

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED JULY 31, 2003

OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-17085

PEREGRINE PHARMACEUTICALS, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

95-3698422
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

14272 Franklin Avenue, Suite 100, Tustin, California
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

92780-7017
(ZIP CODE)

Registrant's telephone number, including area code:

(714) 508-6000

NOT APPLICABLE
(FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR, IF CHANGED,
SINCE LAST REPORT)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports); and (2) has been subject to such
filing requirements for the past 90 days. YES X NO__.

Indicate by check mark whether the registrant is an accelerated filer
(as defined in Rule 12b-2 of the Exchange Act). YES X NO__.

APPLICABLE ONLY TO CORPORATE ISSUERS:
(INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES
OF COMMON STOCK, AS OF THE LATEST PRACTICABLE DATE.)

133,727,686 shares of common stock
as of September 10, 2003

PEREGRINE PHARMACEUTICALS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JULY 31, 2003

TABLE OF CONTENTS

THE TERMS "WE", "US", "OUR," AND "THE COMPANY" AS USED IN THIS FORM ON 10-Q REFERS TO PEREGRINE PHARMACEUTICALS, INC. AND ITS WHOLLY-OWNED SUBSIDIARIES, AVID BIOSERVICES, INC. AND VASCULAR TARGETING TECHNOLOGIES, INC.

PART I FINANCIAL INFORMATION PAGE

Item 1. Financial Statements:	
Consolidated Balance Sheets at July 31, 2003 and April 30, 2003	1
Consolidated Statements of Operations for the three months ended July 31, 2003 and 2002	3
Consolidated Statement of Stockholders' Equity for the three months ended July 31, 2003	4
Consolidated Statements of Cash Flows for the three months ended July 31, 2003 and 2002	5
Notes to Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	17
Company Overview	17
Risk Factors of Our Company	23
Item 3. Quantitative and Qualitative Disclosures About Market Risk	23
Item 4. Controls and Procedures	23

PART II OTHER INFORMATION

Item 1. Legal Proceedings.....	24
Item 2. Changes in Securities and Use of Proceeds	24
Item 3. Defaults Upon Senior Securities	24
Item 4. Submission of Matters to a Vote of Security Holders	24
Item 5. Other Information	24
Item 6. Exhibits and Reports on Form 8-K.....	25
Signatures.....	26

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PEREGRINE PHARMACEUTICALS, INC.

CONSOLIDATED BALANCE SHEETS
AT JULY 31, 2003 AND APRIL 30, 2003

	JULY 31, 2003	APRIL 30, 2003
	----- UNAUDITED	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 8,322,000	\$ 3,137,000
Trade and other receivables, net of allowance for doubtful accounts of \$60,000 (July) and \$59,000 (April)	260,000	245,000
Short-term investment	--	242,000
Inventories	659,000	376,000
Prepaid expenses and other current assets	142,000	257,000
	-----	-----
Total current assets	9,383,000	4,257,000
PROPERTY:		
Leasehold improvements	366,000	291,000
Laboratory equipment	1,950,000	1,936,000
Furniture, fixtures and computer equipment	724,000	724,000
	-----	-----
	3,040,000	2,951,000
Less accumulated depreciation and amortization	(2,202,000)	(2,115,000)
	-----	-----
Property, net	838,000	836,000
OTHER ASSETS:		
Note receivable, net of allowance of \$1,630,000 (July) and \$1,645,000 (April)	--	--
Debt issuance costs, net	36,000	176,000
Other	130,000	130,000
	-----	-----
Total other assets	166,000	306,000
	-----	-----
TOTAL ASSETS	\$ 10,387,000	\$ 5,399,000
	=====	=====

PEREGRINE PHARMACEUTICALS, INC.

CONSOLIDATED BALANCE SHEETS
 AT JULY 31, 2003 AND APRIL 30, 2003 (CONTINUED)

	JULY 31, 2003	APRIL 30, 2003
	----- UNAUDITED	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 836,000	\$ 560,000
Accrued clinical trial site fees	203,000	260,000
Accrued legal and accounting fees	352,000	194,000
Accrued royalties and license fees	184,000	149,000
Accrued payroll and related costs	262,000	314,000
Other current liabilities	262,000	300,000
Deferred revenue	582,000	531,000
	-----	-----
Total current liabilities	2,681,000	2,308,000
CONVERTIBLE DEBT, net of discount	115,000	760,000
DEFERRED REVENUE	181,000	200,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock-\$.001 par value; authorized 175,000,000 shares; outstanding - 130,605,663 (July); 119,600,501 (April)	131,000	120,000
Additional paid-in capital	151,575,000	142,274,000
Deferred stock compensation	(179,000)	(257,000)
Accumulated deficit	(144,117,000)	(140,006,000)
	-----	-----
Total stockholders' equity	7,410,000	2,131,000
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 10,387,000	\$ 5,399,000
	=====	=====

See accompanying notes to consolidated financial statements

PEREGRINE PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED JULY 31, 2003 AND 2002 (UNAUDITED)

	THREE MONTHS ENDED	
	JULY 31, 2003	JULY 31, 2002
REVENUES:		
Contract manufacturing revenue	\$ 353,000	\$ 474,000
License revenue	19,000	--
Total revenues	372,000	474,000
COST AND EXPENSES:		
Cost of contract manufacturing	318,000	320,000
Research and development	1,872,000	3,353,000
Selling, general and administrative	1,019,000	710,000
Total cost and expenses	3,209,000	4,383,000
LOSS FROM OPERATIONS	(2,837,000)	(3,909,000)
OTHER INCOME (EXPENSE):		
Interest and other income	85,000	59,000
Interest and other expense	(1,359,000)	(1,000)
NET LOSS	\$ (4,111,000)	\$ (3,851,000)
WEIGHTED AVERAGE		
SHARES OUTSTANDING:		
Basic and Diluted	124,733,593	110,275,209
BASIC AND DILUTED LOSS		
PER COMMON SHARE	\$ (0.03)	\$ (0.03)

See accompanying notes to consolidated financial statements

PEREGRINE PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED)

	COMMON STOCK SHARES	STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	DEFERRED STOCK COMPENSATION	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
BALANCES - May 1, 2003	119,600,501	\$ 120,000	\$ 142,274,000	\$ (257,000)	\$(140,006,000)	\$ 2,131,000
Common stock issued for cash under June 6, 2003 Common Stock Purchase Agreement, net of issuance costs of \$104,000	2,412,448	2,000	1,969,000	--	--	1,971,000
Common stock issued for cash under June 26, 2003 Common Stock Purchase Agreement, net of issuance costs of \$101,000	1,599,997	2,000	1,737,000	--	--	1,739,000
Common stock issued for cash under July 24, 2003 Common Stock Purchase Agreement, net of issuance costs of \$1,000	750,000	1,000	1,085,000	--	--	1,086,000
Common stock issued upon conversion of convertible debt	2,170,586	2,000	1,843,000	--	--	1,845,000
Common stock issued upon exercise of options and warrants, net of issuance costs of \$133,000	4,072,131	4,000	2,667,000	--	--	2,671,000
Stock-based compensation	--	--	--	78,000	--	78,000
Net loss	--	--	--	--	(4,111,000)	(4,111,000)
BALANCES - July 31, 2003	130,605,663	\$ 131,000	\$ 151,575,000	\$ (179,000)	\$(144,117,000)	\$ 7,410,000

