

CELATOR® PHARMACEUTICALS SELECTED TO PARTICIPATE IN NCI'S NANOTECHNOLOGY CHARACTERIZATION LABORATORY ASSAY CASCADE FOR CHARACTERIZATION OF NANOPARTICLE PRODRUG DELIVERY PLATFORM

Princeton, NJ (February 17, 2010) – Celator Pharmaceuticals today announced that the National Cancer Institute's (NCI) Nanotechnology Characterization Laboratory (NCL), operated by SAIC-Frederick (Frederick, Maryland), has agreed to conduct characterization studies to advance the development of the company's nanoparticle drug formulation technology.

The agreement is part of the NCI's Advanced Technology Partnerships Initiative, which aims to accelerate the delivery of new products to cancer patients through the strategic application of advanced technologies and effective translational research partnerships.

The current material transfer agreement focuses on Celator's hydrophobic docetaxel prodrug nanoparticle (HDPN) formulation to support an eventual investigational new drug (IND) filing with the U.S. Food and Drug Administration. Specifically, the NCL has selected HDPN for intensive physical characterization, *in-vitro* studies, and *in-vivo* pharmacology and toxicology protocols.

HDPN is the result of collaboration with Princeton University and subsequent discovery and research efforts at Celator. The technology belongs to a proprietary nanoparticle prodrug delivery platform with broad potential applicability in cancer and other diseases. Docetaxel is a type of taxane drug that is widely used to treat a range of cancers including lung, breast, and prostate.

Celator scientists have demonstrated the HDPN formulation substantially increases drug circulation lifetime and efficacy compared to conventional docetaxel formulations. These improvements formed the basis of the decision made by the NCL's scientific review committee for the characterization study of HDPN.

"Our approach to delivering taxanes such as docetaxel differs from most in that we make the drug more hydrophobic thereby allowing the nanoparticle-incorporated prodrug to circulate in the blood for days after injection," said Dr. Lawrence Mayer, president and head of research of Celator Pharmaceuticals. "Our studies have shown that keeping the drug circulating for extended times correlates with the ability to induce regression of solid tumors to below detectable limits."

"We are pleased the NCL is conducting this work to help us advance HDPN toward the clinic," said Scott Jackson, chief executive officer of Celator Pharmaceuticals. "The technology has broad potential application in addressing therapeutic needs and HDPN represents our first approach."

About Celator Pharmaceuticals, Inc.

Celator Pharmaceuticals, Inc., with locations in Princeton, NJ, and Vancouver, BC, is a privately held pharmaceutical company developing new and more effective therapies to treat cancer. CombiPlex®, the company's proprietary drug ratio technology platform, represents a novel approach that identifies molar ratios of drugs that will deliver a synergistic benefit, and locks the desired ratio in a nano-scale drug delivery vehicle that maintains the ratio in patients with the

goal of improving clinical outcomes. The company pipeline includes two Phase 2 products; CPX-351 (a liposomal formulation of cytarabine:daunorubicin) for the treatment of acute myeloid leukemia and CPX-1 (a liposomal formulation of irinotecan:floxuridine) for the treatment of colorectal cancer; a preclinical stage compound, CPX-571 (a liposomal formulation of irinotecan:cisplatin); and multiple research programs, including the hydrophobic docetaxel prodrug nanoparticle (HDPN) formulation. Based on the applications of CombiPlex and the proprietary nanoparticle prodrug delivery platform, Celator is positioned to advance a broad pipeline of cancer therapies involving both previously approved and novel drug agents. For more information, please visit the company's website at www.celatorpharma.com. Information on ongoing trials is available at www.clinicaltrials.gov.

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