

**CELL THERAPEUTICS, INC. (CTIC) - REVERSE SPLIT**

Ex - Distribution Date: 05/16/2011

DESCRIPTION:

Cell Therapeutics, Inc. (CTIC) has announced a **1-for-6 reverse stock split**. As a result of the reverse stock split, each Cell Therapeutics Inc. Common Share holder will receive the right to receive 1 (New) Cell Therapeutics, Inc. Common Share for every 6 Common Shares held prior to the split, plus any fractional share entitlements as determined by the company. **The reverse stock split becomes effective on Monday, May 16, 2011.**

Following the split, Cell Therapeutics, Inc Common Shares will be temporarily listed on the NASDAQ exchange under "CTICD" to indicate the reverse share split, and will revert back to "CTIC" on or after June 13, 2011.

Contract Adjustments:

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), the below Cell Therapeutics, Inc. options will be adjusted as follows.

Adjustment Date: Monday, May 16, 2011

Option Symbol: CTIC becomes CTIC1

Underlying Security: CTIC becomes CTIC1

CUSIP: 150934503

Contract Multiplier: 1

Strike Prices: 1

New Multiplier: 100 (e.g. Premium of 1.00 = \$100)

New Deliverable: **16 (New) Cell Therapeutics, Inc. (CTIC) Common Share + fractional entitlements if applicable**

GTC Order Cancellation:

On Friday, May 13, 2011, immediately after the BOX close, all resting orders for CTIC in the order book will be canceled by the BOX Market Operations Center. If a BOX Participant wishes to enter orders for the adjusted CTIC1 series, the BOX Participant will need to reenter the orders before the open on Monday, May 16, 2011.

Pricing Considerations: The underlying price for CTIC1 will be determined as follows:
 $CTIC1 = .1667 (CTIC)$

Additional Exchange Info:

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
CTIC	C/P	1.00	05/21/2011	CTIC1	C/P	1.00	05/21/2011
CTIC	C/P	1.50	05/21/2011	CTIC1	C/P	1.50	05/21/2011
CTIC	C/P	2.00	05/21/2011	CTIC1	C/P	2.00	05/21/2011
CTIC	C/P	1.00	06/18/2011	CTIC1	C/P	1.00	06/18/2011
CTIC	C/P	1.50	06/18/2011	CTIC1	C/P	1.50	06/18/2011
CTIC	C/P	2.00	06/18/2011	CTIC1	C/P	2.00	06/18/2011
CTIC	C/P	1.00	09/17/2011	CTIC1	C/P	1.00	09/17/2011
CTIC	C/P	1.50	09/17/2011	CTIC1	C/P	1.50	09/17/2011
CTIC	C/P	2.00	09/17/2011	CTIC1	C/P	2.00	09/17/2011

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
CTIC	C/P	3.00	09/17/2011	CTIC1	C/P	3.00	09/17/2011
CTIC	C/P	4.00	09/17/2011	CTIC1	C/P	4.00	09/17/2011
CTIC	C/P	1.00	12/17/2011	CTIC1	C/P	1.00	12/17/2011
CTIC	C/P	1.50	12/17/2011	CTIC1	C/P	1.50	12/17/2011
CTIC	C/P	2.00	12/17/2011	CTIC1	C/P	2.00	12/17/2011
CTIC	C/P	1.00	01/21/2012	CTIC1	C/P	1.00	01/21/2012
CTIC	C/P	2.50	01/21/2012	CTIC1	C/P	2.50	01/21/2012
CTIC	C/P	5.00	01/21/2012	CTIC1	C/P	5.00	01/21/2012
CTIC	C/P	7.50	01/21/2012	CTIC1	C/P	7.50	01/21/2012

Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.