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Peregrine Pharmaceuticals Receives FDA Clearance to Initiate Tarvacin(TM) Anti-Viral Clinical Trial

Study Will Enroll Patients Chronically Infected With Hepatitis C Virus (HCV)

TUSTIN, Calif., May 31 /PRNewswire-FirstCall/ -- Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM) today announced that it has received clearance from the U.S. Food and Drug Administration for its Tarvacin™ anti-viral Investigational New Drug application (IND). The initial clinical protocol under this IND is a phase 1 dose escalation study designed to evaluate a single intravenous infusion of Tarvacin™ in up to 32 patients with chronic Hepatitis C virus (HCV) infection.

"We are excited to begin exploring another clinical indication for Tarvacin™," said Joseph Shan, senior director of clinical and regulatory affairs. "We anticipate this study will accrue patients rapidly due to the prevalence of chronic Hepatitis C infections in the U.S. and the need for new therapies to treat this disease."

The objectives of the phase 1 clinical protocol are to evaluate safety, pharmacokinetics and viral load in patients chronically infected with HCV who have failed to respond or who have relapsed after the current standard treatment with pegylated interferon plus ribavirin. Up to 50% of patients receiving the combination of pegylated interferon plus ribavirin either relapse or do not respond after treatment.

"Receiving clearance to begin this initial Tarvacin™ anti-viral clinical trial is an important milestone for the program," stated Steven King, president and CEO. "We are continuing to evaluate Tarvacin's™ potential for the treatment of other enveloped virus infections, including HIV, influenza A, influenza B, avian flu, as well as viruses included on the government's bioterrorism watchlist such as Lassa fever and Marburg virus."

According to the World Health Organization, there are an estimated 2.7 million people in the U.S. and 170 million people worldwide with chronic HCV infection, which is the most common chronic bloodborne infection in the United States and the leading indication for liver transplantation. There is no known vaccine against HCV.

About Tarvacin™ in the Treatment of Viral Diseases

Tarvacin™ is Peregrine's first product under its anti-phospholipid therapy technology platform. Anti-phospholipid therapy is a novel approach to treating cancer and viral infections. It is based on the finding that aminophospholipids, which are basic components of the inner surface of the cellular membrane, become exposed on the outside of the cellular membrane in response to certain disease states such as virally infected cells and enveloped viral particles.

A large number of viruses significant to global health and security possess an "envelope" derived from their host cell membrane. Since viruses lack the means to maintain structural organization of the envelope, amino-phospholipids such as phosphatidylserine (PS) and phosphatidylethanolamine (PE) become exposed on the surface of these viruses, making them a potential therapeutic target. Peregrine Pharmaceuticals, together with its collaborators, has developed a series of monoclonal antibodies, including Tarvacin™, directed against aminophospholipids to take advantage of this property.

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 is in the process of initiating patient enrollment in a Tarvacin™ clinical trial for the treatment of advanced solid cancers and a Cotara® clinical trial for the treatment of recurrent brain cancer. In addition, the company has received clearance from the FDA to initiate a Tarvacin™ Phase I clinical trial for the treatment of Hepatitis C virus infection. Peregrine Pharmaceuticals is also developing Vascular Targeting Agents, Anti-Angiogenesis, and Vasopermeation Enhancement Agents (VEAs) 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, the safety and efficacy of Tarvacin™ to treat viruses in pre-clinical studies and clinical trials and the timing to commence and complete patient enrollment in any clinical study. 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 with governmental regulations applicable to our business. 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, 2004, and the quarterly report on Form 10-Q for the quarter ended January 31, 2005. 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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CONTACT: investors, Frank Hawkins and Ken AuYeung of Hawk Associates, Inc., 800-987-8256, or info@hawkassociates.com; or media, Rachel Martin of Edelman, +1-323-202-1031, or +1-323-893-9047, or Rachel.Martin@edelman.com, all for Peregrine Pharmaceuticals, Inc.
Web site: http://www.peregrineinc.com