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**CELATOR® PHARMACEUTICALS PRESENTS INTERIM DATA FROM  
PHASE 2 STUDY OF CPX-351 IN NEWLY DIAGNOSED AML AT AMERICAN  
SOCIETY OF HEMATOLOGY MEETING**

**Princeton, NJ (December 7, 2009)** – Celator Pharmaceuticals today announced that interim safety and efficacy data from its Phase 2 multicenter, randomized, open-label clinical trial of CPX-351 (Cytarabine:Daunorubicin) Liposome Injection versus conventional cytarabine and daunorubicin therapy (“7+3”) in patients 60-75 years of age with untreated acute myeloid leukemia (AML) were presented at the 51<sup>st</sup> American Society of Hematology (ASH) Annual Meeting in New Orleans, Louisiana (ASH Abstract # 1033).

The presentation included data from the first 85 evaluable patients, 57 treated with CPX-351 and 28 treated with “7+3.” Investigators reported that the complete remission (CR) rate for the CPX-351 arm was 61.4 percent versus 50.0 percent for the “7+3” arm.

“These interim observations are encouraging, even with the relatively small patient numbers,” said Jeffrey E. Lancet, M.D., associate professor, H. Lee Moffitt Cancer Center. “If the final results of this study show that CPX-351 significantly improves the response rate and, more importantly, that these responses are durable and correlate with extended survival, we may have an opportunity to challenge the standard of care we’ve relied on for 30 years.”

In the study, CPX-351 exhibited a safety profile generally comparable to “7+3.” The overall frequency of adverse events and grade 3 and 4 adverse events for the cardiac, gastrointestinal, metabolic, skin, respiratory, vascular and nervous systems were similar. Consistent with its much longer half-life, CPX-351 was associated with a longer time to recovery of neutrophils and platelets (approximately 7 days longer). This difference did not affect the early mortality rate which was low for both arms of the study. Early mortality, death within 30 days, is a concern with AML treatments.

“These preliminary data are the first safety and efficacy results from one of our two ongoing randomized Phase 2 studies of CPX-351 in AML,” said Scott Jackson, chief executive officer of Celator Pharmaceuticals. “We look forward to completing this study by the end of 2010 and to presenting the final safety and CR data as well as CR duration, event-free survival and survival at 12 months. On the basis of those results and data from our study in adults with AML in first relapse, we will finalize a Phase 3 study design and establish a registration pathway for CPX-351 in AML.”

The fully enrolled Phase 2 study treated a total of 126 patients with newly diagnosed AML, 60-75 years of age, who were able to tolerate intensive chemotherapy. Patients were randomized (2:1) to receive either CPX-351 or the current standard of care, commonly referred to as “7+3.” In the “7+3” regimen, cytarabine is administered as a 7 day continuous infusion and daunorubicin is administered on days 1, 2 and 3. CPX-351, containing both agents at a synergistic ratio, is infused over 90 minutes on days 1, 3 and 5. The primary endpoint of the study is complete remission (CR) rate. Secondary endpoints include duration of CR, event free survival, survival at 12 months, rate of stem cell transplant, 30, 60, and 90 day mortality, and safety and tolerability.

In a separate presentation at the ASH Meeting, pre-clinical data were presented on the improved selectivity of CPX-351 for primary AML blasts over normal bone marrow progenitor cells [ASH Abstract # 2071]. Comparing the uptake and activity of CPX-351 to free cytarabine/daunorubicin in these samples, investigators observed a 2.4-fold increase in leukemia-selective cytotoxicity with CPX-351. This selectivity was associated with increased uptake of CPX-351 liposomes by AML blasts compared to normal progenitor cells. Examination of the cell samples by confocal microscopy demonstrated the uptake of CPX-351 liposomes by AML tumor cells and the subsequent release of drug intracellularly.

### **About CPX-351**

CPX-351 represents a new approach to combination therapy for cancer in which synergistic molar ratios of combined drugs are encapsulated in a drug delivery vehicle in order to maintain the desired ratio following administration. CPX-351 has been granted orphan drug status by the U.S. Food & Drug Administration (FDA) for the treatment of AML. In addition to the present trial, CPX-351 is being compared to intensive salvage therapy in a Phase 2 multicenter, randomized, open-label clinical trial in adult patients (up to 60 years old) with AML in first relapse, a study supported through a partnership with The Leukemia & Lymphoma Society® (LLS).

### **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. 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](http://www.celatorpharma.com). Information on ongoing trials is available at [www.clinicaltrials.gov](http://www.clinicaltrials.gov).

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