Mateon Therapeutics Announces New Interim Preclinical Data on CA4P in Combination with Checkpoint Inhibitors

- ***CA4P in combination with anti-CTLA-4 antibodies resulted in 77% reduction in tumor size compared to anti-CTLA-4 antibodies alone and 89% reduction compared to control***
- ***Survival benefit observed for animals receiving combination therapy***

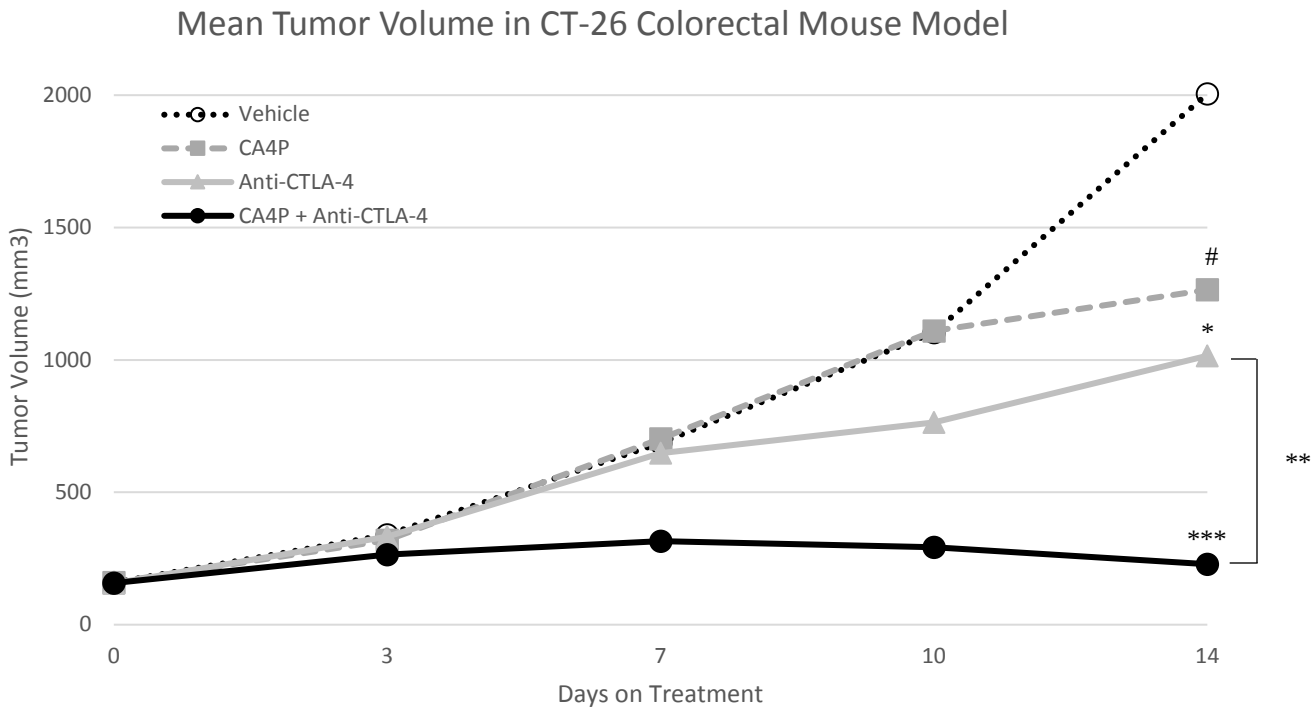
SOUTH SAN FRANCISCO, Calif. – June 28, 2017 – Mateon Therapeutics, Inc. (OTCQX:MATN), a biopharmaceutical company developing vascular disrupting agents (VDAs) for the treatment of orphan oncology indications, today announced that CA4P in combination with a checkpoint inhibitor significantly reduced tumor size in a CT-26 colon cancer animal model.

Mateon evaluated its lead investigational drug CA4P, which is also currently being studied in a phase 2/3 clinical trial in platinum-resistant ovarian cancer, in a syngeneic mouse model in combination with a checkpoint inhibitor. In order to assess the effects of CA4P on more advanced and difficult-to-treat tumors, tumors in this study were allowed to grow for 13 days prior to treatment. Consequently, beginning tumor sizes were approximately three times larger than those generally evaluated in preclinical studies. Results following two weeks of treatment are as follows:

Treatment	**Baseline Tumor Size**	**Day 14 Tumor Size**	**Day 14 Survival**	**Survival p-values**
Vehicle	159 mm^3	2005 mm^3	0 / 8	Not applicable
CA4P	159 mm^3	1265 mm^3	2 / 8	Not significant
Anti-CTLA-4	156 mm^3	1016 mm^3	4 / 8	0.048
CA4P + Anti-CTLA-4	157 mm^3	229 mm^3	8 / 8	0.001 *

* p=0.032, Anti-CTLA-4 vs. CA4P and anti-CTLA-4

“CA4P increases the effects of checkpoint inhibitors because it rapidly causes tumor cell death, which likely increases tumor antigen presentation and T-cell activation and the overall immunologic response,” said William D. Schwieterman, M.D., President and Chief Executive Officer. “These new results reinforce similar results observed in other studies and, importantly, the animals in the combination CA4P and anti-CTLA-4 antibody treatment group are continuing to show declines in tumor volume beyond Day 14. We look forward to additional data from this study and other on-going preclinical work over the next several months.”



* p=0.006, Vehicle vs. anti-CTLA-4; **p=0.02, anti-CTLA-4 vs CA4P and anti-CTLA-4; *** p <0.0001, Vehicle vs CA4P and anti-CTLA-4; # p=not significant, Vehicle vs CA4P; All analyses conducted independently.

This is the second study and tumor type to demonstrate robust complementary effects when Mateon's CA4P is provided in combination with a checkpoint inhibitor; results obtained approximately four months ago in a smaller tumor EMT-6 mammary model also showed strong synergy when anti-CTLA-4 antibodies were combined with CA4P.

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 pre-clinical data on the combination of CA4P with checkpoint inhibitors, the potential significance of this data and its relation to other clinical and pre-clinical studies 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 cash resources to conduct and complete its clinical and pre-clinical trials; the uncertainties as to the future success of ongoing and planned clinical trials; 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.

CONTACTS

Investors:
PCG Advisory Group
Stephanie Prince, Managing Director
sprince@pcgadvisory.com
646-762-4518

Media:
JPA Health Communications
Nic DiBella
nic@jpa.com
617-945-5183