

CELATOR CLOSES \$10 MILLION FOLLOW-ON FINANCING- FINANCING

Celator Pharmaceuticals

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Celator Pharmaceuticals, a privately-held biotechnology company working to develop combination chemotherapies to treat different types of cancer, announced that it has closed a \$10 million private equity financing round. The financing represents a follow-on investment from Celator's principal investors, which include Domain Associates, L.L.C., Quaker BioVentures, TL Ventures, Ventures West Management, Inc., GrowthWorks Capital, Ltd., the Business Development Bank of Canada, and Hearthstone Investment, Ltd. Celator closed a Series B financing round of \$40 million (U.S.) in May 2005.

The financing positions Celator to continue to advance a pipeline of pharmaceutical products based on the company's proprietary CombiPlex(TM) technology platform. CombiPlex makes it possible to identify and deliver the precise ratio of drugs that will optimize antitumor activity in combination therapy to treat different types of cancer. Celator recently announced positive results from a phase 1 clinical trial of its CPX-1 combination therapy to treat colorectal cancer. Over 70% of cancer patients in the trial showed a clinical benefit following treatment with CPX-1.

"This financing reflects strong and continuing investor support for CombiPlex technology and our drug pipeline," said Andrew Janoff, Ph.D., Chairman and CEO of Celator Pharmaceuticals. "Our research and development efforts have the potential to significantly improve treatment for a range of cancers. This new funding round will be used to support our clinical trials as well as advance our active preclinical program."