

PRO-PHARMACEUTICALS REPORTS SECOND QUARTER 2006 RESULTS

Newton, Mass. (August 14, 2006) -- Pro-Pharmaceuticals, Inc. (Amex: PRW), a developer of novel nanotechnology carbohydrate therapeutic compounds, today reported its financial results for the three and six months ended June 30, 2006.

For the second quarter of 2006, the Company reported a net loss of \$1,184,000, or \$0.04 per share (\$0.08 fully diluted), compared with a net loss of \$1,698,000, or \$0.06 per share (basic & fully diluted), for the same period in 2005. The principal reason for the decrease in net loss was \$872,000 of non-cash net income related to fair value accounting and interest expense associated with the Company's convertible debenture financing.

For the first six months of 2006, the Company reported a net loss of \$8,493,000, or \$0.31 per share (basic & fully diluted), compared with a net loss of \$3,115,000, or \$0.11 per share (basic & fully diluted), for the same period in 2005. The principal reasons for the increase in net loss were \$4,740,000 of non-cash charges related to fair value accounting and interest expense associated with the Company's convertible debenture financing.

At June 30, 2006, the Company had cash, cash equivalents and a certificate of deposit of \$9,719,000.

"We continue to make progress in the clinic with DAVANAT[®], our lead product candidate," said David Platt, Ph.D., Chief Executive Officer, Pro-Pharmaceuticals. "DAVANAT[®] is a complex carbohydrate drug that when given in combination with chemotherapeutic agents demonstrates reduced toxicity and increased efficacy. The promising results from our Phase I and current Phase II trials have led us to initiate a Phase II colorectal cancer trial to evaluate DAVANAT[®] with AVASTIN[®], 5-Fluorouracil (5-FU) and leucovorin to improve clinical benefit for patients who cannot tolerate intensive chemotherapy, and a Phase III colorectal cancer trial in Europe where we plan to add DAVANAT[®] to 5-FU, leucovorin and either irinotecan or oxaliplatin. We also initiated a Phase II Cholangiocarcinoma trial to evaluate DAVANAT[®] with 5-FU.

"We are excited about early results from our anti-fibrotic research collaboration with Mount Sinai School of Medicine to screen the Company's novel, carbohydrate compounds. Mount Sinai has one of the world's largest, most productive and well-respected liver programs. Our focus is to get our lead product candidate, DAVANAT[®], to commercialization. We believe our expertise in carbohydrates offers opportunities to provide advanced treatment of cancer, liver, cardiovascular, inflammatory and infectious diseases," said Dr. Platt.

Research and development expense for the second quarter 2006 increased 20% to \$998,000, compared with \$831,000 for the same period in 2005. The increase in R&D expense is due principally to initiating the Phase II Cholangiocarcinoma and Phase III colorectal cancer trials. Research and development expense for the six months ended June 30, 2006 was \$1,452,000 compared with \$1,432,000 for the same period in 2005.

General and administrative expense for the second quarter 2006 increased 23% to \$1,101,000 compared with \$897,000 for the same period in 2005. The increase in G&A expense is due principally to the implementation of SFAS 123R under which we now expense the fair value of

employee stock options. General and administrative expense for the six months ended June 30, 2006 increased 36% to \$2,371,000 compared with \$1,749,000 for the same period in 2005. The increase consists primarily of legal expense, the result of expensing stock options under the fair value method, and expenses associated with our convertible debenture financing.

Review of Operational Highlights:

• Phase II, line three/four Colorectal Cancer Trial

The Phase II trial of DAVANAT[®] with 5-FU in line three/four patients that are refractory to 5-FU, had two stages. Stage 1 had 15 patients. Stage 2 had 5 patients for a total of 20 patients in the trial. Preliminary data shows 35% of the patients had a favorable response. In Stage 1, data shows 6% of patients with an objective partial response, 33% with stable disease, 46% with progressive disease and 12% who did not complete the trial. For Stage I patients, progression-free survival was estimated at 7.5 to 15 weeks. The Stage 2 patient with stable disease continues to be dosed for 24 weeks. The results of this study compare well and exceed results from similar recent studies in the same patient populations.

We decided to discontinue enrollment in the trial, for two reasons: the current standard-of-care for colorectal cancer changed and is now combination chemotherapy, and the Company received clearance from the European Medicines Agency (EMA) to initiate a Phase III, line 2 colorectal cancer randomized trial with DAVANAT[®] in combination with 5-FU, and either irinotecan or oxaliplatin.

• Phase III, line two Colorectal Cancer Trial

The Company initiated a Europe-based Phase III clinical trial for second line treatment of patients with metastatic colorectal cancer. The trial will be conducted at clinical sites in the European Union (EU). This study is a multi-center, randomized clinical trial to evaluate the safety and efficacy of DAVANAT[®] in combination with 5-FU in standard-of-care regimens with either irinotecan or oxaliplatin. We are finalizing processes with multiple clinical trial sites in France and Germany and expect to begin enrolling patients soon.