See accompanying notes to consolidated financial statements

PEREGRINE PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JULY 31, 2003 AND 2002 (UNAUDITED)

	THREE MONTHS ENDED JULY 31, 2003	2002
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$(4,111,000)	\$(3,851,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	87,000	93,000
Stock-based compensation	78,000	151,000
Amortization of discount on convertible debt and debt issuance costs	1,340,000	--
Changes in operating assets and liabilities:		
Trade and other receivables	(15,000)	(289,000)
Short-term investment	242,000	--
Inventories	(283,000)	(71,000)
Prepaid expenses and other current assets	115,000	(116,000)
Accounts payable	276,000	392,000
Deferred revenue	32,000	141,000
Accrued clinical trial site fees	(57,000)	(63,000)
Other accrued expenses and current liabilities	103,000	70,000
	-----	-----
Net cash used in operating activities	(2,193,000)	(3,543,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property acquisitions	(89,000)	(107,000)
Decrease in other assets	--	4,000
	-----	-----
Net cash used in investing activities	(89,000)	(103,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of issuance costs of \$339,000	7,467,000	--
Principal payments on notes payable	--	(18,000)
	-----	-----
Net cash provided by (used in) financing activities	7,467,000	(18,000)
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,185,000	(3,664,000)
CASH AND CASH EQUIVALENTS, beginning of period	3,137,000	6,072,000
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$ 8,322,000	\$ 2,408,000
	=====	=====
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Property acquired in exchange for note payable	\$ --	\$ 82,000
	=====	=====

See accompanying notes to consolidated financial statements

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements include the accounts of Peregrine Pharmaceuticals, Inc. ("Peregrine") and its wholly-owned subsidiaries, Avid Bioservices, Inc. ("Avid"), and Vascular Targeting Technologies, Inc. (collectively the "Company"). All intercompany balances and transactions have been eliminated.

As of July 31, 2003, the Company had \$8,322,000 in cash and cash equivalents on hand. The Company has expended substantial funds on the development of its product candidates and for clinical trials and it has incurred negative cash flows from operations for the majority of its years since inception. The Company expects negative cash flows from operations to continue until it is able to generate sufficient revenue from the contract manufacturing services provided by Avid and/or from the sale and/or licensing of its products under development.

Revenues earned by Avid during the three months ended July 31, 2003 amounted to \$353,000. The Company expects that Avid will continue to generate revenues which should lower consolidated cash flows used in operations, although the Company expects those near term revenues will be insufficient to cover consolidated cash flows used in operations. As such, the Company will continue to need to raise additional capital to provide for its operations, including the anticipated development and clinical trial costs of Cotara(TM), the anticipated development costs associated with Vasopermeation Enhancement Agents ("VEA's") and Vascular Targeting Agents ("VTA's"), and the potential expansion of the Company's manufacturing capabilities.

Assuming the Company does not raise any additional capital from financing activities or from the sale or licensing of its technologies, the Company believes it has sufficient cash on hand to meet its obligations on a timely basis through at least its fiscal year 2004 excluding any revenues expected to be generated from Avid's operations.

In addition to equity financing, the Company is actively exploring various other sources of cash by leveraging its many assets. The transactions being explored by the Company for its technologies include licensing, partnering or the sale of Cotara(TM) and Oncolym(R), divesting all radiopharmaceutical based technologies, including Oncolym(R), Cotara(TM) and radiopharmaceutical uses of VTA's, and licensing or partnering the Company's various VEA and VTA based technology uses.

In addition to the potential licensing, partnering or sale of the Company's technologies to raise capital, the Company is also exploring a possible strategic transaction related to its subsidiary, Avid. In this regard, the Company is exploring the possibility of partnering, or a complete sale of Avid as a means of raising additional capital. The Company has not classified the related assets as held for sale in accordance with Statement of Financial Accounting Standards No. 144 ("SFAS No. 144"), ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS, since the Company is strictly exploring the possibility of a partnering or sale arrangement and the partnering or sale of the asset is not currently probable under Statement of Financial Accounting Standards No. 5 ("SFAS No. 5"), ACCOUNTING FOR CONTINGENCIES.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

There can be no assurances that the Company will be successful in raising sufficient capital on terms acceptable to it, or at all (from either debt, equity or the licensing, partnering or sale of technology assets and/or the sale of all or a portion of Avid), or that sufficient additional revenues will be generated from Avid or under potential licensing agreements to sustain its operations beyond its fiscal year 2004.

The accompanying interim consolidated financial statements are unaudited; however, they contain all adjustments (consisting of only normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the consolidated financial position of the Company at July 31, 2003, and the consolidated results of its operations and its consolidated cash flows for the three month periods ended July 31, 2003 and 2002. Although the Company believes that the disclosures in the financial statements are adequate to make the information presented herein not misleading, certain information and footnote disclosures normally included in the consolidated financial statements have been condensed or omitted pursuant to Article 10 of Regulation S-X of the Securities Exchange Act of 1934. The consolidated financial statements included herein should be read in conjunction with the consolidated financial statements of the Company, included in the Company's Annual Report on Form 10-K for the year ended April 30, 2003, which was filed with the Securities and Exchange Commission on July 29, 2003. Results of operations for the interim periods covered by this Quarterly Report may not necessarily be indicative of results of operations for the full fiscal year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS - The Company considers all highly liquid, short-term investments with an initial maturity of three months or less to be cash equivalents.

SHORT-TERM INVESTMENTS - The Company classifies its short-term investments as trading securities under the requirements of Statement of Financial Accounting Standards No. 115 ("SFAS No. 115"), ACCOUNTING FOR CERTAIN INVESTMENTS IN DEBT AND EQUITY SECURITIES. SFAS No. 115 considers trading securities as securities that are bought with the intention of being sold in the near term for the general purpose of realizing profits. Trading securities are recorded at fair market value and gains and losses on trading securities are included in interest and other income in the accompanying consolidated financial statements.

