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NEWS RELEASE

Endocyte announces achievement of second milestone in collaboration with Bristol-Myers Squibb

WEST LAFAYETTE, IN. – August 26, 2009 – Endocyte, Inc., a cancer drug discovery and development company, today announced it has received a milestone payment from Bristol-Myers Squibb Company (NYSE: BMY). This payment was triggered by the commencement of a Phase II clinical trial for an epothilone-folate anti-cancer agent identified through the collaboration between Endocyte and Bristol-Myers Squibb scientists.

“We are pleased to see the advancement of the epothilone-folate compound by our outstanding partner Bristol-Myers Squibb.” said Ron Ellis, president and CEO of Endocyte. “This further validates Endocyte’s targeting platform and its leadership position in this space.”

Bristol-Myers Squibb and Endocyte entered into an exclusive license agreement with respect to the compound in 2005. Bristol-Myers Squibb is responsible for all development, manufacturing, registration and marketing of the epothilone-folate chemotherapeutic agent.

About Endocyte

Endocyte is a privately-held biotechnology company with headquarters in the Purdue Research Park of West Lafayette, IN. Based on the applications of Endocyte’s advanced proprietary Drug Guidance System (DGS), the Company is working to develop new drugs and diagnostic agents to treat many types of cancer and other serious diseases. The DGS platform makes it possible to use highly-potent drugs on extended and frequent dosing schedules and in combination with other drugs to maximize efficacy. The technology improves drug targeting and reduces the risk of side effects by combining drugs with ligands that target and bind with high affinity to receptors found on tumor and other disease cells. Endocyte is currently conducting three separate Phase 2 clinical trials for its lead compound, EC145, together with EC20, a companion molecular imaging agent, for the treatment of ovarian cancer and non-small cell lung cancer. Other clinical-stage products in the Endocyte pipeline include: EC0225, a combination of two potent anticancer drugs; EC17, a targeted immunotherapy agent; and EC0489, a targeted cancer drug. The Company also has multiple product candidates in pre-clinical stage development.

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and involve significant risks and uncertainties that may cause results to differ materially from those set forth in the statements. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise

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