



***BioAlliance Pharma receives €6.4 million in funding
for the development of its innovative cancer therapeutics***

Paris, March 16, 2009 – BioAlliance Pharma SA (Euronext Paris: BIO), the specialty pharmaceutical company focused on the treatment of opportunistic infections in cancer and AIDS, today announced the award of €6.4 million in funding from OSEO (the French state innovation agency). The company will devote the funds to the development of its novel therapeutic entities for the treatment of invasive cancers.

The funding has been awarded to the "Cancer Anti-invasive Program" (CAP) private-public consortium as part of OSEO's Strategic Industrial Innovation scheme. The consortium (led by BioAlliance Pharma) comprises two innovative SMEs (Oroxcell and Xentech), two mid-sized companies (Novasep and CIT) - all of which will make project investments - and two academic centers of excellence (the Ecole Normale Supérieure de Cachan and the Institut Gustave Roussy). The consortium's total budget over 5 years is €9.9 million, including a number of grants-in-aid and repayable advances.

The collaborative program will enable the development of two very innovative therapeutic products up to the commercialization phase: AMEP™ (a biotherapy indicated in invasive melanoma) and a first-in-class anticancer drug that targets invasive cancers and makes tumor cells revert to a normal phenotype.

In parallel, the consortium will develop innovative animal models of invasive cancers with Xentech, highly predictive genotoxicity tests with Oroxcell and immunotoxicology tools with CIT. Novasep will develop an R&D-phase pilot facility for generating highly potent active ingredients (HPAIs). In collaboration with BioAlliance Pharma, the academic centers of excellence will identify new markers for monitoring tumor invasion.

Dominique Costantini (BioAlliance Pharma's President and CEO) emphasized: *"This is a significant amount of public funding and constitutes a major boost for the clinical development of two of our high-added-value projects. All the consortium partners have committed to infrastructure investments and the program will provide highly innovative support for an industrial drug development pipeline"*.

About BioAlliance Pharma

As a preferred partner for hospital-based specialists, BioAlliance Pharma is a specialty biopharmaceutical company which develops and markets innovative products, especially in the fields of opportunistic infections and chemotherapy complications. In areas where medical needs are insufficiently met, our targeted approaches help overcome drug resistance and improve patient health & quality of life. BioAlliance Pharma's ambition is to become a leading European player in these fields by coupling innovation to patient needs.

For more information, visit the BioAlliance Pharma web site at <http://www.bioalliancepharma.com>.

About OSEO's Strategic Industrial Innovation program

OSEO's Strategic Industrial Innovation program (known by its French acronym, ISI) promotes the emergence of European champions. It supports innovative, ambitious, industry-oriented, collaborative projects which are led by mid-sized companies (less than 5000 employees) or SMEs (less than 250 employees) and progress state-of-the-art technologies. When successful, these projects have very promising outputs, since they seek to commercialize innovations based on technological breakthroughs which would not have been developed in the absence of public funding. Funds are allocated in the form of grants and loans ranging from €3 million to €10 million. Eighteen such projects received ISI funding in 2008.

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BioAlliance Pharma SA

Dominique Costantini, President and CEO

Tel.: +33 1 45 58 76 01

dominique.costantini@bioalliancepharma.com

Nicolas Fellmann, CFO

Tel.: +33 1 45 58 71 00

nicolas.fellmann@bioalliancepharma.com

ALIZE RP

Caroline Carmagnol

Tel.: +33 6 64 18 99 59

caroline@alizerp.com