INVENTORIES - Inventories are stated at the lower of cost or market and primarily includes raw materials, direct labor and overhead costs associated with our wholly-owned subsidiary, Avid. Inventories consist of the following at July 31, 2003 and April 30, 2003:

	JULY 31, 2003	APRIL 30, 2003
Raw materials	\$165,000	\$205,000
Work-in-process	494,000	171,000
Total Inventories	\$659,000	\$376,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

CONCENTRATIONS OF CREDIT RISK - The majority of trade and other receivables are from customers in the United States, Europe and Israel. Most contracts require up-front payments and progress payments as the contract progresses. The Company performs periodic credit evaluations of its ongoing customers and generally does not require collateral, but can terminate the contract if a material default occurs. Reserves are maintained for potential credit losses, and such losses have been minimal and within management's estimates.

DEFERRED REVENUE - Deferred revenue primarily consists of up-front contract fees received in advance under contract manufacturing and development agreements and up-front license fees received under technology license agreements. Deferred revenue is generally recognized once the service has been provided, all obligations have been met and/or upon shipment of the product to the customer.

REVENUE RECOGNITION - The Company currently derives revenues primarily from licensing agreements associated with Peregrine's technologies under development and from contract manufacturing services provided by Avid.

The Company recognizes revenues pursuant to Staff Accounting Bulletin No. 101 ("SAB No. 101"), REVENUE RECOGNITION. The bulletin draws on existing accounting rules and provides specific guidance on how those accounting rules should be applied. Revenue is generally realized or realizable and earned when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the seller's price to the buyer is fixed or determinable, and (iv) collectibility is reasonably assured.

Revenues associated with licensing agreements primarily consist of nonrefundable up-front license fees and milestone payments. Revenues under licensing agreements are recognized based on the performance requirements of the agreement. Nonrefundable up-front license fees received under license agreements, whereby continued performance or future obligations are considered inconsequential to the relevant licensed technology, are generally recognized as revenue upon delivery of the technology. Nonrefundable up-front license fees, whereby ongoing involvement or performance obligations exist, are generally recorded as deferred revenue and generally recognized as revenue over the term of the performance obligation or relevant agreement. Under some license agreements, the obligation period may not be contractually defined. Under these circumstances, the Company exercises judgment in estimating the period of time over which certain deliverables will be provided to enable the licensee to practice the license.

Contract manufacturing revenues are generally recognized once the service has been provided and/or upon shipment of the product to the customer. The Company also records a provision for estimated contract losses, if any, in the period in which they are determined.

In July 2000, the Emerging Issues Task Force ("EITF") released Issue 99-19 ("EITF 99-19"), REPORTING REVENUE GROSS AS A PRINCIPAL VERSUS NET AS AN AGENT. EITF 99-19 summarized the EITF's views on when revenue should be recorded at the gross amount billed to a customer because it has earned revenue from the sale of goods or services, or the net amount retained (the amount billed to the customer less the amount paid to a supplier) because it has earned a fee or commission. In addition, the EITF released Issue 00-10 ("EITF 00-10"), ACCOUNTING FOR SHIPPING AND HANDLING FEES AND COSTS, and Issue 01-14 ("EITF 01-14"), INCOME STATEMENT CHARACTERIZATION OF REIMBURSEMENTS RECEIVED FOR "OUT-OF-POCKET" EXPENSES INCURRED. EITF 00-10 summarized the EITF's views on how the seller of goods should classify in the income statement amounts billed to a customer for shipping and handling and the costs associated with shipping and handling. EITF 01-14 summarized the EITF's views on when the reimbursement of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

out-of-pocket expenses should be characterized as revenue or as a reduction of expenses incurred. The Company's revenue recognition policies are in compliance with EITF 99-19, EITF 00-10 and EITF 01-14 whereby the Company records revenue for the gross amount billed to customers (the cost of raw materials, supplies, and shipping, plus the related handling mark-up fee) and records the cost of the amounts billed as cost of sales as the Company acts as a principal in these transactions.

RESEARCH AND DEVELOPMENT - Research and development costs are charged to expense when incurred in accordance with Statement of Financial Accounting Standards No. 2, ACCOUNTING FOR RESEARCH AND DEVELOPMENT COSTS. Research and development expenses primarily include (i) payroll and related costs associated with research and development personnel, (ii) costs related to clinical and pre-clinical testing of the Company's technologies under development, (iii) the costs to manufacture the product candidates, including raw materials and supplies, (iv) expenses for research and services rendered under outside contracts, including sponsored research funding, and (v) facilities expenses.

BASIC AND DILUTIVE NET LOSS PER COMMON SHARE - Basic and dilutive net loss per common share is calculated in accordance with Statement of Financial Accounting Standards No. 128, EARNINGS PER SHARE. Basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period and excludes the dilutive effects of options, warrants and convertible instruments. Diluted net loss per common share is computed by dividing the net loss by the sum of the weighted average number of common shares outstanding during the period plus the potential dilutive effects of options, warrants, and convertible debt outstanding during the period. Potentially dilutive common shares consist of stock options and warrants calculated in accordance with the treasury stock method, but are excluded if their effect is antidilutive. The potential dilutive effect of convertible debt was calculated using the if-converted method assuming the conversion of the convertible debt as of the earliest period reported or at the date of issuance, if later. Because the impact of options, warrants, and other convertible instruments are antidilutive, there was no difference between basic and diluted loss per share amounts for the three months ended July 31, 2003 and July 31, 2002. The Company has excluded the dilutive effect of the following shares issuable upon the exercise of options, warrants, and convertible debt outstanding during the period because their effect was antidilutive since the Company reported a net loss in the periods presented:

	THREE MONTHS ENDED	
	JULY 31, 2003	JULY 31, 2002
Common stock equivalent shares assuming issuance of shares represented by outstanding stock options and warrants utilizing the treasury stock method	8,686,616	6,182,010
Common stock equivalent shares assuming issuance of shares upon conversion of convertible debt utilizing the if-converted method	1,408,769	--
Total	10,095,385	6,182,010

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

Weighted average outstanding options and warrants to purchase up to 10,393,778 and 8,517,174 shares of common stock for the three months ended July 31, 2003 and July 31, 2002, respectively, were also excluded from the calculation of diluted earnings per common share because their exercise prices were greater than the average market price during the period.

During August 2003, the Company sold 2,682,025 shares of its common stock under two separate financing transactions (Note 10), which numbers have been excluded from basic and dilutive net loss per common share for the three months ended July 31, 2003.

STOCK-BASED COMPENSATION - In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148 ("SFAS No. 148"), ACCOUNTING FOR STOCK-BASED COMPENSATION-TRANSITION AND DISCLOSURE, which the Company adopted on February 1, 2003. SFAS No. 148 amends SFAS No. 123 ("SFAS No. 123"), ACCOUNTING FOR STOCK-BASED COMPENSATION, and provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results.

