



Media Contacts:
Talia Rimon, Director of Marketing Communications, Optibase, Ltd.
011-972-9-9709-125
taliar@optibase.com

Investor Relations Contact:
Marybeth Csaby, KCSA for Optibase
+1-212-896-1236
mcsaby@kcsa.com

OPTIBASE ANNOUNCES RECEIPT OF NOTICE REGARDING TERMINATION OF PURCHASE AGREEMENT REGARDING INTEREST IN 485 LEXINGTON AVENUE, NEW YORK, NY

HERZLIYA, Israel, January 7, 2010 – Optibase Ltd. (Nasdaq: OBAS), today announced that Green 485 JV LLC, the seller of 485 Lexington Avenue in Manhattan, delivered a letter stating that the Purchase Agreement for 485 Lexington Avenue is terminated and requesting that deposit for the transaction be returned to Optibase and its joint venture partner with interest. For additional information on the 485 Lexington Avenue transaction, see the Company's announcement dated August 10, 2009. Optibase is currently reviewing the letter.

About Optibase

Optibase provides video over IP solutions, specializing in video encoding, decoding and streaming for federal and state government agencies, Telco operators, enterprise organizations and the world's leading broadcast service providers. With a collection of open, standards-based products, Optibase enables its customers to take full advantage of video distribution over their IP network, ensuring superb video quality in a scale of bit-rates for simple and effective video streaming to desktops, STBs and VOD applications. Optibase has recently resolved to diversify its operations by entering into the fixed-income real-estate sector. For further information, please visit www.optibase.com

This press release contains forward-looking statements concerning our marketing and operations plans. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. All forward-looking statements in this press release are made based on management's current expectations which involve risks, uncertainties and other factors that could cause results to differ materially from those expressed in forward-looking statements. These statements involve a number of risks and uncertainties including, but not limited to, difficulties in finding suitable real-estate properties for investment, availability of financing for the acquisition of real-estate, difficulties in leasing of real-estate properties, insolvency of tenants, difficulties in the disposition of real-estate projects, general economic conditions and other risk factors. For a more detailed discussion of these and other risks that may cause actual results to differ from the forward looking statements in this news release, please refer to Optibase's most recent annual report on Form 20-F. The Company does not undertake any obligation to update forward-looking statements made herein.