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Tracy Lawhon, J.D., Joins Cabrellis Pharmaceuticals as Vice President, Regulatory Affairs and Development Operations

SAN DIEGO, CA – October 5, 2006 - Cabrellis Pharmaceuticals Corporation today announced the appointment of Tracy Lawhon, J.D. to the newly created position of vice president, regulatory affairs and development operations.

Ms. Lawhon joins Cabrellis from Novartis Pharmaceuticals Corporation in Florham Park, New Jersey, where she had been executive director, Project Management since 2004. From 1997 to 2004, she was with Schering-Plough Research Institute in Kenilworth, New Jersey, where she was senior manager, Regulatory Affairs, CMC and associate director, Project Management. Prior to that, she worked with Warner Lambert Company, Eli Lilly and Company, and Abbott Laboratories.

“Ms. Lawhon brings a wealth of experience and leadership strength to Cabrellis,” said Thomas M. Estok, president and chief executive officer of Cabrellis. “Her career path has included R&D, CMC, regulatory affairs, and clinical project management, with a history of success in each of those functions. We are pleased to welcome her to our management team and look forward to her contributions to our development programs.”

In addition to her background in leading cross-functional oncology project teams, Ms Lawhon has extensive experience in licensing, operations planning, and the development and implementation of strategy for U.S. and international registration.

Ms. Lawhon has a B.S. in microbiology from Indiana University and a Jurisprudence Doctorate from the Indiana University School of Law in Indianapolis, Indiana. She is a member of the Indiana State Bar Association and United Way Women’s Leadership Initiative.

As vice president, regulatory affairs and development operations, Ms. Lawhon will oversee clinical project management and regulatory affairs for Cabrellis. She will also coordinate CMC for the clinical evaluation of Calsed™ (amrubicin hydrochloride), Cabrellis’ anti-cancer drug currently in Phase II clinical trials.

About Calsed™

Calsed™ (amrubicin hydrochloride) is a third generation, totally synthetic anticancer drug. In pre-clinical studies, amrubicin demonstrated a higher level of anti-tumor activity than conventional anthracycline

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drugs without exhibiting any indication of the cumulative cardiac toxicity common to this class of compounds. In clinical trials conducted in Japan, Calsed™ has been proven to be effective in patients with small cell lung cancer as well as non-small cell lung cancer. Dainippon Sumitomo Pharma launched Calsed™ in Japan in December 2002 and the drug has been administered to over 6,000 patients without any reports of cumulative cardiotoxicity to date. Dainippon Sumitomo Pharma is conducting additional Calsed™ clinical trials in Japan in lung cancer. Calsed™ is marketed in Japan as an injectable freeze-dried preparation, indicated for use in both non-small cell and small cell lung cancers. Cabrellis has the exclusive rights to develop and commercialize Calsed™ in North America and Europe, licensed from Dainippon Sumitomo Pharma of Osaka, Japan. Information about clinical trials being conducted with Calsed™ can be found at www.clinicaltrials.gov.

About Cabrellis Pharmaceuticals

Cabrellis is a specialty pharmaceutical company committed to the development of therapies for the treatment of cancer. The Company's lead product, Calsed™ (amrubicin hydrochloride), a third generation anthracycline and the world's first totally synthetic anthracycline drug, is currently in Phase II clinical testing in the United States. Further information regarding Cabrellis is available at www.cabrellis.com.

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