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Peregrine Pharmaceuticals Comments on Lawsuit

TUSTIN, Calif., March 30 /PRNewswire-FirstCall/ -- Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM), a clinical stage biopharmaceutical company developing targeted therapeutics for the treatment of cancer and hepatitis C virus (HCV) infection, today commented on a cross-complaint filed by Cancer Therapeutics Laboratories Inc. (CTL) and discussed in a press release issued yesterday by CTL.

Peregrine had previously filed a lawsuit against CTL on January 12, 2007 alleging various breaches of contract in relation to a license agreement between the two companies that granted CTL certain rights to Peregrine's tumor necrosis therapy (TNT) technology for development and commercialization in China. The lawsuit followed repeated attempts by Peregrine over a number of years to obtain adequate information concerning a purported agreement that CTL made with MediPharm Biotech Pharmaceutical Co., Ltd and/or Shanghai MediPharm Biotech Co., Ltd. (MediPharm), a company that has now launched Peregrine's proprietary TNT-based product in China for the treatment of lung cancer.

"We filed this lawsuit to protect the rights of Peregrine and its shareholders," stated Steven W. King, president and CEO of Peregrine. "CTL has clearly breached its obligations under our license agreement, and we believe that this cross-complaint filed today by CTL is unequivocally without merit and completely preposterous. We have an obligation to protect the assets of our company and to build shareholder value, and we intend to pursue all necessary avenues to safeguard our interests in this case."

Peregrine had licensed certain rights to the company's TNT technology platform for development and commercialization in China exclusively to Cancer Therapeutics Laboratories, with the stipulation that CTL was permitted to sublicense these rights only to a single Chinese pharmaceutical company (the sublicensee). Under this agreement, CTL formed a joint venture in the name of Shanghai Brilliance Cancer Pharmaceutical Co. Ltd., to serve as the sublicensee. Under the terms of the agreement, Peregrine was entitled to one-half of the profits received by CTL and a portion of CTL's equity in the joint venture. To date, Peregrine has not received any financial consideration from CTL under the agreement, nor had Peregrine received any information or documentation pertaining to the joint venture before filing the lawsuit. This absence of information includes the failure to reveal how MediPharm came to be given rights to develop and market Peregrine's proprietary TNT-based technology in China, since only one sublicensee was permitted under the agreement and CTL had already designated Shanghai Brilliance Cancer Pharmaceutical Co. as that sublicensee.

Peregrine is vigorously pursuing its remedies under the lawsuit and may expand its claims in the complaint based on discovery and investigation since it filed the action. The company is also exploring alternative avenues for commercialization of its TNT technology platform in China.

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 in the U.S. and India with its lead product candidates bavituximab and Cotara®. Peregrine also has in-house manufacturing capabilities through its wholly owned subsidiary Avid Bioservices, Inc. (www.avidbio.com), which provides development and bio-manufacturing services for both Peregrine and outside customers. Additional information about Peregrine can be found at 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 the lawsuits involving Cancer Therapeutics Laboratories Inc. will not be decided in Peregrine's favor. 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 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, 2006, and the quarterly report on Form 10-Q for the quarter ended January 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.

SOURCE Peregrine Pharmaceuticals, Inc.

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