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# Affitech AS and Peregrine Pharmaceuticals Announce Research Milestone Achievement by Affitech

TUSTIN, Calif., and OSLO, Norway, June 24 /PRNewswire-FirstCall/ -- Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM) and Affitech AS today announced that they have achieved the first research milestone in one of their research collaborations. The milestone involved the identification of an initial panel of fully human antibodies that bind to the blood vessel growth factor Vascular Endothelial Growth Factor (VEGF) with a defined specificity. As part of the collaboration, Affitech will further optimize the panel of antibodies using its proprietary discovery and selection systems. The antibodies are intended to be used in Peregrine's Vascular Targeting Agent (VTA) and anti-angiogenesis programs.

"With this significant accomplishment, Affitech has demonstrated to be a reliable partner for antibody discovery and development," commented Martin Welschof, Ph.D., Chief Executive Officer of Affitech. "The quality of our human antibody libraries in combination with a tailor-made screening process was instrumental in achieving this milestone. We are delighted to have reached this important milestone in building a human antibody-based product portfolio for Peregrine."

Commenting on the collaboration, Steven King, Peregrine's president and CEO said, "Our mutual goal as we entered into the collaboration with Affitech was to identify a number of fully human monoclonal antibodies that could be used for our VTA and anti-angiogenesis technology platforms. We have been working very closely with Affitech on the anti-VEGF program and are pleased to have met an important milestone that brings us one step closer to identifying new clinical candidates for our anti-angiogenesis and VTA programs. We look forward to continuing a successful collaboration with Affitech as we expand our clinical pipeline."

About Affitech AS

Affitech AS is a human antibody therapeutics company based in Oslo, Norway, having its U.S. subsidiary in the San Francisco Bay Area. The Company's primary focus is in the discovery and development of human therapeutic antibodies for cancer, infectious and other diseases of unmet medical needs. Affitech's technology portfolio includes its worldwide patents of a phagemid system for antibody and antibody fragments, as well as its proprietary AffiScreeN™ method that utilizes patient derived antibody repertoires in a high-throughput screening platform. More significantly, Affitech's recent implementation of the C.B.A.S. system, which is an integrated functional cell-based screening approach for simultaneous discovery of human antibodies and cognate targets, further emphasizes its ongoing focused efforts in "advancing antibody therapeutics." Affitech's business strategy is to generate short-term revenue through customer-based projects and out-licensing of technology assets and early stage products, and in addition to build a proprietary product pipeline through collaborations and partnerships. Affitech has concluded deals with NatImmune, Peregrine and Viventia. Most recently Affitech and the Norwegian Radium Hospital were awarded NOK 6.2 million from FUGE (the Norwegian national FUnctional GEnomics program) to carry out research on the development of new cancer therapeutics, vaccines and diagnostics. Further information can be found at http://www.affitech.com.

About Peregrine Pharmaceuticals, Inc.

Peregrine's research and development efforts focus on discovering and developing products that affect blood flow to tumors. Peregrine's vascular research programs fall under several different proprietary platforms including Anti-Phospholipid Therapy (APT), Vascular Targeting Agents (VTAs), Anti- Angiogenesis and Vasopermeation Enhancement Agents (VEAs). The company has research collaborations with pharmaceutical and biotechnology companies to develop its VTA platform for therapeutic and diagnostic applications and expects to enter its first APT compound into clinical trials for cancer therapy during calendar year 2004.

Peregrine's vascular agents may also have applications in other angiogenesis-dependent diseases besides cancer such as diabetes, arthritis, skin disorders and eye diseases. Peregrine currently has exclusive rights to over 190 U.S. and foreign patents and patent applications that broadly cover its vascular programs. In addition, the company is currently evaluating its proprietary technology for use in treating non-angiogenesis dependent diseases such as viral infections. The company believes that the pre-clinical data generated by the company and the broad nature of its intellectual property may provide many opportunities for product development, partnering and licensing.

Peregrine's most clinically advanced therapeutic program is based on a targeting platform outside vascular biology. This

technology platform is known as Tumor Necrosis Therapy (TNT) and targets dead or dying tumor cells that are common to the majority of different tumor types. Cotara™, the most clinically advanced TNT program, is currently in a Phase I clinical trial for the treatment of colorectal carcinoma at Stanford University Medical Center. In addition, we have received protocol approval from the U.S. Food and Drug Administration ("FDA") to initiate a registration clinical study for the treatment of brain cancer. The company is currently seeking a development or funding partner to move the brain cancer program forward. The company believes that continuing the clinical development of Cotara™ in tumor types other than brain cancer will add significant value t the program. The company has a research collaboration to develop immunocytokines based on the TNT platform and a TNT-based agent has been developed and approved for the treatment of lung cancer in China under a licensing agreement.

The company also operates a cGMP contract manufacturing facility for monoclonal antibodies and recombinant proteins through its wholly owned subsidiary Avid Bioservices, Inc. (http://www.avidbio.com). Avid produces clinical trial materials to support Phase I through Phase III clinical trials for biotechnology companies including Peregrine. Copies of Peregrine press releases, SEC filings, current price quotes and other valuable information for investors may be found on the website http://www.peregrineinc.com.

Safe Harbor Statement: This release may contain certain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ from the company's expectations as a result of risk factors discussed in Peregrine's reports on file with the U.S. Securities and Exchange Commission, including, but not limited to, Peregrine's report on Form 10-Q for the quarter ended January 31, 2004 and on Form 10-K for the year ended April 30, 2003.

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