

Callisto Announces Additional Atiprimod Data from Phase I Clinical Trial in Advanced Cancer Patients

Interim Results Support Callisto's Announcement to Open a Phase I/IIa Trial in Advanced Carcinoid Patients

NEW YORK--(BUSINESS WIRE)—June 2, 2006--Callisto Pharmaceuticals, Inc. (AMEX:[KAL](#) - [News](#); FWB:CA4), a developer of new drug treatments in the fight against cancer and other major health threats, announced today a further update on the clinical data from a Phase I study of the safety and efficacy of Atiprimod, a novel azaspirane, for patients with advanced cancer. The trial, conducted at M.D. Anderson Cancer Center is an ongoing, single-center, open label, ascending dose Phase I trial of oral Atiprimod in patients with advanced cancer. Atiprimod was given by single dose orally for 14 days of every 28-day cycle.

The trial comprised advanced solid tumor patients of varying types. Sixteen patients have been treated, to date. Of those patients, five had advanced carcinoid cancer and were treated with drug at 60 mg tablets (N=1), 90 mg capsules (N=1) and 120 mg capsules (N=3). Four of these advanced carcinoid patients have completed their treatment on Atiprimod.

The patients who were entered into this Phase I trial had growing tumors and symptoms that were no longer controlled by the standard therapies utilized. During treatment, three of the four advanced carcinoid patients had measurable tumor regressions and loss of many of the debilitating symptoms of this disease. Importantly, one patient remained on drug through 7 cycles (seven months), exhibiting significant tumor regression. Reducing the debilitating symptoms so the patient can continue normal daily activities is an important aspect of treating this cancer.

"We are pleased with the results we have seen so far in this trial," said Dr. Arthur Sytkowski, Consulting CMO and Medical Monitor of Callisto Pharmaceuticals. "The tumor regression and reduction in symptoms seen in the carcinoid patients is very encouraging and indicates that a Phase I/IIa trial of Atiprimod specifically to treat advanced carcinoid patients is clearly warranted."

Callisto earlier announced on February 28, 2006 the Company's intention to initiate a specific Phase I/IIa trial in advanced carcinoid patients that is planned to be underway in 3Q2006.

An abstract on the earlier trial data of Callisto's drug Atiprimod was published today in the 2006 ASCO Annual Meeting Proceedings at the 42nd American Society of Clinical Oncology (ASCO) Annual Meeting in Atlanta, Georgia. The full text of Abstract #13050 is available at www.asco.org.

About Carcinoid Cancer

Carcinoid tumors, or carcinoids, originate in hormone-producing cells of the gastrointestinal (GI) tract, the respiratory tract, the hepatobiliary (liver) system and the reproductive glands. The most common site of origin is the GI tract, with tumors often developing in the rectum, and other sections of the small intestine. Carcinoid tumors that metastasize to the liver have a poor prognosis. Traditionally, chemotherapy relieves symptoms in less than 30% of cases of metastatic carcinoid tumors, usually for less than 1 year.

About Callisto Pharmaceuticals, Inc.

Callisto is a biopharmaceutical company focused on the development of new drugs to treat various forms of cancer and other serious afflictions. Callisto's drug candidates in development currently include anti-cancer agents in clinical development, in addition to drugs for other significant health care markets, including ulcerative colitis and biodefense. One of the Company's lead drug candidates, L-Annamycin, is being developed as a treatment for forms of relapsed acute leukemia, a currently incurable blood cancer. Callisto initiated a clinical trial of L-Annamycin in adult relapsed acute lymphocytic leukemia patients in 4Q 2005. L-Annamycin, a new compound from the anthracycline family of proven anti-cancer drugs, has a novel therapeutic profile, including activity against resistant diseases and significantly reduced cardiotoxicity, or damage to the heart, compared to currently available drug alternatives. Another anti-cancer drug, Atiprimod, is in development to treat relapsed multiple myeloma, a blood cancer, and advanced carcinoid cancer. Atiprimod is presently in Phase I/IIa human clinical trials in relapsed multiple myeloma patients, and advanced cancer patients, respectively. Callisto also has drugs in preclinical development for gastro-intestinal inflammation, and a program focused on the development of a drug to protect against Staphylococcus and Streptococcus biowarfare agents. Callisto has exclusive worldwide licenses from AnorMED Inc. and M.D. Anderson Cancer Center to develop, manufacture, use and sell Atiprimod and L-Annamycin, respectively. For investor-specific information about Callisto, including recent news and stock price data, please visit <http://www.trilogy-capital.com/tcp/callisto/>. For an Investor Fact Sheet about Callisto, please visit <http://www.trilogy-capital.com/tcp/callisto/factsheet.html>. To view an informational presentation of the Company's development pipeline of drug candidates, visit <http://www.trilogy-capital.com/tcp/callisto/powerpoint.html>. Callisto is also listed on the Frankfurt Stock Exchange under the ticker symbol CA4. For additional information, visit www.callistopharma.com.

Forward-Looking Statements

Certain statements made in this press release are forward-looking. Such statements are indicated by words such as "expect," "should," "anticipate" and

similar words indicating uncertainty in facts and figures. Although Callisto believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations reflected in such forward-looking statements will prove to be correct. As discussed in the Callisto Pharmaceuticals Annual Report on Form 10-K/A for the year ended December 31, 2005, and other periodic reports, as filed with the Securities and Exchange Commission, actual results could differ materially from those projected in the forward-looking statements as a result of the following factors, among others: uncertainties associated with product development, the risk that products that appeared promising in early clinical trials do not demonstrate efficacy in larger-scale clinical trials, the risk that Callisto will not obtain approval to market its products, the risks associated with dependence upon key personnel and the need for additional financing.

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