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Enzon Pharmaceuticals Prices Convertible Senior Notes

BRIDGEWATER, N.J., May 18, 2006 (BUSINESS WIRE) -- Enzon Pharmaceuticals, Inc., (NASDAQ: ENZN) said today that it has priced its previously announced offering of convertible senior notes to certain qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933.

Enzon will issue \$225 million aggregate principal amount of its 4.0% convertible senior notes due 2013. In addition, the Company has granted an option to the initial purchasers of the notes to acquire an additional \$50 million aggregate principal amount of the notes. These notes are convertible at the option of the holder into Enzon common stock at a conversion price of \$9.55 per share. The conversion price represents a 25% premium above the May 17th Nasdaq closing price of \$7.64 per share.

Enzon intends to use the proceeds from the offering to acquire from time to time its outstanding 4 1/2% convertible subordinated notes due 2008.

The notes have not been registered under the Securities Act or any other state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities law.

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 with respect to among other things, Enzon's plan for the offering, the related exchange and the use of the offering proceeds. These statements are subject to a number of factors and uncertainties that could cause actual events to differ materially from those contemplated in the forward-looking statements. Factors that could affect Enzon's ability to complete the contemplated transactions include among other things, the satisfaction or waiver of the conditions to the offering, the willingness of holders of the existing notes to resell those notes, legal considerations and material changes in the markets for debt and equity securities or the capital markets in general. Enzon is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

SOURCE: Enzon Pharmaceuticals, Inc.

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