of the options granted to investors in Xtepo, see paragraph 13.1.1 to this report.

8.2.3 The date for establishing the shareholders' right to vote in the general meeting, as stipulated in Section 182 to the Companies Law, is Sunday January 24th, 2010 ("the meeting participation record date").

8.2.4 Any existing shareholder of the Company on the record date, whether or not the shares are registered in its name or are held by it through a member of the Stock Exchange, is entitled to participate in the meeting by itself or via a proxy. Pursuant to the Companies Regulations (Proof of Share Ownership for Voting in General Meetings), 2000, a Company shareholder whose shares are held by a member of the Stock Exchange will be able to participate in said meeting by itself or via a proxy provided that an original proof of Company share ownership on the meeting participation record date is delivered to the Company before the meeting (to be obtained by that member of the Stock Exchange). Any documents appointing proxies ("the letters of appointment") as well as the original authorizations under which the letters of appointment (if any) were signed must be deposited with the Company's registered headquarters 48 hours prior to the date of the meeting.

8.2.5 A written format of the voting paper and statements of position, if any, can be found at the Israel Securities Authority's site at www.magna.isa.gov.il and at the TASE's site at www.tase.co.il. In addition, a shareholder may apply to the Company directly for receiving the written format of the voting paper and statements of position, if any. A member of the Stock Exchange will send, at no consideration, via e-mail, a link to the written format of the voting paper and statements of position, if any, to each shareholder that is not registered with the Company's shareholders' registrar and whose shares are listed with that member of the Stock Exchange, if the shareholder has notified the member of the Stock Exchange of its wish and provided that the notice was made with respect to a certain securities account and prior to the record date. Any shareholder whose shares are listed with a member of the Stock Exchange is entitled to receive proof of ownership from the relevant member of the Stock Exchange at the member of the Stock Exchange's branch or by mail to their address in return for payment of delivery fees only, if so requested, and this application will be granted in advance to the relevant securities account. Pursuant to the Companies Regulations (Voting Paper and Statements of Position), 2005, that shareholder will vote on the second part of the voting paper and specify the manner of voting and deliver it to the Company or mail it via registered mail whereby the proof of ownership must reach the Company's headquarters no later than 72 hours prior to the meeting date.

8.2.6 The Company does not allow voting via the internet.

8.2.7 One or more shareholders that hold at least 5% of total voting rights and also hold such rate of total voting rights that are not held by the controlling shareholder in the Company, as defined in Section 286 to the Companies Law, are entitled to review the voting papers as detailed in Regulation 10 to the Companies Regulations (Voting Paper and Statements of Position), 2005.

8.2.8 The last date for producing statements of position is within ten days after the meeting participation record date ("the last statement of position date of delivery"), namely: Wednesday, February 3rd., 2010 and the last date for producing the board of directors' response to the statements of position is five days after the last statement of position date of delivery, namely Monday, February 8th, 2010.

8.3 The required decision passing majority

8.3.1 The passing of the decision mentioned in paragraph 8.1.1 above requires an ordinary majority of the voting participants.

9. Review of documents

The documents pertaining to this report may be reviewed at the law offices of Kantor & Co. on 14 Abba Hillel Silver, 12th floor, Ramat-Gan, Israel during standard work hours and after advance coordination at +972-3-613 3371.

Allocation Report

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XTL Biopharmaceuticals Ltd.
("The Company")

January 14, 2010

To	To
The Israel Securities Authority Ltd.	The Tel-Aviv Securities Stock Exchange Ltd.
Through the Magna	("TASE")
www.isa.co.il	Through the Magna
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An immediate report regarding an extraordinary private placement in accordance with the Israeli Securities Regulations (Private Placement of Securities in a Listed Company), 2000, and in accordance with Regulation 36 of the Israeli Securities Regulations (Periodic and Immediate Reports), 1970, with respect to convening an extraordinary general meeting of the Company whose agenda consists, among other things, of approving an extraordinary private placement pursuant to the share swap agreement signed with XtepoLtd., all as specified in the immediate report

10. Introduction

10.1 On December 31, 2009 the Company's Board approved the Company's engagement in an agreement to acquire 100% of the shares of Xtepo Ltd. ("Xtepo" 6), a private Israeli company, which following the execution of the transaction at hand will hold an exclusive license to use a patent for the Erythropoietin drug ("EPO"), by way of issuing 133,063,688 Ordinary shares of NIS 0.1 par value each of the Company ("the allocated shares") in an extraordinary private placement pursuant to the Israeli Securities Regulations (Private Placement of Securities in a Listed Company), 2000 ("the Regulations") to the shareholders of Xtepo⁷ ("the share swap agreement"), such that after consummating the share swap agreement as above, Xtepo's shareholders (together with their stake in the Company prior to the share swap) will hold about 70.64% ⁸ of the Company's issued and outstanding share capital (disregarding the holdings of the optionees in the Company prior to the transaction) and the balance of about 29.36% will be held by the Company's shareholders (excluding Xtepo shareholders). For details of Xtepo, see Appendix A to this report.

10.2 The execution of the share swap agreement as above is contingent, among other things, on obtaining the approval of the Company's general shareholders' meeting for the execution of the extraordinary private placement as above and on obtaining the approval of the Israeli Tax Authorities as detailed below ("the record date"). For more details of the share swap agreement's prerequisites, see paragraph 13.1 below.

6 A company incorporated and registered in Israel on November 9, 2009.
7 For more details of the shareholders in Xtepo, see paragraph 14.4 below.
8 Xtepo 's shareholders were granted a right to invest in Xtepo pro rata to their holdings.

