Cyclacel completes previously announced registered direct offering

Berkeley Heights, NJ, July 30, 2009 – Cyclacel Pharmaceuticals, Inc. (NASDAQ: CYCC, NASDAQ: CYCCP; "Cyclacel" or the "Company") announced today that it completed its previously announced registered direct offering through the sale of shares of its common stock and warrants for gross proceeds of $3.4 million, before deducting placement agent fees and offering expenses, in a registered direct offering with select institutional investors led by Special Situations Fund. The offer included the sale and issuance of 4.0 million units, at a purchase price of $0.85 per unit, with each unit consisting of (i) one share of the Company's common stock, (ii) a five-year warrant to purchase 0.18 shares of common stock, at an exercise price of $1.00 per share, exercisable beginning six months after the date of issuance, and (iii) a seven-month warrant to purchase 0.625 shares of common stock, at an exercise price of $1.00 per share, exercisable beginning six months after the date of issuance. If fully exercised, the seven-month warrants would produce additional gross proceeds of $2.5 million. In the aggregate, the warrants represent the right to acquire 3,235,522 shares of common stock, with 2,500,000 representing the seven-month warrants and the remaining 735,522 representing the five-year warrants.

The units were offered and sold pursuant to a prospectus supplement dated July 24, 2009 and an accompanying prospectus dated February 12, 2007, pursuant to the Company's effective shelf registration statement previously filed with the Securities and Exchange Commission.

Lazard Capital Markets LLC served as the sole placement agent for the offering. Merriman Curhan Ford served as financial advisor.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. Any offer will be made only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement. Copies of the final prospectus supplement together with the accompanying prospectus can be obtained at the SEC's website at http://www.sec.gov or from Lazard Capital Markets LLC at 30 Rockefeller Plaza, 60th Floor, New York, NY, 10020.

About Cyclacel Pharmaceuticals, Inc.

Cyclacel is a diversified biopharmaceutical company dedicated to the discovery, development and commercialization of novel, mechanism-targeted drugs to treat human cancers and other serious disorders. Sapacitabine, a cell cycle modulating nucleoside analog, is in Phase 2 studies for the treatment of acute myeloid leukemia in the elderly, myelodysplastic syndromes and lung cancer and in Phase 1 in combination with seliciclib. Seliciclib, a CDK (cyclin dependent kinase) inhibitor, is in Phase 2 for the treatment of lung and nasopharyngeal cancer. CYC116, an Aurora kinase and VEGFR2 inhibitor, is in Phase 1 in patients with solid tumors. Cyclacel's ALIGN Pharmaceuticals subsidiary markets directly in the U.S. Xclair® Cream for radiation dermatitis, Numoisyn® Liquid and Numoisyn® Lozenges for xerostomia. Cyclacel's strategy is to build a diversified biopharmaceutical business focused in hematology and oncology based on a portfolio of commercial products and a development pipeline of novel drug candidates. Please visit www.cyclacel.com for additional information.

Risk factors

This news release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such forward-looking statements include statements regarding, among other things, the efficacy, safety, and intended utilization of Cyclacel's product candidates, the conduct and results of future clinical trials, plans regarding regulatory filings, future research and clinical trials and plans regarding partnering activities. Factors that may cause actual results to differ materially include the risk that product candidates that appeared promising in early research and clinical trials do not demonstrate safety and/or efficacy in larger-scale or later clinical trials, the risk that Cyclacel will not obtain approval to market its products, the risks associated with reliance on outside financing to meet capital requirements, and the risks associated with reliance on collaborative partners for further clinical trials, development and commercialization of product candidates. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "anticipates," "intends," "continues," "forecast," "designed," "goal," or the negative of those words or other comparable words to be uncertain and forward-looking. These factors and others are more fully discussed under "Risk Factors" in the Annual Report on Form 10-K for the year ended December 31, 2008, as supplemented by the interim quarterly reports, filed with the SEC.

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