ZIOPHARM Presents Data on New Class of Arsenic Compounds at International Leukemia Meeting

NEW HAVEN, CT SEPT 20 - ZIOPHARM today announced that Dr. Srdan Verstovsek, MD, and his colleagues at The University of Texas M. D. Anderson Cancer Center reported mouse study data on the company's lead compound, ZIO-101, showing they were able to increase the arsenic dose 30-to-50-fold over that of inorganic arsenic without experiencing any severe side effects. Further testing with ZIO-101 in dogs showed no evidence of heart damage or other severe toxicity.

The findings were presented at the seventh annual meeting of New Trends in the Treatment of Acute Leukemia, September 11-14 in Dubrovnic. The conference addressed recent developments and progress in treating the disease and included both US and European experts. One of the highlights of the meeting was the presentation on ZIO-101, the first in a class of new organic arsenicals.

Currently, inorganic arsenic therapy has been shown to be highly effective in treating a rare form of leukemia called acute promyelocytic leukemia (APL). However, physicians have been impeded in using inorganic arsenic at higher doses to treat other blood cancers and much more common solid cancers because of the risk of damage to the heart and other serious toxicities from increasing the dose of inorganic arsenic.

The M. D. Anderson team also presented laboratory data that suggests ZIO-101 kills cancer cells more effectively than inorganic arsenic by using different mechanisms. The Company has targeted a late 1Q 2005 starting date for phase I study in hematological cancer and a second study shortly thereafter for solid tumors.

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 approval and broad usage.

ZIOPHARM's first in-licensed product, ZIO-101, is a small molecule from The University of Texas M. D. Anderson Cancer Center and is planned for Phase I study initiating late in 1Q-2005. The company anticipates licensing of ZIO-201 by 4Q-2004.

ZIOPHARM is actively evaluating and negotiating for additional product candidates with the objective of a balanced portfolio of at least three clinical-stage compounds and at least one late preclinical candidate by the end of 2005. Each product candidate undergoes a tightly managed evaluation process leveraging the company's management team's combined 100+ years of oncology experience in clinical development, regulatory strategy, business development and product commercialization.

Both ZIOPHARM's structure and mission set it apart from other cancer drug companies. The company's rigorously disciplined approach to screening product candidates is designed to accelerate clinical programs while reducing the expense and risk typically incurred in researching, developing and launching new cancer products. With an intimate understanding of the regulatory approval process, the company expects to break new ground as regards to speed and efficiency as it brings new cancer compounds to market.