



October 19, 2011

NOVELOS THERAPEUTICS ANNOUNCES JUDGMENT IN ITS FAVOR AND DISMISSAL OF STATE LAW COUNTERCLAIMS

MADISON, WI, October 19, 2011 – Novelos Therapeutics, Inc. (OTCBB: NVLT), a pharmaceutical company developing novel drugs for treatment and diagnosis of cancer, today announced that on October 17, 2011, Judge Judith Fabricant granted Novelos' motion for judgment on the pleadings in the action brought in the Business Litigation Session of the Massachusetts Superior Court for Suffolk County entitled *Novelos Therapeutics, Inc. v. ZAO BAM and ZAO BAM Research Laboratories* (Civil Action No. 10-3801-BLS1). Novelos brought this action in September 2010 seeking a declaration by the court that a June 2000 agreement by which the defendants assigned to Novelos their rights in various technologies, including an oxidized glutathione compound known as NOV-002, had been replaced by an agreement executed in April 2005, that Novelos' obligations to the defendants are governed solely by the April 2005 agreement and that Novelos' obligations under the June 2000 agreement have been performed. The defendants denied the material allegations and brought eight counterclaims, including a claim that Novelos had fraudulently induced the defendants to enter into the April 2005 agreement and that the defendants were entitled to the return of the technology assigned to Novelos under the June 2000 agreement.

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Judge Fabricant's order of October 17 granted judgment on Novelos' behalf for each of its declaratory judgment claims and dismissed all counts of the defendants' counterclaim. Judge Fabricant concluded that the "clear and unambiguous" April 2005 agreement "supersedes all prior agreements between the parties, expressly including the 2000 contract." Judge Fabricant further concluded that the defendants had not identified any fraudulent statements or conduct by Novelos and that the defendants had not alleged any breach of the June 2000 agreement or the April 2005 agreement during the time either agreement was in effect.

About Novelos Therapeutics, Inc. We are a pharmaceutical company developing novel drugs for the treatment and diagnosis of cancer. We currently have three cancer-targeted compounds, which are selectively taken up and retained in cancer cells (including cancer stem cells) versus normal cells. Thus, our therapeutic compounds directly kill cancer cells while minimizing harm to normal cells. This offers the potential for a paradigm shift in cancer therapy – efficacy versus all three major drivers of mortality in cancer: primary tumors, metastases and stem cell-based relapse. LIGHT is a smallmolecule cancer imaging agent. We believe LIGHT has first-in-class potential and expect it to enter Phase 1/2 clinical trials in the fourth quarter of this year. HOT is a small-molecule, broadspectrum, cancer-targeted molecular radiotherapeutic that delivers radiation directly and selectively to cancer cells and cancer stem cells. We believe HOT also has first-in-class potential, and we expect it to enter a Phase 1b dose escalation trial in the fourth quarter of this year, and Phase 2 trials in 2012 as a monotherapy for solid tumors with significant unmet medical need. COLD, a cancer-targeted chemotherapy that we expect to enter clinical trials late in 2012, works primarily through Akt inhibition. Together, we believe our compounds are able to "find, treat and follow" cancer anywhere in the body in a novel, effective and highly selective way. For additional information please visit www.novelos.com

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This news release contains forward-looking statements. You can identify these statements by our use of words such as "may," "expect," "believe," "anticipate," "intend," "could," "estimate," "continue," "plans," or their negatives or cognates. Such statements are valid only as of today, and we disclaim any obligation to update this information. These statements are only estimates and predictions and are subject to known and unknown risks and uncertainties that may cause actual future experience and results to differ materially from the statements made. These statements are based on our current beliefs and expectations as to such future outcomes. Drug discovery and development involve a high degree of risk. Factors that might cause such a material difference include, among others, uncertainties related to the ability to attract and retain partners for our technologies, the identification of lead compounds, the successful preclinical development thereof, the completion of clinical trials, the FDA review process and other government regulation, our pharmaceutical collaborators' ability to successfully develop and commercialize drug candidates, competition from other pharmaceutical companies, product pricing and third-party reimbursement.