

FOR IMMEDIATE RELEASE

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CELATOR[®] PHARMACEUTICALS INITIATES RESEARCH AGREEMENT WITH CEPHALON, INC.

Princeton, NJ (May 21, 2009) – Celator Pharmaceuticals today announced that it has entered into a research agreement with Cephalon, Inc. (Nasdaq: CEPH). The research agreement provides for the exploration of the application of Celator's proprietary technology to an ongoing drug development and life-cycle management program at Cephalon.

"This agreement provides an opportunity to leverage the technology and expertise at Celator beyond our own pipeline," said Scott Jackson, chief executive officer, Celator Pharmaceuticals. "It is exciting to advance our capabilities with such a high caliber partner as well as through progress in our clinical programs. We believe our technology has the potential to improve clinical outcomes with a wide variety of cancer products and we continue to seek additional partners."

"Celator has developed unique capabilities in liposomal and nano-particle encapsulation," said Jeffry Vaught, Ph.D., chief scientific officer at Cephalon. "Exploring their utility for Cephalon pipeline compounds is entirely consistent with our commitment to use drug delivery technology to optimize treatment and improve patient care."

Terms and conditions of the research agreement are confidential.

About Cephalon, Inc.

Founded in 1987, Cephalon, Inc. is an international biopharmaceutical company dedicated to the discovery, development and commercialization of many unique products in four core therapeutic areas: central nervous system, inflammatory diseases, pain and oncology. Cephalon currently markets five products for treatment of patients with cancer. In addition, the company currently has six compounds for oncology targets in development. A member of the Fortune 1000 and the S&P 500 Index, Cephalon currently employs approximately 3,000 people in the United States and Europe. U.S. sites include the company's headquarters in Frazer, Pennsylvania, and offices, laboratories or manufacturing facilities in West Chester, Pennsylvania, Salt Lake City, Utah, and suburban Minneapolis, Minnesota.

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: CPX-351 (a liposomal formulation of cytarabine:daunorubicin), currently in Phase 2 in patients with acute myeloid leukemia; CPX-1 (a liposomal formulation of irinotecan:floxuridine), currently in Phase 2 in patients with colorectal cancer; 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. Information on ongoing trials is available at www.clinicaltrials.gov.

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