ZIOPHARM Initiates Collaborative Research Agreement with Southern Research Institute

Option on Novel IPM Analogs

NEW HAVEN, CT JAN. 7 - ZIOPHARM, Inc. announced today that it has entered into a two-year research Collaboration Agreement with the Southern Research Institute of Birmingham, Alabama to develop a series of IPM (isophosphoramide mustard) analogs. In conjunction with the research agreement, ZIOPHARM also signed a two-year Option Agreement to enter into an exclusive worldwide License Agreement for these novel alkylating agents. A patent covering these analogs has issued in the United States. The work at Southern Research will be coordinated by the inventor, Dr. Robert Struck.

ZIOPHARM announced in November, 2004 that it had secured an exclusive worldwide license to a proprietary form of IPM (ZIO-201) from DEKK-Tec, Inc. of New Orleans.

ZIO-201 is the stable active metabolite of ifosfamide, an alkylating drug. The Company believes that ZIO-201 will have a significant safety advantage over ifosfamide. ZIO-201 has also been shown to be active in several ifosfamide- and cyclophosphamide-resistant tumors. Data from cancer cell lines and animal models indicate that the IPM analogs may have a different pharmacologic and activity profile from ZIO-201, and form the basis for the planned preclinical collaboration.

"This agreement, structured as a research collaboration and option, significantly strengthens our intellectual property and offers strategic options for IPM success while maintaining our current focus on the expedited clinical development of ZIO-201", commented Richard Bagley, President and COO of ZIOPHARM. "As with ZIO-101/102 and the other licensed organic arsenicals, ZIO-201 and the IPM analogs are a product family offering multiple registration paths and commercialization alternatives-what we like to call multiple and timely shots on goal."

ZIOPHARM may exercise its right to enter into the already negotiated License Agreement at any time during the two year option period. Terms of the License Agreement, if exercised, would include milestone payments and a royalty. If the Option is not exercised, all rights to the analogs return to Southern Research Institute.

About ZIOPHARM, Inc.

ZIOPHARM, Inc. is a privately held company. It was founded in January 2004 to develop and commercialize a diverse, risk-sensitive portfolio of in-licensed cancer therapies. All products are focused on addressing unmet medical needs, with the potential for expedited regulatory approval and broad usage.

ZIOPHARM's first in-licensed product, ZIO-101 or organic arsenic, is a small molecule licensed from The University of Texas M.D. Anderson Cancer Center and Texas A&M University and is planned for Phase I study initiating in Q2 2005. A second organic arsenic, ZIO-102, is expected to undergo further preclinical study in 2005.

ZIO-201, or proprietary IPM (isophosphoramide mustard), is a small molecule licensed from DEKK-Tec, Inc. that is currently in Phase I clinical testing in patients with late-stage cancers. A Phase II trial is planned to initiate in the second half of 2005. We expect to conduct preclinical research with IPM analogs in 2005 in collaboration with Southern Research Institute with the objective of a ZIO-202 clinical candidate.

For more information, please visit www.ziopharm.com

About Southern Research Institute

About Southern Research Institute Southern Research, based in Birmingham, Alabama, is an independent center for scientific research and development providing contract research services in preclinical drug discovery and development, while focusing on cancer, infectious diseases, emerging pathogens, and neurological diseases and disorders. For more information, visit www.southernresearch.org

Forward-Looking Safe Harbor Statement:

This press release contains forward-looking statements for ZIOPHARM Oncology, Inc. that involve risks and uncertainties that could cause the Company's actual results to differ materially from the anticipated results and expectations expressed in these forward-looking statements. These statements are based on current expectations,

forecasts and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements. Among other things, there can be no assurance that any of the Company's development efforts relating to its product candidates will be successful, or such product candidates will be successfully commercialized. Other risks that affect forward-looking information contained in this press release include the possibility of being unable to obtain regulatory approval of the Company's product candidates, the risk that the results of clinical trials may not support the Company's claims, and the Company's reliance on third parties to develop its product candidates. The Company assumes no obligation to update these forward-looking statements, except as required by law.