June 28, 2011

NOVELOS THERAPEUTICS ANNOUNCES DISMISSAL OF PUTATIVE FEDERAL SECURITIES CLASS ACTION LAWSUIT

MADISON, WI, June 28, 2011 – Novelos Therapeutics, Inc. (OTCBB: NVLT), a pharmaceutical company developing novel drugs for treatment and diagnosis of cancer, today announced that on June 23, 2011, Judge Nathaniel M. Gorton allowed the defendants' motion to dismiss the putative federal securities fraud class action brought in the United States District Court for the District of Massachusetts in March 2010 entitled Boris Urman and Ramona McDonald v. Novelos Therapeutics, Inc. and Harry S. Palmin (Civil Action No. 10-10394-NMG). The plaintiffs alleged that the defendants made materially false and misleading statements and omissions regarding the progress of the Phase 3 clinical trial before the United States Food and Drug Administration of Novelos' oxidized glutathione compound, NOV-002, in application to non-small cell lung cancer. On February 24, 2010, Novelos announced that the Phase 3 trial had concluded unsuccessfully, and the price per share of Novelos' common stock dropped by approximately 80% from its close on the prior day.

In dismissing the action without prejudice, Judge Gorton concluded that the statements made by Mr. Palmin to which the plaintiffs objected were not misleading, and endorsed the "competing and more persuasive non-fraudulent inference that Mr. Palmin understood that alleged changes to the NOV-002 specifications presented to the FDA affected only the color specifications rather than the effectiveness or fundamental composition of the drug."

Novelos and Mr. Palmin were defended by Foley Hoag LLP.

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 third 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 third quarter of this year, and Phase 2 trials in mid-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.