• Phase II, line one Colorectal Cancer Trial

We filed a clinical protocol with the U.S. Food & Drug Administration (FDA) for an open-label, up to 50 patients, multi-center Phase II study of DAVANAT[®] with Avastin[®], 5-FU and leucovorin as a first line treatment for locally advanced and unresectable or metastatic colorectal cancer in patients unable to tolerate intensive chemotherapy. We expect to begin enrolling patients soon.

• Phase II, line one Cholangiocarcinoma (Biliary Cancer) Trial

The Company is currently recruiting sites for a Phase II study of DAVANAT[®] with 5-FU for first line treatment of patients with Cholangiocarcinoma (biliary cancer). A Cholangiocarcinoma patient from our Phase I trial was dosed for more than 13 months. Biliary cancer may represent an opportunity for orphan drug status approval. We expect to begin enrolling patients soon.

• Annual Stockholders Meeting

At the Company's Annual Stockholders Meeting held on May 25th, stockholders approved the issuance of shares necessary to satisfy the Company's obligations under the Convertible Debentures and Warrants Agreements issued last February. Stockholders also elected, for one year terms, the eight persons nominated by management to serve on our Board of Directors. Stockholders also ratified the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

• **Pro-Pharmaceuticals Executives Contribute to new book “Carbohydrate Drug Design”**

Three of the Company’s executives and a member of its Scientific Advisory Board edited and authored six chapters of a new book “*Carbohydrate Drug Design*”. Contributing to the book was David Platt, Ph.D., Anatole Klyosov, Ph.D., D.Sc., Chief Scientist, Eliezer Zomer, Executive Vice President of Manufacturing & Product Development, and Zbigniew J. Witczak, a member of the Company’s Scientific Advisory Board and Associate Professor at the Nesbitt School of Pharmacy, Wilkes University. The book is currently on the “best seller” list of the American Chemical Society.

About DAVANAT®

DAVANAT®, the Company’s lead product candidate, is a proprietary nanotechnology polysaccharide polymer comprised of mannose and galactose carbohydrates in a CARBOSOME™ formation that enables the targeted delivery of chemotherapy drugs to protein receptors (lectins) on cancer cells.

Pro-Pharmaceuticals, Inc. – Advancing Drugs Through Glycoscience®

Pro-Pharmaceuticals is a development stage company engaged in the discovery, development and commercialization of nanotechnology carbohydrate-based therapeutic compounds for advanced treatment of cancer, liver, microbial, cardiovascular, inflammatory and infectious diseases. Initially, the product pipeline is principally focused on increasing the efficacy and decreasing the toxicity of approved chemotherapy drugs. The Company has been conducting clinical and pre-clinical studies with its lead nanotechnology product candidate, DAVANAT®, in combination with 5-FU, leucovorin, irinotecan, doxorubicin, oxaliplatin, paclitaxel, cisplatin and bevacizumab (AVASTIN®). Results show that DAVANAT® exhibits a broad spectrum of activity with tested drugs. Founded in 2000, the Company is headquartered in Newton, Mass. Additional information is available at www.pro-pharmaceuticals.com.

Forward Looking Statements: Any statements in this news release about future expectations, plans and prospects for the Company, including without limitation statements containing the words "believes," "anticipates," "plans," "expects," and similar expressions, constitute forward-looking statements as defined in the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management’s current expectations and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in such statements. We caution investors that actual results or business conditions may differ materially from those projected or suggested in forward-looking statements as a result of various factors including, but not limited to, the following: uncertainties as to the utility and market for our potential products; uncertainties associated with pre-clinical and clinical trials of our product candidates; our limited experience in product development and expected dependence on potential licensees and collaborators for commercial manufacturing, sales, distribution and marketing of our potential products; possible development of competing products and technologies; lack of assurance regarding patent and other protection of our proprietary technology; compliance with and change of government regulation of our activities, facilities and personnel; uncertainties as to the extent of reimbursement for our potential products by government and private health insurers; our dependence on key personnel; our history of operating losses and accumulated deficit; and economic conditions related to the biotechnology and biopharmaceutical industry. We cannot assure you that we have identified all the factors that create uncertainties. Readers should not place undue reliance on forward-looking statements.

More information about those risks and uncertainties is contained and discussed in the "Management Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of the Company’s most recent quarterly or annual report and in the

Company's other reports filed with the Securities and Exchange Commission. The forward-looking statements represent the Company's views as of the date of this news release and should not be relied upon to represent the Company's views as of a subsequent date. While the Company anticipates that subsequent events may cause the Company's views to change, the Company disclaims any obligation to update such forward-looking statements.

Contact: Pro-Pharmaceuticals, Inc., Anthony D. Squeglia: 617.559.0033; squeglia@pro-pharmaceuticals.com.

DAVANAT and Advancing Drugs Through Glycoscience are registered trademarks of Pro-Pharmaceuticals. CARBOSOME is a trademark of Pro-Pharmaceuticals. AVASTIN is a trademark of Genentech, Inc.