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## **Peregrine Pharmaceuticals Enters Into Licensing Agreement With Medarex to Develop Vascular Targeting Agents**

Agreement Represents the Third Licensing Collaboration Under Peregrine's Vascular Targeting Agent Platform Technology

TUSTIN, Calif., Aug. 25 /PRNewswire-FirstCall/ -- Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM), a biopharmaceutical company with a broad portfolio of products under development directed towards the treatment of cancer, viruses and other diseases, announced today that it has entered into a license agreement with Medarex, Inc. (Nasdaq: MEDX). Under the agreement, the company licensed to Medarex certain intellectual property rights under its broad Vascular Targeting Agent technology platform. This license allows Medarex to develop and commercialize their anti-PSMA monoclonal antibody conjugated to therapeutic agents and use the resulting conjugate for the treatment of a wide range of solid tumors.

Under the terms of the agreement, Peregrine Pharmaceuticals will receive an upfront payment and annual maintenance fees and may receive future payments based on the achievement of clinical milestones and a royalty on net sales if a product developed under the agreement is approved under the FDA. Further financial details were not disclosed.

"Peregrine's broad VTA intellectual property portfolio creates a number of opportunities for partnering and licensing as indicated by this licensing agreement and those completed earlier. These types of deals should add considerable value to the company as our partners move their VTA development programs forward," stated David Sherris, Ph.D., Peregrine's Head of Business Development. "We look forward to continuing discussions and entering into additional partnering arrangements with companies working in the vascular targeting area."

### About Vascular Targeting Agents (VTAs)

The VTA technology is based on the concept that virtually all detectable tumors rely on a vascular network to obtain oxygen and nutrients. Peregrine's Vascular Targeting Agent technology platform is comprised of broad intellectual property rights covering products that selectively bind to components of tumor vasculature and deliver a therapeutic payload that causes damage to the tumor vasculature resulting in an avalanche of tumor cell death. VTAs utilize monoclonal antibodies and other targeting agents that recognize markers found on tumor blood vessels but not on normal blood vessels. VTAs could be very potent anti-tumor agents because they create two amplified processes that have a devastating effect on the tumor. The first process is the initiation of the coagulation cascade, which is a self-sustaining chain reaction in which a huge number of blood clotting molecules are generated, ultimately leading to complete occlusion of the tumor blood vessels within a matter of minutes. A second process occurs at the structural level where the blockage of a single capillary can lead to the destruction of thousands of tumor cells. As a result, small quantities of VTAs localized in the tumor's vascular system may cause an avalanche of tumor cell death. VTAs have the potential to be effective against a wide variety of solid tumors since: 1) the solid tumors studied to date in excess of two millimeters in size form a vascular network to enable the tumor to continue to grow, and 2) tumor vasculature markers are believed to be consistent across various tumor types.

### About Peregrine Pharmaceuticals

Peregrine Pharmaceuticals, Inc. is a biopharmaceutical company with a broad portfolio of products under development directed towards the treatment of cancer, viruses and other diseases. The company has opened patient enrollment in two separate clinical trials using Tarvacin™ for the treatment of solid cancers and for the treatment of Hepatitis C virus infection. In addition Peregrine Pharmaceuticals is in the process of initiating patient enrollment in a Cotara® clinical trial for the treatment of brain cancer. Peregrine Pharmaceuticals is also developing Vascular Targeting Agents, Anti-Angiogenesis, and Vasopermeation Enhancement Agents for the treatment of cancer and other diseases.

Peregrine Pharmaceuticals also has in-house expertise to develop and manufacture antibodies and recombinant proteins through its wholly-owned subsidiary, Avid Bioservices, Inc., (<http://www.avidbio.com>). Avid is engaged in providing contract manufacturing services and development of biologics for biopharmaceutical and biotechnology companies, including Peregrine.

Copies of Peregrine Pharmaceuticals press releases, SEC filings, current price quotes and other valuable information for investors may be found at <http://www.peregrineinc.com>.

Statements in this press release which are not purely historical, including statements regarding Peregrine Pharmaceutical's

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, uncertainties associated with our ability to obtain, protect and enforce our broad intellectual property, and uncertainties related to our success in entering into future partnering or licensing collaborations with respect to our VTA and other technologies. 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, Medarex or other partners achieving developmental milestones under collaborative arrangements and Peregrine Pharmaceuticals' receipt of potential milestone payments, maintenance fees, or royalty payments from possible sales under the licensing agreement. Our business could be affected by all of the foregoing and 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. 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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