

release date: 15 May 2006

Callisto Pharmaceuticals selects EpiStem to provide specialised preclinical efficacy testing for Guanilib, its lead drug candidate for IBD.

EpiStem Ltd announced today that it has been selected by Callisto Pharmaceuticals, Inc to provide specialised preclinical efficacy testing in the area of inflammatory bowel disease (IBD). EpiStem's sophisticated IBD services, called IBDQUANT®, provide quantitative and mechanistic preclinical data to assess the efficacy of novel drug candidates, enabling companies to make informed decisions regarding the progression of their preclinical pipeline. Guanilib, Callisto's lead drug candidate for ulcerative colitis, is just one of the agents that will be profiled by EpiStem using IBDQUANT®

EpiStem will present details of IBDQUANT® at the Digestive Disease Week Conference (Los Angeles Convention Center, May 20-25 2006) in a poster entitled "Improving the objectivity and sensitivity of rodent IBD models using histometric analyses and mRNA profiling to complement traditional readouts" (Abstract 219104).

About EpiStem Ltd

EpiStem is a Manchester, UK based biotechnology company that provides specialised, preclinical efficacy testing on adult epithelial stem cells and tissues in the areas of inflammatory bowel disease, oncology, mucositis, and wound healing for the pharmaceutical and biotechnology industry. With a global client base, EpiStem assists companies to advance their preclinical pipeline efficiently and effectively by providing proof of efficacy, mechanism of action and optimum dosing schedule data. The Company, awarded the UK's Northwest Biotech Company of 2005, operates from a purpose built, state-of-the-art research facility and is managed by an experienced team of acknowledged experts in the areas of adult stem cell biology, epithelial tissue, oncology, and molecular biology.

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 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 Callisto's lead drug candidates, LAnnamycin, is being developed to treat forms of relapsed acute leukemia, a currently incurable blood cancer. Callisto initiated a clinical trial of LAnnamycin in adult relapsed acute lymphocytic leukemia patients in 4Q 2005. L-Annamycin, a new compound from the anthracycline family of proven anticancer drugs, has a novel therapeutic profile, including activity against drug-resistant tumors and significantly reduced cardiotoxicity 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.

--- end ---