



Bio-Path Holdings Awarded Grant From The U.S. Government's Qualifying Therapeutic Discovery Project Program

*Funds Granted For Phase I Clinical Trial Of Bio-Path's Lead Cancer Drug
Candidate*

FOR IMMEDIATE RELEASE

HOUTSON, TX, November 3, 2010 – Bio-Path Holdings, Inc., (OTC BB: BPTH) (“Bio-Path”), a biotechnology company developing a liposomal delivery technology for nucleic acid cancer drugs, today announced that it has received a grant of \$244,479 from the United States Government to help fund the Company’s Phase I clinical trial of its lead cancer drug candidate Liposomal Grb-2. The amount of funds awarded were the maximum allocation allowed under the program.

Bio-Path is developing a neutral lipid-based liposome delivery technology for nucleic acid cancer drugs (including antisense and RNAi molecules), a delivery technology that forms microscopic-sized vehicles to deliver these drugs safely to their intended target cancer cells. The Company’s lead product candidate, Liposomal Grb-2, is currently in a Phase I clinical trial for blood cancers including acute myeloid leukemia (AML), chronic myelogenous leukemia (CML), acute lymphoblastic leukemia (ALL) and myelodysplastic syndrome (MDS).

The grant will be made through the U. S. Government’s Qualifying Therapeutic Discover Project Program, established under the Patient Protection and Affordable Care Act. The Internal Revenue Service in consultation with the U.S. Department of Health and Human Services qualified investments attributable to the program. Bio-Path expects to receive the funds from the grant by the end of the year 2010.

Peter Nielsen, President and Chief Executive Officer of Bio-Path commented, “We are very pleased to receive grant funding to support the on-going Liposomal Grb-2 clinical trial. This trial is an important step in providing clinical evidence that Bio-Path’s neutral lipid delivery technology will deliver antisense and RNAi substances safely and with high uptake to cancer cells, the missing link in making antisense and RNAi therapeutics a reality. The grant program was very competitive and being selected is a strong validation of the Company’s technology.”

About Bio-Path Holdings, Inc.

Bio-Path is a biotechnology company focused on developing therapeutic products utilizing its proprietary liposomal delivery technology designed to systemically distribute nucleic acid drugs throughout the human body with a simple intravenous transfusion. Bio-Path’s lead product candidate, Liposomal Grb-2, is in a Phase I study for blood cancers. Bio-Path’s second drug

candidate, also a liposomal antisense drug, is ready for the clinic where it will be evaluated in lymphoma and solid tumors, and its third candidate is a liposomal siRNA cancer drug that is in the final pre-clinical development stage. These product candidates and the delivery technology have been licensed from The University of Texas M. D. Anderson Cancer Center.

Any statements that are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties, including Bio-Path's ability to raise needed additional capital on a timely basis in order for it to continue its operations, have success in the clinical development of its technologies, the timing of enrollment and release of data in such clinical studies and the accuracy of such data, limited patient populations of early stage clinical studies and the possibility that results from later stage clinical trials with much larger patient populations may not be consistent with earlier stage clinical trials, and such other risks which are identified in the Company's most recent Annual Report on Form 10-K and in any subsequent quarterly reports on Form 10-Q. These documents are available on request from Bio-Path Holdings or at www.sec.gov. Bio-Path disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information, please visit the Company's website at <http://www.biopathholdings.com>.

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