The Company has not adopted a method under SFAS No. 148 to expense stock options but rather continues to apply the provisions of SFAS No. 123. As SFAS No. 123 permits, the Company elected to continue accounting for its employee stock options in accordance with Accounting Principles Board Opinion No. 25 ("APB No. 25"), ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES and related Interpretations. APB No. 25 requires compensation expense to be recognized for stock options when the market price of the underlying stock exceeds the exercise price of the stock option on the date of the grant.

The Company utilizes the guidelines in APB No. 25 for measurement of stock-based transactions for employees and, accordingly no compensation expense has been recognized for the options in the accompanying consolidated financial statements for the three months ended July 31, 2003 and July 31, 2002. Had the Company used a fair value model for measurement of stock-based transactions for employees under SFAS No. 123 and amortized the expense over the vesting period, pro forma information would be as follows:

	THREE MONTHS ENDED JULY 31,	
	2003	2002
Net loss, as reported	\$(4,111,000)	\$(3,851,000)
Stock-based employee compensation cost that would have been included in the determination of net loss if the fair value based method had been applied to all awards	(209,000)	(466,000)
Pro forma net loss as if the fair value based method had been applied to all awards	\$(4,320,000)	\$(4,317,000)
Basic and diluted net loss per share, as reported	\$ (0.03)	\$ (0.03)
Basic and diluted net loss per share, pro forma	\$ (0.03)	\$ (0.04)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

Stock-based compensation expense recorded during each of the three months ended July 31, 2003 and July 31, 2002 primarily relates to stock option grants made to consultants and has been measured utilizing the Black-Scholes option valuation model. Stock-based compensation expense recorded during the three months ended July 31, 2003 and 2002 amounted to \$78,000 and \$151,000, respectively, and is being amortized over the estimated period of service or related vesting period.

RECENT ACCOUNTING PRONOUNCEMENTS. In August 2001, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 143 ("SFAS No. 143"), **ASSET RETIREMENT OBLIGATIONS**. SFAS No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The standard is effective for fiscal years beginning after June 15, 2002. The Company adopted SFAS No.143 on May 1, 2003, which had no material impact on its consolidated financial position and results of operations.

In January 2003, the FASB issued Interpretation No. 46 ("FIN No. 46"), **CONSOLIDATION OF VARIABLE INTEREST ENTITIES**, an Interpretation of Accounting Principles Board No. 50. FIN No. 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN No. 46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN No. 46 must be applied for the first interim or annual period beginning after June 15, 2003. The adoption of FIN 46 is not expected to have a material impact on the Company's consolidated financial position and results of operations.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150, ("SFAS No. 150"), **ACCOUNTING FOR CERTAIN FINANCIAL INSTRUMENTS WITH CHARACTERISTICS OF BOTH LIABILITIES AND EQUITY**. SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company is currently evaluating the impact of SFAS No. 150 on its financial position and results of operations.

3. SHORT-TERM INVESTMENT

During March 2003, the Company received 61,653 shares of SuperGen, Inc. common stock under a license agreement with SuperGen, Inc. dated February 13, 2001. The Company accounts for its short-term investment at fair value as trading securities in accordance with SFAS No. 115. The cost basis of the common stock was \$200,000. During the quarter ended July 31, 2003, the Company sold all 61,653 shares of common stock of SuperGen, Inc. for gross proceeds of \$271,000. The realized gain of \$71,000 related to the short-term investment is included in interest and other income in the accompanying consolidated financial statements for the quarter ended July 31, 2003.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

4. NOTE RECEIVABLE

During December 1998, the Company completed the sale and subsequent leaseback of its two facilities and recorded an initial note receivable from the buyer of \$1,925,000. In accordance with the related lease agreement, if the Company defaults under the lease agreement, including but not limited to, filing a petition for bankruptcy or failure to pay the basic rent within five (5) days of being due, the note receivable shall be deemed to be immediately satisfied in full and the buyer shall have no further obligation to the Company for such note receivable. Although the Company has made all payments under the lease agreement and has not filed for protection under the laws of bankruptcy, during the quarter ended October 31, 1999, the Company did not have sufficient cash on hand to meet its obligations on a timely basis and was operating at significantly reduced levels. In addition, at that time, if the Company could not raise additional cash by December 31, 1999, the Company may have had to file for protection under the laws of bankruptcy. Due to the uncertainty of the Company's ability to pay its lease obligations on a timely basis, the Company established a 100% reserve for the note receivable in the amount of \$1,887,000 as of October 31, 1999. The Company reduces the reserve as payments are received and records the reduction as interest and other income in the accompanying consolidated statements of operations. Due to the uncertainty of the Company's capital resources beyond its current fiscal year, the carrying value of the note receivable approximates its fair value at July 31, 2003. The Company has received all payments through September 2003.

The following represents a rollforward of the allowance of the Company's note receivable for the three months ended July 31, 2003:

Allowance balance, April 30, 2003	\$ 1,705,000
Principal payments received	(15,000)

Allowance balance, July 31, 2003	\$ 1,690,000
	=====

5. CONVERTIBLE DEBT

On August 9, 2002, the Company entered into a private placement with four investors under a Securities Purchase Agreement ("Debt SPA"), whereby the Company issued Convertible Debentures ("Debenture") for gross proceeds of \$3,750,000. The Debenture earns interest at a rate of 6% per annum payable in cash semi-annually each June 30th and December 31st, and mature in August 2005. Under the terms of the Debenture, the principal amount is convertible, at the option of the holder, into a number of shares of common stock of the Company calculated by dividing the unpaid principal amount of the Debenture by the initial conversion price of \$0.85 per share ("Conversion Price"). If the Company enters into any financing transaction before March 9, 2004 at a per share price less than the Conversion Price, the Conversion Price will be reset to the lower price for all outstanding Debentures. If the Company defaults under the provisions of the Debt SPA, as defined in the agreement, which includes but is not limited to, the default of an interest payment, the principal amount of the Debenture becomes immediately due and payable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

In accordance with EITF 00-27, APPLICATION OF ISSUE NO. 98-5 TO CERTAIN CONVERTIBLE INSTRUMENTS, the Company initially recorded its convertible debt net of discount of (i) the relative fair value of the warrants issued in the amount of \$1,321,000 and (ii) the intrinsic value of the embedded conversion feature in the amount of \$1,143,000. The relative fair value of the warrants was determined in accordance with the Black-Scholes valuation model based on the warrant terms. The debt discount associated with unconverted debentures and warrants are amortized on a straight-line basis over the term of the Debenture and related warrants, which approximates the effective interest method, and the amortization is recorded as interest and other expense in the accompanying consolidated statements of operations. Upon conversion of any debentures and/or warrants, the entire unamortized debt discount remaining at the date of conversion that is associated with the converted debentures and/or warrants are immediately recognized as a non-cash interest expense. During the quarter ended July 31, 2003, the Company recognized \$1,200,000 in non-cash interest expense associated with the conversion of convertible debt and related warrants, which amount was included in interest and other expense in the accompanying consolidated statements of operations.

