



<http://www.endocyte.com>

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NEWS RELEASE

Endocyte Signs Agreement with Bristol-Myers Squibb to Develop and Commercialize Folate-Targeted Chemotherapeutic Agents

WEST LAFAYETTE, Ind. – January 5, 2006 – Endocyte, Inc. announced it has licensed to Bristol-Myers Squibb Company (NYSE: BMY) Endocyte's vitamin-targeting technology to target Bristol-Myers Squibb's proprietary epothilone cancer chemotherapeutic agents. The license is a result of an ongoing collaborative research effort between the two companies to create novel folate conjugates of Bristol-Myers Squibb's proprietary epothilone compounds.

"Bristol-Myers Squibb has been a terrific partner to work with throughout this collaboration," said Christopher P. Leamon, Ph.D., Vice President of Research at Endocyte. "Our goal was to construct a tumor-targeted analog of a very potent drug, one that would preserve efficacy but also reduce the opportunity for negative side effects. We were successful because of the high level of commitment, teamwork and excellence provided by the scientists at both companies."

Under the terms of the license, Endocyte will receive a \$3 million license payment, milestone payments and royalties on the sales of any products that result from the license. Bristol-Myers Squibb is responsible for all development, manufacturing, registration and marketing of the resulting products.

"We are delighted to be working with Bristol-Myers Squibb, a recognized global leader in oncology drug development," said P. Ron Ellis, Endocyte's President and CEO. "This effort with Bristol-Myers Squibb furthers our strategy of working with pharmaceutical partners to improve the efficacy and clinical profile of their therapies."

The Endocyte-Bristol-Myers Squibb conjugates will be tumor-targeting drugs and are anticipated to spare healthy cells from the toxic effects of chemotherapy.

About Endocyte, Inc.

Endocyte Inc., located in West Lafayette, Ind., is developing a new generation of receptor-targeted therapeutics, or "smart drugs," which are expected to reduce side effects by targeting drugs to receptors present on diseased cells. Endocyte has tested two compounds in clinical trials: EC20, a targeted diagnostic agent that has completed Phase 1 studies, and EC17, a targeted immunotherapy that has also been evaluated in Phase 1 studies. A third targeted drug, EC145, will begin Phase 1 testing early this year. The company's initial development focus is on a receptor for the vitamin folic acid, which is often over-expressed on cancer cells.

Through its internal development efforts as well as collaborations with the pharmaceutical industry and universities, Endocyte is investigating the potential for its proprietary targeting technology to reduce toxicities and improve the specificities of a variety of anti cancer drugs. For further information, visit <http://www.endocyte.com>.

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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