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Clinical Trial Results Show that Peregrine's First-In-Class Anti-Viral Agent Tarvacin(TM) is Safe and Well-Tolerated in HCV Patients

- First Human Data Demonstrating the Safety of Tarvacin™ Will Be Presented Today at the 2nd Annual 'Viral Hepatitis in Drug Discovery and Development' Conference -

BOSTON and TUSTIN, Calif., Feb. 27 /PRNewswire-FirstCall/ -- Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM), a biopharmaceutical company with a portfolio of innovative, clinical stage product candidates for viral diseases and cancer, today announced that it will present top line data demonstrating that its first-in-class anti-viral compound Tarvacin™ Anti-Viral appeared safe and well-tolerated in a Phase I study in chronic hepatitis C virus (HCV) infected patients. Initial results from the Phase I study will be presented at 1:50 pm EST today at the Strategic Research Institute's 2nd Annual "Viral Hepatitis in Drug Discovery and Development" conference in Boston.

Tarvacin Anti-Viral is the first in a new class of anti-phosphotidylserine (PS) immunotherapeutics that targets and binds to cellular components that are normally not present on the outside of cells, but which become exposed on certain virally infected cells and on the surface of enveloped viruses. Tarvacin helps stimulate the body's immune defenses to destroy both the virus particles and the infected cells.

The primary goals of the Phase I study were to determine the safety profile and distribution properties of Tarvacin in patients with chronic hepatitis C viral infections. The data will support initiation of repeat dose and combination therapy trials that the company expects to begin later this year. In the ascending, single dose trial, 24 patients with chronic HCV who had either failed or who no longer responded to standard-of-care treatment were administered Tarvacin Anti-Viral. The drug was well tolerated, with no serious adverse events reported at any of the four dose levels tested, and no potential dose limiting toxicities were observed. Reported adverse events were mild, infrequent, transient and likely not drug-related.

"Demonstrating the safety of the new approach is a critical step in developing a first-in-class therapeutic, so this Phase I data indicating that Tarvacin appears to be safe and well-tolerated is a key milestone for the program," said Steven W. King, president and CEO of Peregrine. "Completing this study ahead of schedule with the safety profile observed should help us to expedite advancing the Tarvacin Anti-Viral HCV clinical program into repeat dose and combination therapy studies this year."

Tarvacin Anti-Viral has shown promise in preclinical studies in a variety of anti-viral and biodefense applications. Anti-PS agents attach to phospholipids found on the surface of virus particles, including HCV, influenza and other virus strains, as well as on the outer surface of human host cells infected with these viruses. Anti-PS immunotherapeutics are believed to work by helping stimulate the body's natural immune defenses to destroy both virus particles and infected cells. The targeted phospholipids are not exposed on healthy cells, which are therefore not affected by anti-PS agents. Since the targeted phospholipids are derived from the host rather than from the virus itself, anti-PS immunotherapeutics are expected to have broad activity against a variety of virus strains and to be less subject to the development of anti-viral drug resistance.

"Tarvacin represents a completely new approach to treating HCV infections, and these initial positive safety data are promising," said Dr. Eliot W. Godofsky, principal investigator of the Phase I study. "While there are a number of new HCV drugs in development, Tarvacin's unique mechanism has the potential to combat the virus in a novel way. In addition, it's potential for use in combination regimens to control and ultimately cure HCV warrants further investigation."

Single administration of anti-viral agents is not generally expected to have a significant effect on HCV viral titers as a result of rapid virus production and turnover. However viral titer data are being collected as part of the Tarvacin study design and are currently being analyzed. These data will be discussed in an appropriate future scientific forum along with final safety data from the Phase I trial.

Based on the good safety observed in the highest dose of Tarvacin tested, Peregrine may assess one additional dose level by adding another cohort to the existing HCV study through a protocol amendment. This addition is not expected to affect the timing of the new studies now being planned.

Similar to their anti-viral mechanism, anti-PS immunotherapeutics also bind to phospholipids exposed on tumor blood vessels in all solid cancers tested to date, and they have shown promise in a number of preclinical cancer models. Tarvacin Anti-Cancer is in Phase I clinical trials for the treatment of advanced refractory solid tumor cancers.

About Peregrine

Peregrine Pharmaceuticals, Inc. is a biopharmaceutical company with a portfolio of innovative product candidates in clinical trials for the treatment of cancer and viral diseases. The company is pursuing three separate clinical trials in cancer and anti-viral indications with its lead product candidates Tarvacin™ and Cotara®. Peregrine also has in-house manufacturing capabilities through its wholly owned subsidiary Avid Bioservices, Inc. (http://www.avidbio.com), 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 Pharmaceutical's 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 Tarvacin will not be as well-tolerated at ascending doses, the risk that the data from any combination therapy trial will not be as favorable as the results of the Phase I trial, the risk that Tarvacin will not cure HCV, the risk that the results of any clinical trials for biodefense applications will not correlate to the preclinical studies, and the risk that Tarvacin will not have broad activity against other virus strains nor be less subject to the development of anti-viral drug resistance. It is important to note that the company's actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, uncertainties associated with completing preclinical and clinical trials for our technologies; the early stage of product development; the significant costs to develop our products as all of our products are currently in development, preclinical studies or clinical trials; obtaining additional financing to support our operations and the development of our products; obtaining regulatory approval for our technologies; anticipated timing of regulatory filings and the potential success in gaining regulatory approval and complying with governmental regulations applicable to our business. Our business could be affected by all 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, 2005, and the quarterly report on Form 10-Q for the quarter ended October 31, 2005. 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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