The convertible debt balance, net of discount, was \$115,000 at July 31, 2003, calculated as follows:

Principal Balance of Convertible Debt	

Convertible Debentures, April 30, 2003	\$ 2,395,000
Conversions, quarter ended July 31, 2003	(1,845,000)

Convertible Debentures, July 31, 2003	550,000

Discount on Convertible Debt	

Convertible debt discount, April 30, 2003	1,635,000
Discount amortized, quarter ended July 31, 2003	(1,200,000)

Convertible debt discount, July 31, 2003	435,000

Convertible debt, net of discount, July 31, 2003	\$ 115,000
	=====

During the quarter ended July 31, 2003, debenture holders elected to convert an aggregate principal amount of \$1,845,000 of the outstanding convertible debt in exchange for 2,170,586 shares of common stock at the conversion price of \$0.85 per share.

During the month ended August 31, 2003, debenture holders elected to convert an additional principal amount of \$150,000 of outstanding convertible debt in exchange for 176,471 shares of common stock at the conversion price of \$0.85 per share. The unconverted principal balance of the convertible debt at August 31, 2003 was \$400,000.

Under the Debt SPA, each Debenture holder was granted a detachable warrant equal to 75% of the quotient obtained by dividing the principal amount of the Debentures by the Conversion Price or an aggregate of 3,308,827 warrants. The detachable warrants have a 4-year term with an exercise price of \$0.75 per share. During the quarter ended July 31, 2003, investors exercised 2,244,120 warrants under the Debt SPA in exchange for gross proceeds of \$1,683,000 at the exercise price of \$0.75 per share (Note 9).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

In connection with the convertible debentures issued on August 9, 2002, the Company incurred approximately \$363,000 in debt issuance costs, including placement agent fees of \$318,000, which are being amortized on a straight-line basis over the life of the Debentures, which approximates the effective interest method. Upon conversion of any debentures, the unamortized debt issuance costs remaining at the date of conversion which were allocated to the converted debentures is immediately recognized as non-cash interest expense. During the quarter ended July 31, 2003, the Company expensed \$140,000 in debt issuance costs included in interest and other expense in the accompanying consolidated statements of operations. At July 31, 2003, the unamortized balance of debt issuance costs of \$36,000 was included in other assets in the accompanying consolidated financial statements.

6. LICENSING

During December 2002, the Company granted the exclusive rights for the development of diagnostic and imaging agents in the field of oncology to Schering A.G. under its Vascular Targeting Agent ("VTA") technology. Under the terms of the agreement, the Company received an up-front payment of \$300,000, of which, \$256,000 was included in deferred revenue at July 31, 2003, in accordance with SAB No. 101. Deferred license revenue is amortized over the term of the remaining obligations as stated in the agreement. In addition, the Company could also receive future milestone payments and a royalty on net sales, as defined in the agreement. Under the same agreement, the Company granted Schering A.G. an option to obtain certain non-exclusive rights to the VTA technology with predetermined up-front fees and milestone payments as defined in the agreement.

7. SEGMENT REPORTING

The Company's business is organized into two reportable operating segments (i) Peregrine, the parent company, is engaged in the research and development of cancer therapeutics and cancer diagnostics through a series of proprietary platform technologies using monoclonal antibodies, and (ii) Avid, is engaged in providing contract manufacturing and development of biologics to biopharmaceutical and biotechnology businesses.

The Company primarily evaluates the performance of its segments based on net revenues and gross profit or loss. The Company has no intersegment revenues and does not segregate assets at the segment level as such information is not used by management.

Net revenues and gross profit information for the Company's segments for the three months ended July 31, 2003 and 2002 consisted of the following:

	THREE MONTHS ENDED JULY 31,	
	2003	2002
NET REVENUES:		
Research and development of cancer therapeutics	\$ 19,000	\$ --
Contract manufacturing and development of biologics	353,000	474,000
	-----	-----
Total net revenues	\$372,000	\$474,000
	=====	=====
GROSS PROFIT:		
Research and development of cancer therapeutics	\$ 19,000	\$ --
Contract manufacturing and development of biologics	35,000	154,000
	-----	-----
Total gross profit	\$ 54,000	\$154,000
	=====	=====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

For the three months ended July 31, 2003, one customer located in Israel accounted for 68% of reported net revenues, one customer located in Europe accounted for 14% of reported net revenues and one customer located in the U.S. accounted for 13% of reported net revenues.

For the three months ended July 31, 2002, one customer located in Europe accounted for 87% of reported net revenues and one customer located in the U.S. accounted for 8% of reported net revenues.

8. STOCKHOLDERS' EQUITY

FINANCING UNDER SHELF REGISTRATION STATEMENT ON FORM S-3, FILE NUMBER
333-71086

On November 14, 2001, the Company filed a registration statement on Form S-3, File Number 333-71086 (the "November 2001 Shelf") which was declared effective by the Securities and Exchange Commission, allowing the Company to issue, from time to time, in one or more offerings, (i) up to 10,000,000 shares of its common stock, and (ii) warrants to purchase up to 2,000,000 shares of its common stock.

On June 6, 2003, the Company received gross proceeds of \$355,000 under a Common Stock Purchase agreement in exchange for approximately 412,445 shares of its common stock. In connection with the offering, the Company paid a fee to the placement agent equal to five percent (5%) of the gross proceeds, or \$18,000. As of July 31, 2003, 87,555 shares of common stock were available for issuance under the November 2001 Shelf. All warrants were issued under the November 2001 Shelf as of July 31, 2003.

FINANCING UNDER SHELF REGISTRATION STATEMENT ON FORM S-3, FILE NUMBER
333-103965

On March 21, 2003, the Company filed a registration statement on Form S-3, File Number 333-103965 which was declared effective by the Securities and Exchange Commission, allowing the Company to issue, from time to time, in one or more offerings, up to 10,000,000 shares of its common stock ("March 2003 Shelf").

