

PRESS RELEASE

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CTT Cancer Targeting Technologies Ltd. and Karyon Ltd. announce merger intention

The Boards of CTT Cancer Targeting Technologies Ltd. and Karyon Ltd. today announced their intention to merge the two biotech companies to form a strong Finnish player in the field of peptide based targeting systems for oncology.

Both companies are active in the healthcare fields of targeted imaging and therapy. Karyon's operations focus on the discovery, IP protection and early development of peptides that target specific tissues. The peptides are modified and tested for imaging or therapeutic applications.

The proprietary peptides developed by CTT widen the number of pipeline products and will, in combination with CTT's know-how of targeted liposome applications, complement the expertise the market requires from a company in this field.

Employees with CTT Cancer Targeting Technologies Ltd and Karyon Ltd will constitute the core assets in the new company. A number of studies required by authorities will continue to be outsourced, as will administrative functions outside the scope of the new company's areas of focus.

"This is a significant step in Finnish biotech" says Jari-Matti Mehto, CEO of CTT Cancer Targeting Technologies. "Combining resources from the two companies helps us bring our lead products faster into man." This is endorsed by Rabbe Slätis, CEO of Karyon Ltd, who also emphasises that the merged company will be in a position to better attend to the commercialisation of the company's emerging products.

Rabbe Slätis will be nominated as CEO for the new company Karyon-CTT Ltd, Jari-Matti Mehto is nominated to be Director in charge of business and application development and marketing (COO).

Additional information

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About targeting peptides

During the past decade, proof of the principle that peptide receptors can be used successfully for *in vivo* targeting of human cancers has been provided. The molecular basis for targeting rests on the *in vitro* observation that peptide receptors can be expressed in large quantities in certain tumors. The clinical impact is at the diagnostic level: *in vivo* receptor scintigraphy uses radiolabeled peptides for the localization of tumors and their metastases. It is also at the therapeutic level: peptide receptor radiotherapy of tumors emerges as a serious treatment option. Peptides linked to cytotoxic agents are also considered for therapeutic applications. The use of nonradiolabeled, noncytotoxic peptide analogs for long-term antiproliferative treatment of tumors appears promising for only a few tumor types, whereas the symptomatic treatment of neuroendocrine tumors by somatostatin analogs is clearly successful.

About biotech and the companies

Finnish Biotechnology

See www.finbio.net

CTT Cancer Targeting Technologies Ltd

See www.cancertargeting.com

Karyon Ltd

See www.karyon.fi