



Code of Ethics for Senior Executive and Financial Officers

June 20, 2003

Purpose

The purpose of this Code of Ethics is to promote the honest and ethical conduct of the Senior Officers (as defined below) of Cell Therapeutics, Inc. ("CTI"), including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure in periodic reports filed by CTI and compliance with all applicable rules and regulations applicable to CTI and its officers.

Applicability

This Code of Ethics is applicable to CTI's chief executive officer, chief financial officer, chief operating officer, comptroller, director of finance and accounting, and principal accounting officer (or persons performing similar functions), together, "Senior Officers."

While we expect honest and ethical conduct in all aspects of our business from all of our employees, we expect the highest possible honest and ethical conduct from our Senior Officers. As a Senior Officer, you are an example for other employees and we expect you, through your leadership role, to foster a culture of transparency, integrity and honesty. Your responsibilities include maintaining a culture of high ethical standards and commitment to compliance and a work environment that encourages employees to raise concerns, and promptly addressing employee compliance concerns.

CTI's Code of Business Conduct and Ethics, which this Code of Ethics for Senior Executive and Financial Officers supplements, sets forth the fundamental principles and key policies and procedures that govern the conduct of all CTI employees. You are bound by the requirements and standards set forth in the CTI Corporation Code of Business Conduct and Ethics, as well as those set forth in this Code of Ethics and other applicable policies and procedures. Compliance with this Code of Ethics is a condition of your employment and any violations of this Code may result in disciplinary action, up to and including termination of your employment.

Waivers of this Code of Ethics may be made only by the board of directors of CTI or a committee of the board of directors, and will be disclosed in accordance with applicable law.

Compliance with Laws, Rules and Regulations

You are expected to comply with both the letter and spirit of all applicable laws, rules and regulations governing the conduct of our business and to report any suspected violations of all applicable laws, rules and regulations to the Chair of the Audit Committee. No one will be subject to retaliation because of a good faith report of a suspected violation of this Code of Ethics.

Fraud, Theft, Bribery and Similar Conduct

Any act that involves theft, fraud, embezzlement, or misappropriation of any property, including that of CTI or any of its employees, suppliers or customers, is prohibited. Offering or accepting kickbacks or bribes are forbidden.

Auditors

Fraudulently influencing, misleading, coercing or manipulating the auditor of CTI's financial statements for the purpose of rendering those financial statements materially misleading is prohibited.

Revenue Recognition

Senior Officers must ensure that all revenue transactions are completed, to the best of the Senior Officer's knowledge, in accordance with CTI's revenue recognition policies.

All commitments or representations made to customers or distributors or potential customers or distributors must be included in the final contract with the customer or distributor or related documentation submitted with customer or distributor orders. Employees must not make any commitments to the customer or distributor, verbally or in writing, which have not been documented in the agreement or submitted to the CTI finance and/or contract departments. CTI prohibits side-letters or kickbacks with customers or distributors or potential customers or distributors.

Accurate Periodic Reporting and Disclosure

As a public company, CTI is required to file periodic and other reports with the Securities and Exchange Commission ("SEC"). CTI's policy is to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that CTI files with, or submits to, the SEC and in all other public communications made by CTI. As a Senior Officer, you are required to promote compliance with this policy and to abide by all CTI standards, policies and procedures designed to promote compliance with this policy.

Accurate Record Keeping

Every Senior Officer must maintain accurate and complete records, including providing accurate and complete information to the accounting and the finance departments. No false, misleading or artificial entries may be made on, or be provided for entry on, CTI's books and records. No funds or assets may be maintained by CTI for any illegal or improper purposes. All transactions must be fully and completely documented and recorded in CTI's accounting records. It is against CTI policy to make entries that intentionally conceal or disguise the true nature of any transaction

Conflicts of Interest

It is CTI's policy that you should avoid transactions, commitments, and other activities which are not in CTI's best interest or which could involve an actual conflict, or the appearance of a conflict, between your interests and those of CTI.

It is not possible to define all situations that could involve a conflict of interest; in most instances, however, sound business judgment should be sufficient to evaluate a situation.

A conflict of interest exists when your loyalties are divided between CTI's interests and your own interests, those of your family, or those of a customer, supplier or competitor. You are expected to avoid both the fact and appearance of conflicts of interest.

The prohibition against acting in a dual capacity in transacting CTI business, and from acquiring interests adverse to CTI, is applicable irrespective of your intentions and without regard to whether the action caused, or has the potential to cause, injury to CTI.

The following is presented as a guide in determining circumstances that might create conflicts of interest; they are not intended, however, to cover all possible situations.

- Representing CTI in any transaction if your personal interests might affect your ability to represent CTI's interests fairly and impartially. You must not knowingly or voluntarily permit yourself to be placed in a position where your interests may become adverse to CTI's interests. You must not allow personal relationships with current or prospective customers or suppliers to influence business decisions.
- Investment by you or a member of your immediate family in a customer, supplier, or competitor (or any company/partnership affiliated with a customer, supplier, or competitor) of CTI is prohibited if you have or would have the opportunity to influence business transactions between CTI and the customer, supplier, or competitor. Passive investments in publicly traded companies shall not be a violation if you or a member of your immediate family owns less than 1% of such company's outstanding stock.
- You must not take for yourself nor direct to others any existing business nor any opportunities for prospective business which could be considered by CTI;
- You must not speculate or deal in materials, supplies, equipment or products which CTI buys or sells, or in property rights in which CTI may be interested;
- Solicitation or acceptance by you or a member of your immediate family of any personal loan or guarantee from a customer, supplier or competitor.

Before acting in a manner that creates or appears to create a conflict of interest, you must make full disclosure to and obtain written approval of the Chair of the Audit Committee.

Compliance with the Code

If you have questions about this Code of Ethics for Senior Executive and Financial Officers, you should seek guidance from CTI's legal counsel. If you know of or suspect a violation of applicable laws or regulations or this Code of Ethics for Senior Executive and Financial Officers, you must immediately report that information to the Chair of the Audit Committee. *No one will be subject to retaliation because of a good faith report of a suspected violation.*

No Rights Created

This Code of Ethics is a statement of certain fundamental principles, policies and procedures that govern CTI's Senior Officers in the conduct of CTI's business. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.

ACKNOWLEDGMENT FORM

I have received and read the Code of Ethics for Senior Executive and Financial Officers, and I understand its contents. I agree to comply fully with the standards contained in the Code of Ethics and CTI's related policies and procedures. I understand that I have an obligation to report to the Chair of the Audit Committee any suspected violation of the Code of Ethics for Senior Executive and Financial Officers.

Printed Name

Signature

Date