On June 6, 2003, the Company received gross proceeds of \$1,720,000 under a Common Stock Purchase Agreement in exchange for 2,000,003 shares of its common stock and warrants to purchase up to 150,000 shares of common stock at an exercise price of \$0.86 per share ("June 6, 2003 Financing"). The warrants have a four year term and are exercisable at an exercise price of \$0.86 per share. The fair value of the warrants were recorded as a cost of equity based on a Black-Scholes valuation model after considering the terms in the related warrant agreement. The warrants were issued under the November 2001 Shelf. In connection with the offering, the Company paid a fee to the placement agent equal to five percent (5%) of the gross proceeds, or \$86,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2003 (UNAUDITED) (CONTINUED)

On June 26, 2003, the Company received gross proceeds of \$1,840,000 under a Common Stock Purchase Agreement in exchange for 1,599,997 shares of its common stock ("June 26, 2003 Financing"). Under the same arrangement, the Company granted the investors a six-month option to purchase up to 1,599,997 additional shares of common stock from the Company under the same terms as this offering. The fair value of the option was recorded as a cost of equity based on a Black-Scholes valuation model after considering terms in the related agreement. In connection with the offering, the Company paid a fee to the placement agent equal to five percent (5%) of the gross proceeds, or \$92,000. During August 2003, the investors had elected to purchase 1,432,025 shares of the Company's common stock under the six-month option in exchange for gross proceeds of \$1,647,000. As of August 31, 2003, 167,972 shares of the Company's common stock were reserved for under the six-month option.

On July 24, 2003, the Company entered into a Common Stock Purchase Agreement with one institutional investor whereby the Company agreed to sell from time to time, at the Company's option, up to an aggregate of 2,000,000 shares of the Company's common stock at the per share price of \$1.45 ("July 24, 2003 Financing"). As of July 31, 2003, the Company sold and issued 750,000 shares of its common stock to the institutional investor for gross proceeds of \$1,087,000. Subsequent to the quarter ended July 31, 2003, the Company sold and issued the remaining 1,250,000 shares of the Company's common stock under the July 24, 2003 Financing to the investor for gross proceeds of \$1,813,000. The Company paid no commissions in connection with this offering.

As of August 31, 2003, 2,967,975 shares of common stock were available for issuance under the March 2003 Shelf.

9. WARRANTS

During the quarter ended July 31, 2003, the Company received net proceeds of \$2,521,000 upon the exercise of 3,780,512 warrants on a combined cash and cashless basis in exchange for the issuance of 3,755,892 shares of the Company's common stock, including the 2,244,120 warrants exercised under the Debt SPA (Note 5). As of July 31, 2003, warrants to purchase 16,309,207 were issued and outstanding.

10. SUBSEQUENT EVENT

During August 2003, the Company received gross proceeds of \$1,647,000 upon the exercise of the option granted under the June 26, 2003 Financing in exchange for 1,432,025 shares of its common stock at an exercise price of \$1.15 per share (Note 8).

During August 2003, the Company received gross proceeds of \$1,813,000 under the July 24, 2003 Financing in exchange for 1,250,000 shares of its common stock at a purchase price of \$1.45 per share (Note 8).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND

RESULTS OF OPERATIONS

Except for historical information contained herein, this Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. In light of the important factors that can materially affect results, including those set forth elsewhere in this Form 10-Q, the inclusion of forward-looking information should not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved. When used in this Form 10-Q, the words "may," "should," "plans," "believe," "anticipate," "estimate," "expect," their opposites and similar expressions are intended to identify forward-looking statements. The Company cautions readers that such statements are not guarantees of future performance or events and are subject to a number of factors that may tend to influence the accuracy of the statements.

The following discussion is included to describe the Company's financial position and results of operations for the three months ended July 31, 2003 compared to the same period in the prior year. The consolidated financial statements and notes thereto contain detailed information that should be referred to in conjunction with this discussion. In addition, the consolidated financial statements included herein should be read in conjunction with the consolidated financial statements of the Company, included in the Company's Annual Report on Form 10-K for the year ended April 30, 2003, which was filed with the Securities and Exchange Commission on July 29, 2003. Results of operations for the interim periods covered by this Quarterly Report may not necessarily be indicative of results of operations for the full fiscal year.

COMPANY OVERVIEW

Peregrine Pharmaceuticals, Inc., located in Tustin, California, is a biopharmaceutical company engaged in the research and development and commercialization of cancer therapeutics and cancer diagnostics through a series of proprietary platform technologies using monoclonal antibodies.

In January 2002, we formed our wholly-owned subsidiary, Avid Bioservices, Inc. ("Avid"), to provide an array of contract manufacturing services, including contract manufacturing of antibodies and proteins, cell culture development, process development, and testing of biologics for biopharmaceutical and biotechnology companies under current Good Manufacturing Practices. Avid's manufacturing facility is located in Tustin, California, adjacent to our offices.

With the addition of Avid, our business is now organized into two reportable operating segments: (i) Peregrine, the parent company, is engaged in the research and development of cancer therapeutics and cancer diagnostics through a series of proprietary platform technologies using monoclonal antibodies, and (ii) Avid, is engaged in providing contract manufacturing and development of biologics to biopharmaceutical and biotechnology businesses.

Peregrine's main focus is on the development of its collateral targeting agent technologies. Collateral targeting agents typically use antibodies that bind to or target components found in or on most solid tumors. An antibody is a molecule that humans and other animals create in response to disease. In pre-clinical and/or clinical studies, these collateral targeting antibodies are capable of targeting and delivering therapeutic killing agents that kill cancerous tumor cells. We currently have exclusive rights to over 80 issued U.S. and foreign patents protecting various aspects of our technology and have additional pending patent applications that we believe will further strengthen our patent position. Our three collateral targeting technologies are known as Tumor Necrosis Therapy ("TNT"), Vascular Targeting Agents ("VTA's") and Vasopermeation Enhancement Agents ("VEA's"). Our VTA and VEA technologies are currently in preclinical development. Our first TNT-based product, Cotara(TM), is currently in a Phase I clinical study at Stanford University Medical Center for the treatment of colorectal, pancreatic and soft-tissue sarcoma cancers. In addition, during February 2003, we received protocol approval from the U.S. Food and Drug Administration ("FDA") to initiate a registration clinical study using Cotara(TM) for the treatment of brain cancer. We do not anticipate treating any additional brain cancer patients while we actively seek a licensing partner for the Cotara(TM) program under the approved registration trial.

In addition to collateral targeting agents, we have a direct tumor-targeting antibody, Oncolym(R), for the treatment of Non-Hodgkins B-cell Lymphoma. During fiscal year 2002, we suspended patient enrollment for this study and we are currently in the process of closing the current Phase I/II clinical trial while we actively seek to license or partner the Oncolym(R) product. We currently do not anticipate continuing with clinical studies without a licensing or development partner for this technology.

RESULTS OF OPERATIONS

NET LOSS:

	THREE MONTHS ENDED JULY 31,		
	2003	2002	\$ CHANGE
	(in thousands)		
NET LOSS	(\$4,111)	(\$3,851)	\$ 260

The increase in our reported net loss of \$260,000 for the three months ended July 31, 2003 compared to the same period in the prior year is due to a decrease in total revenues of \$102,000 combined with an increase in interest and other expense of \$1,358,000. These amounts were offset by a decrease in total cost and expenses of \$1,174,000 and a \$26,000 increase in interest and other income.

