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CHARLESTOWN, MA June 6, 2005 - ZIOPHARM, Inc. announced today that it had completed its Series A Convertible Preferred Stock offering. Paramount BioCapital, Inc. served as the lead placement agent and gross proceeds were approximately $18.1 million. The net proceeds from the Offering will be used for research and development, licensing fees and expenses, and for working capital and general corporate purposes.

ZIOPHARM is a development stage biopharmaceutical company that seeks to acquire, develop and commercialize, on its own or with other commercial partners, products for the treatment of important unmet medical needs in cancer. The Company's mission is the acquisition, primarily through in-licensing, of proprietary rights to cancer therapeutics having strong intellectual property positions, to manage their research and development and, eventually, to bring them to market. Proceeds from the financing are expected to support ongoing and planned manufacturing activities and clinical trials with the Company's two proprietary small molecule therapeutics, ZIO-101 (organic arsenic) and ZIO-201 (isophosphoramide mustard-lysine). For ZIO-101, scale-up manufacturing and two phase I trials in hematological malignancies and solid tumors have been recently initiated and planning is well advanced for a phase I/II trial in myeloma expected to begin in the second half of this year. For ZIO-201, manufacturing scale-up is also underway, an ongoing phase I trial has been expanded to two sites, and a phase I-II trial in sarcoma and a second phase II trial are expected in the second half of this year.

"We are extremely pleased with our success in this difficult biotechnology financial market", commented Jonathan Lewis, MD, PhD, Chief Executive Officer. "We expect these proceeds will move us through phase I safety and preliminary 'proof of concept' trials for both products and will position us to initiate potentially pivotal trials for both ZIO-101 and 201 in the second half of next year. By doing so, we will have progressed from in-licensing in August (ZIO-101) and November (ZIO-201) of last year to registration trials by the end of next year."

"We are now better positioned to negotiate a third licensed clinical product," continued Dr. Lewis. "ZIOPHARM is a semi-virtual specialty cancer company with industry-hardened veterans who can effectively deliver on in-licensing products, out-sourcing of preclinical and clinical development, and eventual commercialization of niche products. We expect that when brought to market, these products would have cost-effective manufacturing, pricing and reimbursement with the potential for several hundred million dollars in sales through our own specialty force, marketing in major markets."

About ZIOPHARM, Inc.

ZIOPHARM is a privately held specialty cancer company. Operations were initiated in January 2004 with the strategy of in-licensing proprietary drug candidate families with prior "related-molecule" efficacy in human cancer that would be efficiently and effectively developed and commercialized by a very experienced management team supported by prominent clinicians and medical advisors.

The Company's first in-licensed product in August of 2004, ZIO-101 or organic arsenic, is a small molecule from The University of Texas M. D. Anderson Cancer Center and Texas A&M University. A second organic arsenic from that broad licensing arrangement, ZIO-102, is expected to undergo further preclinical study this year as ZIO-101 progresses through phase I study in both hematologic and solid tumor cancers. A phase I/II trial of ZIO-101 in advanced myeloma is anticipated to begin in the second half of this year with a planned registration trial to begin in the second half of 2006.

ZIO-201, or proprietary IPM (isophosphoramide mustard), is a small molecule licensed in November of 2004 from DEKK-Tec of New Orleans and is currently in phase I study in patients with late-stage cancers at the Karmanos Cancer Center in Detroit, Michigan and Premiere Oncology in Santa Monica, California. A phase I/II trial and two phase II trials are expected to initiate in the second half of this year with a registration trial also scheduled to initiate in the second half of 2006. As announced in January 2005, the Company is conducting preclinical research with IPM analogs in collaboration with Southern Research Institute under its Collaboration and Option Agreement with the objective of establishing a ZIO-202 clinical candidate.

Forward-Looking Safe Harbor Statement:

This press release contains forward-looking statements for ZIOPHARM Oncology, Inc. that involve risks and uncertainties that could cause the Company's actual results to differ materially from the anticipated results and expectations expressed in these forward-looking statements. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements. Among other things, there can be no assurance that any of the Company's development efforts relating to its product candidates will be successful, or such product candidates will be successfully commercialized. Other risks that affect forward-looking information contained in this press release include the possibility of being unable to obtain regulatory approval of the Company's product candidates, the risk that the results of clinical trials may not support the Company's claims, and the Company's reliance on third parties to develop its product candidates. The Company assumes no obligation to update these forward-looking statements, except as required by law.

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