



December 5, 2007

Avid Bioservices to Manufacture Lead Cancer Stem Cell Antibody for ARIUS

-- Signs cGMP Manufacturing Agreement to Produce Clinical Supplies for ARIUS' Lead Antibody Targeting CD44 --

TUSTIN, Calif., Dec. 5 /PRNewswire-FirstCall/ -- Avid Bioservices, Inc. today announced it has signed a manufacturing supply and technology transfer agreement with ARIUS Research, Inc. (TSX: ARI). The agreement covers ARIUS' lead cancer stem cell antibody, which targets a novel epitope of CD44 found in breast, colon and prostate cancers. Avid will begin manufacturing drug supply under current good manufacturing practice (cGMP) regulations for human clinical trials that ARIUS plans to initiate in 2008.

"This new agreement reflects our extensive experience and broad capabilities in manufacturing monoclonal antibodies, as well as the good working relationship we have already developed with the ARIUS team," said F. David King, vice president of business development of Avid. "It further demonstrates Avid's ability to serve as a premier service partner to innovative life sciences companies by seamlessly integrating our development and production skills with our clients' needs."

"Avid's proven expertise in the scale-up and manufacture of clinical and commercial grade antibodies should further support the significant progress we are achieving with our CD44 Cancer Stem Cell program," said Dr. David Young, chairman, president and CEO of ARIUS. "Avid will provide us with a supply of our CD44 targeting drug to initiate human clinical trials in 2008, subject to the clearance of our IND by the FDA."

ARIUS is advancing the formal preclinical toxicology program for its lead CD44 Cancer Stem Cell program, an anti-cancer antibody targeting a novel epitope of CD44 found in breast, colon and prostate cancers. Preclinical data from a dose-ranging pilot toxicology study in non-human primate models demonstrated no dose-limiting toxic effects at doses up to 95 mg/kg and significant tumor growth inhibitory activity in in-vivo animal models of breast, prostate, liver and AML cancers. The CD44 Cancer Stem Cell program was generated using ARIUS' proprietary FunctionFIRST™ technology, which selects antibodies based on their ability to kill cancer cells.

Avid Bioservices is a wholly owned subsidiary of Peregrine Pharmaceuticals Inc. (Nasdaq: PPHM)

About Avid Bioservices, Inc.

Avid Bioservices provides a comprehensive range of cGMP manufacturing services for the biotechnology and biopharmaceutical industries. Avid manufactures cGMP commercial product, as well as clinical supplies for all phases of 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. Avid also provides a variety of process development activities, including cell line optimization, analytical method development and product characterization. Avid has over 10 years of antibody manufacturing experience producing monoclonal antibodies and recombinant proteins in batch, fed-batch and perfusion modes. For more information about Avid, visit <http://www.avidbio.com>.

About ARIUS Research, Inc.

ARIUS is a biotechnology company discovering and developing the next wave of antibody therapeutics. Established in 1999, ARIUS has built a proprietary technology platform, FunctionFIRST™ that rapidly identifies and selects antibodies based on their functional ability to affect disease. This antibody generation engine has enabled ARIUS to assemble a portfolio of more than 400 antibody candidates. In addition to the antibodies it is developing in-house, ARIUS has ongoing partnerships with key biotechnology and drug development companies. ARIUS is listed on the TSX under the symbol "ARI". For further information, visit <http://www.ariusresearch.com>.

About Peregrine Pharmaceuticals

Peregrine Pharmaceuticals, Inc. is a biopharmaceutical company with a portfolio of innovative product candidates in clinical trials for the treatment of cancer and hepatitis C virus (HCV) infection. The company is pursuing three separate clinical programs in cancer and HCV infection with its lead product candidates bavituximab and Cotara®. Peregrine also has in-house manufacturing capabilities through its wholly owned subsidiary Avid Bioservices, Inc., which provides development and bio-manufacturing services for both Peregrine and outside customers. Additional information about Peregrine can be found at <http://www.peregrineinc.com>.

Safe Harbor Statement: Statements in this press release which are not purely historical, including statements regarding Peregrine Pharmaceuticals' intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that Avid is unable to procure sufficient materials to process all runs requested by ARIUS or that ARIUS terminates the agreement prior to its expiration because Avid is unable to fulfill its drug delivery obligations. Our business could be affected by a number of other factors, including the risk factors listed from time to time in the Company's SEC reports including, but not limited to, the annual report on Form 10-K for the year ended April 30, 2007 and the quarterly report on Form 10-Q for the quarter ended July 31, 2007. The company cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Peregrine Pharmaceuticals, Inc. disclaims any obligation, and does not undertake to update or revise any forward-looking statements in this press release.

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