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Avid Bioservices Signs Commercial Manufacturing Contract With Halozyme Therapeutics

Commercial Manufacturing of Product to Commence in March 2005

TUSTIN, Calif., Feb. 17 /PRNewswire-FirstCall/ -- Avid Bioservices, Inc., a wholly owned subsidiary of Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM), announced today that it has signed a commercial manufacturing supply agreement with Halozyme Therapeutics, Inc. (Amex: HTI). The company anticipates that it will begin manufacturing commercial products under current good manufacturing practice (cGMP) in early March of 2005. Under the terms of the contract, Avid could manufacture up to seven runs per year over the next two years.

"We are pleased to contract with Avid for the commercial manufacturing of our recombinant human enzyme, which will be used in Cumulase™ and Enhanze SC™, our first two product candidates," said Dr. Jonathan Lim, Halozyme's Chairman and CEC. "With Avid's solid capabilities in cGMP manufacturing, we are well positioned to launch Cumulase in Europe and rapidly advance our products to the U.S. market pending FDA clearance."

"This commercial manufacturing agreement is the result of the strong working partnership between Avid Bioservices and Halozyme and represents a key milestone toward building the long-term success of Avid," said Dr. Jay Treat, Avid's COO. "Since Avid's formation in January of 2002, our goal has been to become a premier service partner by integrating our efforts with our clients as if we were their own process sciences and manufacturing departments."

About Halozyme Therapeutics, Inc.

Halozyme Therapeutics, Inc. is a development stage biopharmaceutical company dedicated to developing and commercializing recombinant human enzymes for the infertility (Cumulase)™, ophthalmology (Enhanze SC)™, and oncology (Chemophas) communities. The company's portfolio of products in development is based on intellectual property covering the family of human enzymes known as hyaluronidases. The first recombinant human hyaluronidase (rHuPH20) is being developed by Halozyme as a medical device (Cumulase)™, drug enhancement agent (Enhanze SC)™, and therapeutic biologic (Chemophase)™.

About Avid Bioservices, Inc.

Avid Bioservices provides a comprehensive range of cGMP manufacturing services for the biotechnology and biopharmaceutical industries. Avid has manufactured cGMP clinical supplies for Phase I through Phase III clinical trials. The company's comprehensive range of cGMP services includes cell banking, stability testing, clinical product manufacturing and purification, bulk packaging, final product filling and regulatory support. The company also provides a variety of process development activities, including cell line optimization, analytical method development and product characterization. Avid has ten years of antibody manufacturing experience producing monoclonal antibodies and recombinant proteins in batch, fed-batch and perfusion modes. For more information about Avid, please visit <http://www.avidbio.com>. Information on Peregrine Pharmaceuticals, Inc. may be found at <http://www.peregrineinc.com>.

Safe Harbor Statement: This release may contain certain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Except for historical information presented herein, matters discussed in this release contain certain forward-looking statements. The inclusion of forward-looking statements should not be regarded as a representation by us, or any other person, that the objectives or plans will be achieved. The words "may," "should," "plans," "believe," "anticipate," "estimate," "expect," their opposites and similar expressions are intended to identify forward-looking statements. We caution readers that such statements are not guarantees of future performance or events and are subject to a number of factors that may tend to influence the accuracy of the statements, including but not limited to, risk factors discussed in Peregrine's report on Form 10-K for the year ended April 30, 2004 and subsequent quarterly reports on Form 10-Q. Peregrine disclaims any obligation and does not undertake to update or revise the forward-looking statements discussed in this press release.

Investor Inquiries
Hawk Associates, Inc.
Frank Hawkins and Ken AuYeung
800-987-8256

info@hawkassociates.com

Media Inquiries

Rachel Martin

Edelman

323-202-1031 or 323-893-9047(cell)

rachel.martin@edelman.com

Web site: <http://www.peregrineinc.com>

<http://www.avidbio.com>