11. Details of the optionees

The optionees in the extraordinary private placement are 33 shareholders of Xtepo, a private company established in Israel ("the optionees"). For details of the optionees who will become interested parties in the Company after the completion of the transaction, see paragraph 14.4 to this report.

12. The terms, number and percentage of the Company's share capital of the offered securities following the allocation

12.1 According to the terms of the extraordinary private placement and subject to the fulfillment of the share swap agreement's prerequisites as specified below, the optionees will be allocated 133,063,688 Ordinary shares of NIS 0.1 par value each of the Company representing after their allocation 69.44% of the Company's issued and outstanding share capital and about 65.71% of the Company's issued and outstanding share capital on a fully diluted basis 9.

12.2 The allocated shares as above will have rights that are equal in all respects to the rights of existing Ordinary shares of NIS 0.1 par value each of the Company on the date of the publication of this report and that confer upon their holders, among other things, equal rights in participating and voting in the Company's general meetings, receiving dividends or any other distribution and participating in excess assets of the Company in the event of liquidation.

13. The overall transaction relating to the private placement

13.1 The Share Swap Agreement

On December 31st, 2010 the Company entered into a share swap agreement with the optionees in the context of which the optionees committed that on the record date, they will assign to the Company 133,063,688 shares of Xtepo held by them, representing 100% of their holdings in Xtepo in return for the allocation of 133,063,688 ordinary shares of NIS 0.1 par value each of the Company representing 69.44% of the Company's issued and outstanding share capital following the completion of the transaction. Simultaneously with the fulfillment of the prerequisites as detailed below and prior to the completion of the transaction, 56,202,290 stock options that had been granted to several investors in Xtepo will be converted into 56,202,290 shares of Xtepo in consideration of approximately \$ 1.5 million, reflecting a price per share of \$ 0.0262. The share swap agreement stipulates that performance is also contingent on the fulfillment of the following prerequisites:

- (a) The issuance of an extraordinary private placement report with respect to the allocated shares;
- (b) The approval of the share swap agreement by the Company's general meeting;
- (c) The approval of the transaction by the Israeli Tax Authorities. For more details, see paragraph 13.2 below;
- (d) The approval of the TASE for listing the shares allocated to the optionees;
- (e) Any other legally required approval for executing the share swap agreement;

(collectively, "the prerequisites").

9 Assuming the exercise of all of the Company's convertible stock options and securities.

Allocation Report

13.2

The tax aspects relating to the transaction

The optionees have applied to the Israeli Income Tax Authority for a tax exemption according to Sections 104b and 103t to the Israeli Income Tax Ordinance. The optionees have committed towards each other to act to achieve said tax exemption. As of the date of this report, said exemption has not yet been obtained. The restrictions applicable pursuant to Section 104b to the Income Tax Ordinance currently prescribe as follows:

- a. The optionees will not transfer more than 10% of the Company's shares held by them for a period of two years from the allocation date ("the restriction period").
- b. Through the end of the restriction period, the Company will not make a private placement of shares or share rights at a rate of 25% or more of the Company's share capital as of the allocation date.
- c. Through the end of the restriction period, the Company will not make any private placements of public offerings of shares resulting in a cumulative holding rate of less than 51% of each of the optionees compared to their holdings on the allocation date.

Pursuant to Section 103t to the Income Tax Ordinance, the parties will not be subject to any tax liability whatsoever for the execution of the share swap agreement. The tax exemption will be granted subject to obtaining a pre-ruling from the Israeli Tax Authorities, to meeting the conditions and restrictions as determined in the income tax pre-ruling and the conditions and restrictions prescribed by the Income Tax Ordinance. The restriction period will be two years from the end of the tax year in which the swap transaction was carried out ("the restriction period").

The main conditions and restrictions prescribed by Section 103t to the Income Tax Ordinance are as follows:

- a. The main economic activities of each company participating in the swap transaction will continue as they were prior to the transaction.
- b. Most of the assets (over 50%) that were held by the companies participating in the swap transaction will not be sold (excluding an involuntary sale) and will be used as customary in the companies' ordinary course of business. For this purpose, those assets will be fixed assets. As for the intangible asset to be assigned to Xtepo pursuant to the provisions of Section 104b(f) to the Income Tax Ordinance, this asset will not be sold for a period of two years from the date of transfer.
- c. Each of the right owners in the companies participating in the swap transaction holds during the restriction period all the rights it owned immediately after the transaction and the right owners holding quoted rights will not be included in the right owner quorum for the purpose of this paragraph unless they were on the date of the transaction the controlling shareholders in the Company/transferred company. Moreover, after the swap transaction and during the restriction period, the Company will hold all the rights in the transferred company (Xtepo) which it held on the swap transaction date.

d. Despite the abovementioned, upon the occurrence of any of the events specified below, it will not be viewed as a change in rights provided that at no time during the restriction period were the rights of the Company's right owners lower than 51% in each of the rights in the Company and that the Company's rights will not be lower than 51% in each of the rights in the transferred company:

1. Securities were offered to the public based on a prospectus;
2. A sale of up to 10% of the total rights in the Company/transferred company to non former right owners on the swap transaction date, subject to the provisions of the Income Tax Ordinance;
3. Allocation of shares in the Company/transferred company to non former right owners in the Company/transferred company prior to the allocation at a rate not exceeding 25% of the Company's share capital prior to the allocation.

13.2.1 On the record date and subject to the fulfillment of the share swap agreement's prerequisites as specified above, the optionees will assign 10 their holdings in Xtepoto the Company in return for and against the allocation of shares in the Company representing after their allocation 69.44% of the Company's issued and outstanding share capital.