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Avid Bioservices and Halozyme Therapeutics Extend Commercial Manufacturing Agreement

- Extended Terms May Include Up to 20 cGMP Runs per Year -

TUSTIN, Calif., Dec. 19 /PRNewswire-FirstCall/ -- Avid Bioservices, Inc., a wholly owned subsidiary of Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM), announced today that it has extended its commercial manufacturing supply agreement with Halozyme Therapeutics, Inc. Under the terms of the contract amendment, Avid could manufacture up to 20 runs per year over the next five years of a recombinant human enzyme that is the active ingredient in Halozyme's marketed products, Hylenex™ and Cumulase®.

"We are pleased to extend our contract with Avid to manufacture our recombinant human enzyme that is a key ingredient in Hylenex and Cumulase," said William Fallon, vice president of manufacturing and operations at Halozyme. "Avid's proven capabilities in cGMP manufacturing support our ability to increase sales of both marketed products."

Avid began manufacturing commercial product for Halozyme under current good manufacturing practice (cGMP) during 2004.

"We are delighted that Halozyme has re-confirmed their confidence in Avid's capabilities by extending the term of the agreement for five additional years, while also significantly expanding its potential scope," said Richard Richieri, senior vice president of bioprocess development and manufacturing at Avid. "We have had a very productive relationship with Halozyme over the past few years and are pleased to be the primary manufacturer for this important commercial product and technology."

Further terms of the agreement were not disclosed.

About Avid Bioservices

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, please visit www.avidbio.com. Information about Peregrine may be found at www.peregrineinc.com.

About Halozyme Therapeutics

Halozyme is a biopharmaceutical company developing and commercializing recombinant human enzymes for the drug delivery, palliative care, oncology, and infertility markets. The company's portfolio of products is based on intellectual property covering the family of human enzymes known as hyaluronidases. Halozyme's recombinant human enzymes may replace current animal slaughterhouse-derived extracts that carry potential risks of animal pathogen transmission and immunogenicity. The company has received FDA approval for two products: Cumulase®, the first and only recombinant human hyaluronidase for cumulus removal in the IVF process; and Hylenex for use as an adjuvant to increase the absorption and dispersion of other injected drugs. The versatility of the first enzyme, rHuPH20, enables Halozyme to develop the product as a medical device, drug enhancement agent, and therapeutic drug. Information about Halozyme may be found at www.halozyme.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 five separate clinical trials 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 uncertainty of Halozyme's manufacturing needs over the next five years. It is important to note that the company's actual results could differ materially from those in any such forward-looking statements. Our business could be affected by a number of other factors, including the risk factors listed from time to time in our 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 October 31, 2006. 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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