



Bio-Path Holdings, Inc. Completes Private Placement Capital Raise and Provides Update to IND Status

FOR IMMEDIATE RELEASE

December 14th, 2009 HOUSTON, TX – Bio-Path Holdings, Inc., (OTC BB: BPTH), a publicly traded biotechnology company with drug development operations in Houston, Texas, issued a news release today that disclosed the closing of a private placement fund raising round.

In total, Bio-Path raised gross funds of \$650,000, the maximum of its Offering, from the sale of units comprised of shares of its common stock and warrants to purchase shares of its common stock. The offering and sale was conducted through a private placement memorandum to individual accredited investors. The offering was oversubscribed and the Company is continuing after the closing of the Offering to raise up to an additional \$250,000 from a small group of accredited investors who could not participate in the last completed fund raising due to the maximum of the round being achieved.

The funds raised will provide additional liquidity to Bio-Path for its Phase I clinical trial. The Company intends to raise additional capital in 2010 after commencing its Phase I clinical trial. Management believes fund raising after commencement of the Phase I trial can be done at potentially higher, and therefore, less dilutive share prices.

Bio-Path has also received a response from the U.S. Food and Drug Administration (FDA) to the Company's recent submission of the revised clinical protocol and chemistry, manufacturing and controls submission. The FDA has requested additional information that it requires prior to releasing Bio-Path's Investigational New Drug (IND) application to commence a Phase I clinical trial in its lead drug product candidate. The Company currently expects to be able to provide the requested information to the FDA by the end of December 2009.

About Bio-Path Holdings, Inc.

Bio-Path is developing leading edge, patented, liposomal drug delivery systems developed at The University of Texas M. D. Anderson Cancer Center with two clinical cancer drug candidates ready for the clinic and a third siRNA cancer drug undergoing final pre-clinical development. Bio-Path's drug delivery technology distributes nucleic acid drugs systemically, throughout the human body, via simple intravenous infusion. The delivery technology can be applied both to double stranded (siRNA) and single stranded (antisense) nucleic acid compounds with the potential to revolutionize the

treatment of cancer and other diseases where drugable targets of disease are well characterized. Bio-Path will also be developing liposome tumor targeting technology, representing next-generation enhancements to the Company's core liposome delivery technology.

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