December 14, 2006

Peregrine Pharmaceuticals and Biotecnol to Collaborate on Development of Immunocytokine Fusion Proteins for Cancer and Anti-Viral Indications

Builds on Peregrine's Recent Preclinical Studies Showing Anti-Phospholipid Immunocytokine Fusion Proteins Can Reduce Tumor Growth By Over 90%

TUSTIN, Calif. and OEIRAS, Portugal, Dec. 14 /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, and Biotecnol SA today announced a collaboration for the development of novel targeted immunocytokine agents for the treatment of cancer and other disease indications. The collaboration will apply technology from Peregrine's Vascular Targeting Agent (VTA) platform with Biotecnol's Tribody™ technology to engineer novel agents that fuse Peregrine's anti-phospholipid targeting agents to one or more cytokines in a Tribody format.

In September 2006 Peregrine reported new research showing that a novel fusion protein combining two proprietary Peregrine technologies--its anti- phospholipid and VTA platforms--with an immunostimulatory cytokine showed significant anti-tumor activity. The fusion protein reduced tumor growth in animal models by more than 90%, without showing evidence of the cytokine-induced toxicity that has limited the widespread therapeutic use of immunostimulatory cytokines such as interferon and interleukin. By fusing these cytokines with Peregrine's anti-phospholipid technology that directly targets tumor blood vessels, the combined fusion protein is expected to reduce both systemic toxicity and dosing frequency, while generating significant anti-tumor effects.

"This collaboration is an important step in developing clinical candidates that capitalize on the striking results we saw in tests of our fusion protein technology in animal cancer models," said Steven W. King, president and CEO of Peregrine. "Our anti-phospholipid platform is an ideal vehicle for targeting tumor blood vessels and delivering a cytokine payload with the goal of producing a very robust immune response while reducing systemic adverse events. We believe that Biotecnol's unique Tribody technology will contribute significantly to our ability to produce fusion protein drug candidates, and we therefore expect this collaboration to further broaden the potential of our proprietary VTA and anti-phospholipid platforms."

Biotecnol's Tribody technology uniquely allows engineering of multifunctional recombinant antibody derivatives, which utilize the natural in vivo heterodimerization of Fd fragments and light chains of a Fab fragment to form a scaffold upon which additional functions can be incorporated, such as additional binders, or cytokines, chemokines, growth factors, enzymes or protein toxins.

"This collaboration has great potential for designing superior immunocytokines based on the characteristics of our unique Tribody antibody engineering platform," said Pedro de Noronha Pissarra Ph.D., CEO of Biotecnol. "We believe that Peregrine has the proprietary technology and expertise to generate several antibody candidates for development as fusion proteins using our platform, with potential applications in oncology and infectious diseases. We are pleased to have the opportunity to contribute to the success of this project by providing a novel way to engineer these fusion protein candidates with unique properties and potentially safer profiles."

Under the collaboration, Biotecnol will engineer novel fusion proteins using one or more of Peregrine's anti-phospholipid antibodies or other targeting agents. The work will be performed as part of a research and development collaboration and is expected to result in a license agreement from Biotecnol to Peregrine for development and commercialization of the resulting agent or agents. Further details of the collaboration were not disclosed.

Peregrine's lead anti-phospholipid agent bavituximab is currently being studied in Phase l clinical trials in the U.S. for the treatment of solid cancers and chronic hepatitis C infection. In clinical data collected to date, bavituximab appears safe and well tolerated, and the company has reported promising signs of anti-viral activity in a Phase I HCV trial. Patient enrollment in a Phase Ib HCV trial has been completed, and a Phase lb solid cancer trial combining bavituximab and commonly-used chemotherapy regimens is now underway in India.

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.

About Biotecnol SA

Biotecnol SA is a biotechnology company focused on the development of biopharmaceutical products and has a special focus on the development of antibody-based therapeutics to treat life-threatening diseases such as cancer. Biotecnol has three types of proprietary antibody formats in development against various cancer targets. These formats are Tribodies™, Compact Antibodies and Armed Antibodies. Biotecnol is committed in building value by developing a diverse pipeline of antibody products to address unmet healthcare needs. Biotecnol applies its antibody technologies, product development and manufacturing experience to generate, support and potentially license out human antibody products. Biotecnol SA has a presence in the USA and carries out its product development activities via its fully owned subsidiary Biotecnol Inc. Through its facility in Portugal, Biotecnol leverages its business income by establishing in-house partner-led or collaborative programs, which provide Biotecnol a strong client-based activity and an established track record. Biotecnol uses its proprietary expression technology, cell line development capabilities, upstream and downstream processing, analytics and QC experience for delivering GMP/GLP compliant processes for biomanufacturing.

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 results of clinical trials involving the fusion protein will not correlate to the results evidenced in the preclinical trials and the risk that the combined fusion protein to be developed in collaboration with Biotecnol will not reduce systemic toxicity and/or dosing frequency, nor generate statistically significant anti-tumor effects. 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 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.

Contacts:
Peregrine Pharmaceuticals Biotecnol SA GendeLLindheim BioCom Partners Dr. Pedro de Noronha Pissarra
Investors Media Chief Executive Officer info@peregrineinc.com Barbara Lindheim www.biotecnol.com (800) 987-8256 (212) 918-4650 +351-21-422-0520

SOURCE Peregrine Pharmaceuticals, Inc. 12/14/2006