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Enzon Pharmaceuticals Secures Supply of Oncaspar

Important Outcome for Children with ALL

BRIDGEWATER, N.J., Jan 04, 2007 (BUSINESS WIRE) -- Enzon Pharmaceuticals, Inc. (Nasdaq: ENZN) today announced it entered into an agreement with Ovation Pharmaceuticals, Inc. for the supply of the active ingredient used in the production of Enzon's Oncaspar(R). Oncaspar is a form of L-asparaginase enhanced with Enzon's PEGylation technology for the treatment of Acute Lymphoblastic Leukemia or ALL. The existing supply agreement with Ovation expired on December 31, 2006. Under the new agreement, Ovation has agreed to supply a sufficient quantity of L-asparaginase material through 2009. In addition, Enzon will make an upfront payment for a non-exclusive license to the cell line which is owned by Ovation and from which the L-asparaginase material is currently sourced. Enzon has committed to effectuate a technology transfer of the cell line and manufacturing to its own supplier by December 31, 2009 in order to ensure long term availability of the L-asparaginase material. "This new agreement is a great outcome for patients who rely on their vital Oncaspar treatments, particularly the children with ALL," said Jeffrey H. Buchalter, Chairman and Chief Executive Officer of Enzon. "This is particularly meaningful given the recent first line approval of Oncaspar and the key benefit it brings in requiring fewer injections".

About Oncaspar(R)

Oncaspar is a PEG-enhanced version of the naturally occurring enzyme L-asparaginase. L-asparaginase is an enzyme that depletes the amino acid asparagine, which certain leukemic cells are dependent upon for survival. Oncaspar was initially approved by the U.S. Food and Drug Administration in February 1994 and is now indicated as a component of a multi-agent chemotherapeutic regimen for patients with acute lymphoblastic leukemia as up-front treatment in first-line therapy and for patients who have had hypersensitivity to asparaginase. Through its proprietary PEGylation technology, Enzon designed Oncaspar to offer therapeutic advantages over unmodified L-asparaginase. In addition to reduced immunogenicity, Oncaspar provides a more convenient, patient-friendly dosing regimen that allows for administration every 14 days, versus twice weekly for unmodified L-asparaginase. Enzon's specialized oncology sales force markets Oncaspar in the United States.

About Enzon

Enzon Pharmaceuticals, Inc. is a biopharmaceutical company dedicated to the development and commercialization of therapeutics to treat patients with cancer and adjacent diseases. Enzon's specialized sales force markets Abelcet(R), Oncaspar (R), Adagen(R), and Depocyt (R) in the United States. In addition, Enzon also receives royalties on sales of PEG-INTRON(R), marketed by Schering-Plough Corporation, and MACUGEN(R), marketed by OSI Pharmaceuticals and Pfizer Inc. Enzon's product-driven strategy includes an extensive drug development program that leverages its proprietary technologies, including a Customized Linker Technology(TM) PEGylation platform that utilizes customized linkers designed to release compounds at a controlled rate. Enzon complements its internal research and development efforts with strategic initiatives, such as partnerships designed to broaden its revenue base or provide access to promising new technologies or product development opportunities. The Company also engages in contract manufacturing opportunities with third parties to improve its efficiency. Further information about Enzon and this press release can be found on the Company's web site at www.enzon.com.

Forward Looking Statements

There are forward-looking statements contained herein, which can be identified by the use of forward-looking terminology such as the words "believes," "expects," "may," "will," "should", "potential," "anticipates," "plans" or "intends" and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from the future results, events or developments indicated in such forward-looking statements. Such factors include, but are not limited to the timing, success and cost of clinical studies; the ability to obtain regulatory approval of products, market acceptance of, and continuing demand for, Enzon's products and the impact of competitive products and pricing. A more detailed discussion of these and other factors that could affect results is contained in our filings with the U.S. Securities and Exchange Commission, including our transition report on Form 10-K for the six-month period ended December 31, 2005 and our quarterly reports on Form 10-Q. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. No assurance can be given that the future results covered by the forward-looking statements will be achieved. All information in this press release is as of the date of this press release and Enzon does not intend to update this information.

SOURCE: Enzon Pharmaceuticals, Inc.

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