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Peregrine Pharmaceuticals Enters Into a Loan Agreement for up to \$10 Million

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Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM) today announced that it has entered into a loan agreement for up to \$10 million in proceeds. The initial funding of \$5 million is expected to close within the next 10 days. The loan agreement includes an option to acquire a second \$5 million tranche in the future, upon Peregrine's satisfaction of certain conditions. MidCap Financial LLC and BlueCrest Capital Finance, L.P. are providing the debt financing. Proceeds will be used to help fund the company's seven ongoing clinical trials in cancer and serious viral diseases and for general corporate purposes.

"In this extraordinarily difficult financing environment, we are pleased to have entered into this loan agreement with two organizations with extensive experience in the healthcare field," said Paul J. Lytle, CFO of Peregrine. "This capital infusion will enable us to continue advancing our clinical programs without tapping into the equity markets during these challenging market conditions. We are optimistic that this loan will enable us to achieve a number of value-driving clinical milestones over the coming months, enabling us to progress these programs while waiting for the current financial turbulence to subside."

Under the terms of the 36-month loan agreement, upon closing Peregrine will receive a first tranche of \$5 million. For the first six months, the payments are interest-only, followed by principal and interest payments amortized over the next 30 months. Peregrine has the option to acquire the second \$5 million tranche if a number of conditions are met, including generating cash from other sources and also achieving certain pre-determined clinical trial end-points. The terms of the agreement also include a provision for warrant coverage equal to 10% of each tranche amount divided by the exercise price. The exercise price is equal to the average closing price of Peregrine's stock for the 20-day period prior to closing. The financing is secured by the general assets of the company.

About MidCap Financial LLC

MidCap Financial is a commercial finance company focused on middle market lending in healthcare and other specialty vertical markets. MidCap specializes in middle market loans in the \$10 million to \$200 million range. Its principal officers are all veterans of the health care finance industry, having worked together at the Healthcare Finance division of Merrill Lynch Capital until it was sold in early 2008 and at two healthcare finance companies previously. The company is headquartered in Bethesda, MD, with offices in Chicago and Los Angeles.

About BlueCrest Capital Finance, L.P.

BlueCrest Capital Finance, L.P., a U.S. based commercial finance company, provides debt financing solutions to development - growth stage companies in a broad range of industry sectors including IT, Communications, Hardware, Software, Semi-Conductor, Electronics, Energy, Medical Device and Life Sciences. The team, which has been together continuously since 1998, pursues debt transactions in the \$1-25 million range and has consummated approximately 950 transactions with total commitments in excess of \$2 billion.

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 with its lead product candidates bavituximab and Cotara(R). 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 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 certain closing conditions required to obtain the initial funding of \$5 million will not be achieved and the risk that we will not satisfy the additional conditions to exercise the option for the second \$5 million tranche. 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, 2008. 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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