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CELATOR® PHARMACEUTICALS EXPANDS RESEARCH AGREEMENT WITH CEPHALON, INC.

Princeton, NJ (June 21, 2010) – Celator Pharmaceuticals today announced that it has expanded its research agreement with Cephalon, Inc. (Nasdaq: CEPH). The research agreement provides for the utilization of Celator's proprietary technology in an ongoing drug development and life-cycle management program at Cephalon.

“We are pleased that work with this research program has led to its expansion and excited that a global biopharmaceutical company of Cephalon’s stature is increasingly interested in the potential of our technologies,” said Scott Jackson, chief executive officer, Celator Pharmaceuticals. “Because our nano-scale delivery platforms have already been shown to improve the pharmacokinetics and antitumor activity of several cancer therapies, we are eager to collaborate with companies like Cephalon with growing oncology portfolios and an established commitment to improving treatment outcomes.”

Terms and conditions of the research agreement are confidential.

Celator is advancing a number of its own programs based on the Company’s proprietary nano-scale delivery platforms. The Company recently announced positive topline results from its Phase 2 study of CPX-351 (Cytarabine:Daunorubicin) Liposome Injection versus conventional cytarabine and daunorubicin therapy in untreated acute myeloid leukemia, including a statistically significant improvement in complete remission rate and a reduction in 30-day and 60-day mortality. CPX-351 is one of a pipeline of investigational cancer therapies developed using Celator’s CombiPlex® drug-ratio technology. Celator also has an agreement with the National Cancer Institute’s Nanotechnology Characterization Laboratory (NCL) whereby the NCL selected the Company’s hydrophobic docetaxel prodrug nanoparticle formulation for intensive physical characterization, *in-vitro* studies, and *in-vivo* pharmacology and toxicology protocols to support an eventual investigational new drug (IND) filing with the U.S. Food and Drug Administration.

About Cephalon, Inc.

Cephalon is a global biopharmaceutical company dedicated to discovering, developing and bringing to market medications to improve the quality of life of individuals around the world. Since its inception in 1987, Cephalon has brought first-in-class and best-in-class medicines to patients in several therapeutic areas. Cephalon has the distinction of being one of the world's fastest-growing biopharmaceutical companies, now among the Fortune 1000 and a member of the S&P 500 Index, employing approximately 4,000 people worldwide. The company sells numerous branded and generic products around the world. In total, Cephalon sells more than 150



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products in nearly 100 countries. More information on Cephalon and its products is available at <http://www.cephalon.com/>.

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 being studied by the National Cancer Institute's Nanotechnology Characterization Laboratory. 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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