TOTAL REVENUES:

	THREE MONTHS ENDED JULY 31,		
	2003	2002	\$ CHANGE
	(in thousands)		
TOTAL REVENUES	\$ 372	\$ 474	(\$ 102)

The decrease in total revenues of \$102,000 during the three months ended July 31, 2003 compared to the same period in the prior year is due to a decrease in contract manufacturing revenue of \$121,000 offset by an increase in license revenue of \$19,000.

The decrease in contract manufacturing revenue of \$121,000 during the three months ended July 31, 2003 compared to the same period in the prior year is primarily due to the timing of contract manufacturing services performed by our wholly-owned subsidiary, Avid Bioservices, Inc. ("Avid"). We expect contract manufacturing revenue to increase during the remainder of the current fiscal year based on the anticipated completion of projects under our current contract manufacturing agreements. In addition to our current contract manufacturing agreements, Avid currently has numerous outstanding project proposals with various potential customers, however, we cannot estimate nor can we determine the likelihood that we will be successful in converting any of these proposals into definitive agreements during the remainder of the current fiscal year.

The increase in license revenue of \$19,000 during the three months ended July 31, 2003 compared to the same period in the prior year is due to the amortization of deferred license revenue associated with the up-front license fee of \$300,000 received under a license agreement we entered into with Schering A.G. during fiscal year 2003. Although we are in various pre-contract stages of licensing discussions with third parties for our technologies under development, we cannot estimate nor can we determine the likelihood that we will be successful in entering into any definitive license agreements during the remainder of the current fiscal year.

TOTAL COST AND EXPENSES:

	THREE MONTHS ENDED JULY 31,		
	2003	2002	\$ CHANGE
	(in thousands)		
TOTAL COST AND EXPENSES	\$ 3,209	\$ 4,383	(\$ 1,174)

The decrease in total cost and expenses of \$1,174,000 during the three months ended July 31, 2003 compared to the same prior year period is due to a decrease in research and development expenses of \$1,481,000 combined with a decrease in the cost of contract manufacturing of \$2,000. These amounts were offset by a \$309,000 increase in selling, general and administrative expenses.

RESEARCH AND DEVELOPMENT EXPENSES:

	THREE MONTHS ENDED JULY 31,		
	2003	2002	\$ CHANGE
	(in thousands)		
RESEARCH AND DEVELOPMENT	\$ 1,872	\$ 3,353	(\$ 1,481)

The decrease in research and development expenses of \$1,481,000 during the three months ended July 31, 2003 compared to the same period in the prior year was primarily due to a decrease in clinical trial program and pre-clinical development expenses combined with the allocation of labor and overhead expenses to cost of sales and inventories in relation to contract manufacturing services provided by Avid to outside customers. The reduction in clinical trial costs is primarily due to expenses incurred in the prior year quarter ended July 31, 2002 associated with seeking protocol approval from the Food and Drug Administration and start-up activities primarily related to a European investigator meeting held to support a previously planned registration clinical trial for the treatment of brain cancer using Cotara(TM), for which we are now seeking a licensing partner. In connection with our focused efforts on licensing our products under development, we reduced our patient fees and related expenses during the current quarter. The decrease in pre-clinical development expenses is primarily due to a decrease in sponsored research funding paid to the University of Southern California. This current quarter decrease in pre-clinical development expenses was offset by an increase in patent legal fees and drug development expenses associated with our Vascular Targeting Agent technologies.

The following represents the research and development expenses ("R&D Expenses") we have incurred by each major platform technology under development:

PLATFORM TECHNOLOGY UNDER DEVELOPMENT	R&D EXPENSES- QUARTER ENDED JULY 31, 2003	R&D EXPENSES- QUARTER ENDED MAY 1, 1998 TO JULY 31, 2003
TNT development (Cotara(TM))	\$ 892,000	\$24,175,000
VEA development	113,000	3,723,000
VTA development	836,000	6,170,000
Oncolym(R)development	31,000	13,229,000
Total research and development	\$ 1,872,000	\$47,297,000

From inception to April 1998, we have expensed \$20,898,000 on research and development of our product candidates, with the costs primarily being closely split between the TNT and Oncolym(R) technologies. In addition to the above costs, we have expensed an aggregate of \$32,004,000 for the acquisition of our TNT and VTA technologies, which were acquired during fiscal years 1995 and 1997, respectively.

Looking beyond the current fiscal year, it is extremely difficult for us to reasonably estimate all future research and development costs associated with each of our technologies due to the number of unknowns and uncertainties associated with pre-clinical and clinical trial development. These unknown variables and uncertainties include, but are not limited to:

- o The uncertainty of our capital resources to fund research, development and clinical studies beyond the current fiscal year;
- o The uncertainty of future costs associated with our pre-clinical candidates, Vasopermeation Enhancement Agents and Vascular Targeting Agents, which costs are dependent on the success of pre-clinical development. We are uncertain whether or not these product candidates will be successful and we are uncertain whether or not we will incur any additional costs beyond pre-clinical development;
- o The uncertainty of future clinical trial results;
- o The uncertainty of the number of patients to be treated in any clinical trial;
- o The uncertainty of the Food and Drug Administration allowing our studies to move forward from Phase I clinical studies to Phase II and Phase III clinical studies;
- o The uncertainty of the rate at which patients are enrolled into any current or future study. Any delays in clinical trials could significantly increase the cost of the study and would extend the estimated completion dates.
- o The uncertainty of terms related to potential future partnering or licensing arrangements; and
- o The uncertainty of protocol changes and modifications in the design of our clinical trial studies, which may increase or decrease our future costs.

We or our potential partners will need to do additional development and clinical testing prior to seeking any regulatory approval for commercialization of our product candidates as all of our products are in clinical and pre-clinical development. Testing, manufacturing, commercialization, advertising, promotion, exporting and marketing, among other things, of our proposed products are subject to extensive regulation by governmental authorities in the United States and other countries. The testing and approval process requires substantial time, effort and financial resources, and we cannot guarantee that any approval will be granted on a timely basis, if at all. Companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in conducting advanced human clinical trials, even after obtaining promising results in earlier trials. Furthermore, the United States Food and Drug Administration may suspend clinical trials at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk. Even if regulatory approval of a product is granted, such approval may entail limitations on the indicated uses for which it may be marketed. Accordingly, we or our potential partners may experience difficulties and delays in obtaining necessary governmental clearances and approvals to market our products, and we or our potential partners may not be able to obtain all necessary governmental clearances and approvals to market our products.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:

	THREE MONTHS ENDED JULY 31,		
	2003	2002	\$ CHANGE
	(in thousands)		
SELLING, GENERAL AND ADMINISTRATIVE	\$ 1,019	\$ 710	\$ 309

The increase in selling, general and administrative expenses of \$309,000 during the three months ended July 31, 2003 compared to the same period in the prior year is primarily due to an increase in director fees associated with increased oversight responsibilities mandated by the Sarbanes-Oxley Act of 2002. Prior to the current fiscal year, directors did not receive any cash compensation other than the reimbursement of expenses. The increase in selling, general and administrative expenses was further supplemented by an increase in business development activities associated with Avid and our efforts to license our technologies under development.

