August 2, 2017

Mateon Provides Corporate Update and Reports Second Quarter 2017 Financial Results

SOUTH SAN FRANCISCO, Calif., Aug. 02, 2017 (GLOBE NEWSWIRE) -- Mateon Therapeutics, Inc. (OTCQX:MATN), a biopharmaceutical company developing vascular disrupting agents (VDAs) for the treatment of orphan oncology indications, today provided a corporate update and reported financial results for the three months ended June 30, 2017.

Recent Corporate Highlights

- Granted Fast Track designation by U.S. Food and Drug Administration for OXi4503 for treatment of acute myeloid leukemia (AML);
- Announced two complete remissions (50%) in the fifth cohort of the OXi4503 study for the treatment of relapsed/refractory AML;
- Completed enrollment of the FOCUS study of CA4P for the treatment of platinum-resistant ovarian cancer;
- Announced positive data for CA4P in combination with immune-oncology agents demonstrating significant reduction in tumor size in an animal model.

"With renewed interest in the clinical potential of our vascular disrupting agents, our programs have picked up significant momentum and have advanced ahead of schedule," said William D. Schwieterman, M.D., President and Chief Executive Officer. "We recently observed new evidence of efficacy in our AML study, as well as completed enrollment in the first part of the FOCUS study. I am pleased we have advanced our programs to important data inflection points. We all look forward to further advancing this important therapeutic class."

Financial Results for the Second Quarter of 2017

For the three months ended June 30, 2017, Mateon reported a net loss of $3.9 million, compared to a net loss of $3.6 million for the three months ended June 30, 2016. Research and development expenses increased to $3.0 million for the three months ended June 30, 2017, compared to $2.4 million for the three months ended June 30, 2016, primarily due to higher clinical costs associated with the FOCUS study in platinum-resistant ovarian cancer. General and administrative expenses decreased to $0.9 million for the three months ended June 30, 2017, compared to $1.3 million for the three months ended June 30, 2016.

At June 30, 2017, Mateon had cash and short-term investments of $5.0 million.

About Mateon

Mateon Therapeutics, Inc. is a biopharmaceutical company seeking to realize the full potential of vascular targeted therapy (VTT) in oncology. VTT includes vascular disrupting agents (VDAs) such as the investigational drugs that Mateon is developing, and anti-angiogenic agents (AAs), a number of which are FDA-approved and widely used in cancer treatment. These two approaches have distinct yet complementary mechanisms of action.

At Mateon, we believe that we can significantly improve cancer therapy by employing these two complementary approaches simultaneously. When utilized this way, VDAs obstruct existing blood vessels in the tumor leading to significant central tumor cell death while AAs prevent the formation of new tumor blood vessels.

Mateon is committed to leveraging our intellectual property and the product development expertise of our highly skilled management team to enable VTT to realize its true potential and to bring much-needed new therapies to cancer patients worldwide.

Safe Harbor Statement
Certain statements in this news release, including, but not limited to, those concerning the advancement of CA4P, the upcoming interim results of the FOCUS clinical study and the timing for these results and the potential significance of this data are considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. They can be affected by inaccurate assumptions Mateon might make or by known or unknown risks and uncertainties, including, but not limited to: the Company's need to raise additional funds in the near term to conduct and complete its clinical and pre-clinical trials; the uncertainties as to the future success of ongoing and planned clinical trials; and the unproven safety and efficacy of products under development or that may be developed in the future. Consequently, no

forward-looking statement can be guaranteed, and actual results may vary materially. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in Mateon's reports to the Securities and Exchange Commission, including Mateon's reports on Forms 10-Q, 8-K and 10-K. However, Mateon undertakes no obligation to publicly update forward-looking statements, whether because of new information, future events or otherwise.

Financial tables:

Balance Sheet Data (in thousands)

	June 30, 2017 (Unaudited)	December 31, 2016
Assets		
Cash and short-term investments	$ 5,004	$ 12,047
Prepaid clinical trial expenses	1,162	1,946
Other assets	363	121
Total assets	$ 6,529	$ 14,114
Liabilities and stockholders' equity		
Accounts payable and accrued liabilities	1,425	1,614
Total stockholders' equity	5,104	12,500
Total liabilities and stockholders' equity	$ 6,529	$ 14,114

Income Statement Data (in thousands, except per share amounts) (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Operating expenses:				
Research and development	$ 3,019	$ 2,374	$ 5,867	$ 4,354
General and administrative	877	1,296	1,999	2,668
Total operating expenses	3,896	3,670	7,866	7,022
Loss from operations	(3,896)	(3,670)	(7,866)	(7,022)
Interest income	12	29	26	57
Other expense, net	-	-	(2)	(1)
Net loss	$ (3,884)	$ (3,641)	$ (7,842)	$ (6,966)
Net loss per share	$ (0.15)	$ (0.14)	$ (0.30)	$ (0.26)
Common shares outstanding	26,545	26,545	26,545	26,545

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