May 31, 2007

Peregrine Pharmaceuticals Enters Into Development Collaboration with Dios Therapeutics

Terms of the Agreement Provide for Peregrine to Receive Development Fees and Potential Royalties That Could Exceed $50 Million

TUSTIN, Calif., May 31, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM), a clinical stage biopharmaceutical company developing monoclonal antibodies for the treatment of cancer and hepatitis C virus (HCV) infection, announced today that it has entered into a development collaboration with Dios Therapeutics, Inc., an emerging biotechnology company founded in 2006. Under the terms of the agreement, Peregrine will provide process development and manufacturing services and know-how to support early clinical development for Dios' proprietary humanized monoclonal antibody for the treatment of thyroid associated ophthalmopathy (TAO) using existing development and manufacturing capacity once Dios provides Peregrine with its lead humanized antibody product candidate. In exchange for these development efforts, Peregrine has the option to convert its development fees into either cash or equity in Dios at a preferential conversion rate after Phase I trials. Peregrine also could receive a royalty on net product sales or Dios has the option to buy out the royalty obligation for a one-time fee which could total up to $50 million dollars. The buy-out option is exercisable anytime for a period up to two years after first commercial sale. Under the terms of the agreement, Dios is responsible for all third party expenses related to manufacturing process development as well as all pre-clinical and clinical trial costs.

"Even with increased demand for our manufacturing services from outside clients, we continue to seek attractive opportunities such as this to create value out of our existing manufacturing expertise and capacity," stated David King, Peregrine's vice president of business development. "We are particularly pleased to enter into this collaboration with Dios for this exciting first-in-class technology that has already shown promising signs of activity."

"We are delighted to enter into this strategic relationship with Peregrine because of its proven capabilities and track record in cGMP manufacturing of monoclonal antibodies and product development," said Dr. Glenn Albrecht, Dios' president and chief executive officer. "We believe this collaboration creates substantial opportunities and upside potential for both companies and is a sign of the potential value of our company and our novel therapeutic."

About Dios Therapeutics

Dios Therapeutics, Inc. is an emerging biotechnology company focused on developing non-immunosuppressing therapeutics for the treatment of multiple autoimmune indications including Graves disease, Hashimoto disease and rheumatoid arthritis. The Company was founded in 2006 with the aim of commercializing potentially path breaking discoveries from the University of California, Los Angeles. Dios will use these novel molecular insights to develop better autoimmune disease therapeutics without the generalized immune suppression associated with current therapies. The Company is initially

focusing on developing therapeutics to treat thyroid associated ophthalmopathy (TAO), a severe form of Graves disease that can lead to vision loss.

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 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. Such statements include, but are not limited to, the statement that potential royalties or one-time fee to be paid to the Company that could exceed $50 million. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that Dios will not raise sufficient capital to initiate its initial Phase I clinical trial, raise sufficient capital or find a development partner to finance the significant costs associated with obtaining regulatory approval, the risk that this drug candidate may not

demonstrate safety or efficacy data sufficient to support clinical trials beyond Phase I, the risk that the drug candidate may never obtain regulatory approval and the risk that even if the drug candidate obtains regulatory approval anticipated commercial sales do not support the payment of the $50 million one-time fee to the Company.

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