



COMPANY CONTACT:

Vion Pharmaceuticals, Inc.

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Vion Pharmaceuticals Receives Nasdaq Notice

NEW HAVEN, CT, March 26, 2008 – VION PHARMACEUTICALS, INC. (NASDAQ CAPITAL MARKET: VION) today announced that it received a letter, dated March 24, 2008, from The Nasdaq Stock Market, Inc., notifying the Company that it does not comply with Marketplace Rule 4310(c)(3) which requires the Company to have a minimum of \$2,500,000 in stockholders' equity, or \$35,000,000 market value of listed securities, or \$500,000 of net income from continuing operations for the most recently completed fiscal year or two of the three most recently completed fiscal years.

As a result, Nasdaq Staff is reviewing the Company's eligibility for continued listing on The Nasdaq Capital Market. To facilitate this review, the Company has been asked to provide a specific plan to achieve and sustain compliance with all The Nasdaq Capital Market listing requirements by April 15, 2008, including the time frame for completion of the plan.

The Company is preparing its plan for submission to Nasdaq by the specified date. If, after the conclusion of Staff's review, it is determined that the Company's plan does not adequately address the issues noted, Nasdaq will provide written notification that the Company's securities will be delisted. At that time, the Company may appeal the Staff's decision to a Nasdaq Listing Qualifications Panel.

Vion Pharmaceuticals, Inc. is committed to extending the lives and improving the quality of life of cancer patients worldwide by developing and commercializing innovative cancer therapeutics. Vion has two agents in clinical trials. Cloretazine[®] (VNP40101M), a unique alkylating agent, is being evaluated in a Phase II pivotal trial as a single agent in elderly patients with previously untreated *de novo* poor-risk acute myelogenous leukemia. Clinical trials of Cloretazine[®] (VNP40101M) with temozolomide in brain tumors, and with stem cell transplantation in advanced hematologic malignancies, are also being conducted. Triapine[®], a potent inhibitor of a key step in DNA synthesis, is being evaluated in clinical trials sponsored by the National Cancer Institute. For additional information on Vion and its product development programs, visit the Company's Internet web site at www.vionpharm.com.

This news release contains forward-looking statements. Such statements are subject to certain risk factors which may cause Vion's plans to differ or results to vary from those expected, including Vion's potential inability to obtain regulatory approval for its products, particularly Cloretazine[®] (VNP40101M), delayed or unfavorable results of drug trials, the possibility that favorable results of earlier preclinical studies or clinical trials are not predictive of safety and

efficacy results in later clinical trials, the need for additional research and testing, the potential inability to secure external sources of funding to continue operations, the inability to access capital and funding on favorable terms, continued operating losses and the inability to continue operations as a result, and a variety of other risks set forth from time to time in Vion's filings with the Securities and Exchange Commission, including but not limited to the risks attendant to the forward-looking statements included under Item 1A, "Risk Factors" in Vion's Form 10-K for the year ended December 31, 2007. In particular, there can be no assurance as to the results of any of the Vion's clinical trials, that any of these trials will continue to full accrual, or that any of these trials will not be discontinued, modified, delayed or ceased altogether. Except in special circumstances in which a duty to update arises under law when prior disclosure becomes materially misleading in light of subsequent events, Vion does not intend to update any of these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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