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Peregrine Pharmaceuticals' Bavituximab Shows Potential Activity Against Avian Flu in Initial Testing

- Initial Data Presented at ASM Meeting Show Complete Inhibition of Viral Replication in H5N1 In Vivo Model -

- Supported by In Vitro Data Confirming Bavituximab Binds to H5N1 Viral Particles -

TUSTIN, Calif. and ORLANDO, Fla., May 24 /PRNewswire-FirstCall/ -- Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM), a biopharmaceutical company with a portfolio of innovative, clinical stage product candidates for the treatment of hepatitis C virus (HCV) infection and cancer, today announced that its lead anti-viral compound bavituximab (formerly Tarvacin) completely inhibited replication of a laboratory strain of the H5N1 virus, commonly known as avian flu, in fertilized chicken eggs, an in vivo model for influenza anti- viral activity. These preliminary findings will be reported today at the 106th general meeting of The American Society for Microbiology (ASM) in Orlando, Florida by Dr. Philip Thorpe, a member of the Peregrine Scientific Resource Board and professor of pharmacology at the University of Texas Southwestern Medical Center at Dallas. Bavituximab, a monoclonal antibody with unique anti-viral and anti-cancer properties, has already demonstrated good tolerability in a Phase I trial in patients with HCV infection.

"This first set of results showing that bavituximab appears to have inhibited H5N1 viral replication in the fertilized egg model and the supportive data confirming that bavituximab binds to H5N1 viral particles are encouraging," said Dr. Thorpe. "These early data support the view that bavituximab may be active against H5N1 and other common strains of influenza."

The H5N1 studies reported by Dr. Thorpe were conducted at a number of independent research laboratories. Peregrine has also been collaborating with other researchers to evaluate the potential of bavituximab delivered by different routes of administration to treat infections caused by influenza A, the viral family that includes the H5N1 strain. Peregrine has ongoing studies to evaluate various delivery methods and treatment regimens to treat influenza in a number of in vivo models, including well-established mouse and ferret models. These studies include assessments of bavituximab delivered by nasal inhalation, a form of delivery expected to be more effective than systemic delivery alone for respiratory viruses that lodge deep in the lungs.

"These early experimental data suggesting that bavituximab may have activity against the avian flu, along with preliminary data recently generated showing signs of activity in a ferret model of influenza A infection, give us momentum and direction as we pursue a variety of preclinical initiatives to assess the anti-viral potential of bavituximab," said Steven W. King, president and CEO of Peregrine. "With a repeat dose safety study in HCV patients expected to begin next month, we should be well-positioned to initiate clinical trials for bavituximab in additional indications once we have sufficient preclinical data in hand."

Bavituximab is an antibody that attaches to specific cellular components called phospholipids found on the surface of virus particles, including influenza and certain other virus strains, as well as on the outer surface of human host cells only when they are infected with these viruses. Bavituximab helps stimulate the body's natural immune defenses to destroy both the virus particles and the infected cells, without affecting healthy cells. Bavituximab is in Phase 1 clinical trials for hepatitis C virus infections and for solid tumor cancers. A Phase 1b repeat dose study in HCV patients is expected to start in June.

Dr. Thorpe's ASM presentation, Broad-Spectrum Anti-Virals, is scheduled for May 24th at 10:00am in Room 208A as part of a symposium on Bioterrorism: Challenges and Opportunities.

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 hepatitis C virus (HCV) infection. The company is pursuing three separate clinical trials in cancer and HCV infection with its lead product candidates bavituximab (formerly Tarvacin) 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.

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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 which include statements with respect to the potential therapeutic benefits and successful development of drug candidates, involve risks and uncertainties including, but not limited to, the uncertainties of the risk that bavituximab may not inhibit replication nor effectively bind to the H5N1 virus in subsequent testing, the risk that pre-clinical animal model results will not correlate to efficacy studies in human clinical trial, the risk that the results will not support a future clinical trial with bavituximab, or the risk that safety and efficacy studies in the Phase I study may not correlate to safety and efficacy data generated from preclinical animal models or the Phase I clinical trial of bavituximab for the treatment of chronic hepatitis C virus infection. 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 pre-clinical 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, pre-clinical 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. 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 January 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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