



Manhattan Pharmaceuticals Completes \$8.6 Million Private Placement

NEW YORK, NY APR 2, 2007 - Manhattan Pharmaceuticals, Inc. (AMEX: MHA) today announced it completed a private placement of common stock and warrants with certain institutional and other accredited investors. The company expects to use the net proceeds for general corporate purposes.

The company sold approximately 10.2 million shares of its common stock for a purchase price of \$0.84 per share, including the sale of approximately 56,000 shares to an affiliate of the company at a purchase price of \$0.90 per share (the closing price of the company's common stock on March 29, 2007). In addition, the company issued to the investors 5-year warrants to purchase an aggregate of approximately 3.6 million shares at an exercise price of \$1.00. The aggregate gross proceeds of the offering are approximately \$8.6 million and aggregate net proceeds are expected to be approximately \$7.9 million. Paramount BioCapital, Inc. served as placement agent for the transaction.

The securities offered and sold in the private placement have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. As part of the terms of the private placement, the company is obligated to file a registration statement to register for resale under the Securities Act the shares of common stock issued or issuable in connection with the private placement. This announcement does not constitute an offer to sell, nor is it a solicitation of an offer to buy, these securities.

About Manhattan Pharmaceuticals, Inc.

Manhattan Pharmaceuticals, Inc., a development-stage pharmaceutical company, acquires and develops proprietary prescription drugs for large, underserved patient populations. In view of the worldwide obesity epidemic, the company is developing OE, an orally administered novel therapeutic for the treatment of both common obesity and morbid obesity. To meet the needs of other major, underserved medical markets Manhattan Pharmaceuticals is also developing topical PTH (1-34), a peptide believed to be a regulator of epidermal cell growth, for the treatment of psoriasis, and Propofol Lingual Spray, a convenient, proprietary lingual spray formulation of propofol, the world's best-selling general anesthetic, as a sedative-hypnotic for use during diagnostic and therapeutic procedures. (<http://www.manhattanpharma.com>)