

For Immediate Release

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CELATOR PHARMACEUTICALS RAISES SERIES C FINANCING IN EXCESS OF \$22.5 MILLION

Financing will advance the company's clinical development programs and CombiPlex™ technology platform

Princeton, NJ (July 28, 2008) – Celator Pharmaceuticals, a privately held pharmaceutical company developing novel products based on proven combinations of chemotherapeutic drugs, today announced that it raised in excess of \$22.5 million in a Series C private equity financing.

All Series B investors participated in the financing and included; Domain Associates, Ventures West, Quaker BioVentures, TL Ventures, GrowthWorks Capital, and BDC Capital.

The proceeds will be used to fund Phase 2 studies of CPX-351 (a liposomal formulation of cytarabine:daunorubicin) in patients with acute myeloid leukemia. The company expects to start enrolling patients in a Phase 2 study of CPX-351 in newly diagnosed, elderly patients with AML before the end of 2008. Celator will continue to develop other CombiPlex™ products from its pipeline alone or in collaborations with pharmaceutical partners.

“This financing reflects the strong, continued support of our investors both in the company and our products,” said Scott Jackson, chief executive officer of Celator Pharmaceuticals. “Our goal is to extend and enhance the lives of people with cancer. As a result, we have developed an oncology product pipeline that has significant commercial potential. These funds will allow us to conduct additional clinical trials and generate data that we believe will enable strategic partnerships with leading biotech and pharmaceutical companies.”

Celator reported encouraging interim Phase 1 data with CPX-351 in December 2007 where complete remissions were obtained in patients with advanced leukemia. The company plans to submit additional CPX-351 preclinical and clinical data to this year's American Society of Hematology (ASH) meeting in December. In addition, positive Phase 2 clinical study results were reported for CPX-1 (a liposomal formulation of irinotecan:floxuridine) in patients with advanced colorectal cancer at the American Society of Clinical Oncology (ASCO) meeting in May 2008.

“Over the last few years the company has developed a pipeline of product opportunities based on the CombiPlex technology,” said Nicole Vitullo, partner at Domain Associates. “We believe that Celator's products may well represent the next generation of chemotherapeutics.”

Kenneth Galbraith, general partner at Ventures West, joins Celator's Board of Directors. Mr. Galbraith is a well-known and active member of the North American life sciences community with over 20 years of experience acting as an executive, director, investor and advisor to companies in the biotechnology, medical device, pharmaceutical and healthcare sectors.

About Celator

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 drug ratio technology platform, represents a revolutionary new approach to the development of combination therapies based on identifying a fixed, synergistic ratio of the drugs pre-clinically, incorporating that ratio in a drug delivery vehicle and maintaining the ratio in patients. The company pipeline includes: CPX-1 (a liposomal formulation of irinotecan:floxuridine), currently in a Phase 2 trial in patients with colorectal cancer; CPX-351 (a liposomal formulation of cytarabine:daunorubicin), currently in a Phase 1 trial in patients with leukemia; CPX 571 (a liposomal formulation of irinotecan:cisplatin), a preclinical stage compound; and multiple research programs. Based on the applications of CombiPlex, Celator is positioned to advance a broad pipeline of combination therapies involving both previously approved and novel drug agents. For more information, please visit the company's website at www.celatorpharma.com.