INTEREST AND OTHER INCOME:

	THREE MONTHS ENDED JULY 31,		
	2003	2002	\$ CHANGE
	(in thousands)		
INTEREST AND OTHER INCOME	\$ 85	\$ 59	\$ 26

The increase in interest and other income of \$26,000 during the three months ended July 31, 2003 compared to the same period in the prior year is primarily due to the realized gain associated with the sale of our short-term investment during the current quarter.

INTEREST AND OTHER EXPENSE:

	THREE MONTHS ENDED JULY 31,		
	2003	2002	\$ CHANGE
	(in thousands)		
INTEREST AND OTHER EXPENSE	\$ 1,359	\$ 1	\$ 1,358

The increase in interest and other expense of \$1,358,000 during the three months ended July 31, 2003 compared to the same period in the prior year is primarily due to an increase in non-cash interest expense associated with the amortization of the convertible debt discount related to the current quarter conversions of convertible debt issued during August 2002 combined with the amortization of related debt issuance costs.

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2003, we had \$8,322,000 in cash and cash equivalents. During August 2003, we raised an additional \$3,460,000 in gross proceeds in exchange for 2,682,025 shares of our common stock (as further explained in our notes to the consolidated financial statements contained herein). As of August 31, 2003, we had \$10,438,000 in cash and cash equivalents. We have generally financed our operations primarily through the sale of our common stock and issuance of convertible debt, which has been supplemented with payments received from various licensing collaborations and through the revenues generated from Avid.

During the current quarter ended July 31, 2003, cash used in operating activities decreased \$1,350,000 to \$2,193,000 compared to \$3,543,000 for the three months ended July 31, 2002. Cash used in investing activities decreased \$14,000 to \$89,000 for the three months ended July 31, 2003 compared to \$103,000 for the three months ended July 31, 2002. Cash provided by financing activities increased \$7,485,000 to \$7,467,000 for the three months ended July 31, 2003 compared to cash used of \$18,000 for the same prior year period. The increase in cash provided by financing activities was due to \$7,467,000 in proceeds received from the sale of our common stock and the exercise of options and warrants during the quarter ended July 31, 2003.

We have expended substantial funds on the development of our product candidates and for clinical trials and we have incurred negative cash flows from operations for the majority of our years since inception. We expect negative cash flows from operations to continue until we are able to generate sufficient revenue from the contract manufacturing services provided by Avid and/or from the licensing of Peregrine's products under development.

Revenues earned by Avid during the three months ended July 31, 2003 amounted to \$353,000. We expect that Avid will continue to generate revenues which should lower consolidated cash flows used in operations, although we expect those near term revenues will be insufficient to cover consolidated cash flows used in operations. As such, we will continue to need to raise additional capital to provide for our operations, including the anticipated development and clinical costs of Cotara(TM), the anticipated development costs associated with Vasopermeation Enhancement Agents ("VEA's") and Vascular Targeting Agents ("VTA's"), and the potential expansion of Avid's manufacturing capabilities.

Assuming we do not raise any additional capital from financing activities or from the sale or licensing of our technologies, and further assuming that Avid does not generate any additional revenues beyond our current active contracts, we believe we have sufficient cash on hand to meet our obligations on a timely basis through at least the current fiscal year.

In addition to equity financing, we are actively exploring various other sources of cash by leveraging our many assets. The transactions being explored include licensing, partnering or the sale of Cotara(TM) and Oncolym(R), divesting all radiopharmaceutical based technologies, including Oncolym(R), Cotara(TM), and radiopharmaceutical uses of our VTA's, and licensing or partnering our various VEA and VTA based technology uses.

In addition to licensing, partnering or the divestiture of some of our technologies to raise capital, we are also exploring a possible strategic transaction related to our subsidiary, Avid Bioservices, Inc. In this regard, we are exploring the possibility to partner or a complete sale of Avid as a means of raising additional capital.

There can be no assurances that we will be successful in raising such funds on terms acceptable to us, or at all, or that sufficient additional capital will be raised to complete the research, development, and clinical testing of our product candidates.

COMMITMENTS

At July 31, 2003, we had no material capital commitments, although we have significant obligations under license agreements which are contingent on clinical trial development milestones.

RISK FACTORS OF OUR COMPANY

The biotechnology industry includes many risks and challenges. Our challenges may include, but are not limited to: uncertainties associated with completing pre-clinical and clinical trials for our technologies; the significant costs to develop our products as all of our products are currently in development, pre-clinical studies or clinical trials and no revenue has been generated from commercial product sales; obtaining additional financing to support our operations and the development of our products; obtaining regulatory approval for our technologies; complying with governmental regulations applicable to our business; obtaining the raw materials necessary in the development of such compounds; consummating collaborative arrangements with corporate partners for product development; achieving milestones under collaborative arrangements with corporate partners; developing the capacity to manufacture, market and sell our products, either directly or indirectly with collaborative partners; developing market demand for and acceptance of such products; competing effectively with other pharmaceutical and biotechnological products; attracting and retaining key personnel; protecting proprietary rights; accurately forecasting operating and capital expenditures, other capital commitments, or clinical trial costs and general economic conditions. A more detailed discussion regarding our industry and business risk factors can be found in our Annual Report on Form 10-K for the year ended April 30, 2003, as filed with the Securities and Exchange Commission on July 29, 2003.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Changes in United States interest rates would affect the interest earned on the Company's cash and cash equivalents. Based on the Company's overall interest rate exposure at July 31, 2003, a near-term change in interest rates, based on historical movements, would not materially affect the fair value of interest rate sensitive instruments. The Company's debt instruments have fixed interest rates and terms and, therefore, a significant change in interest rates would not have a material adverse effect on the Company's financial position or results of operations.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed in its reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The Company carried out an evaluation, under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures as of July 31, 2003, the end of the period covered by this Quarterly Report. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that its disclosure controls and procedures were effective at the reasonable assurance level as of July 31, 2003.

There have been no changes in the Company's internal control over financial reporting, during the three months ended July 31, 2003, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS. None.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

The following is a summary of transactions by the Company during the quarterly period of May 1, 2003 through July 31, 2003 involving issuance and sales of the Company's securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act").

On June 18, 2003, the Company issued 14,124 shares of common stock to one institutional investor upon the cashless exercise of 16,854 warrants under the Common Stock Equity Line, which was exhausted and terminated during fiscal year 2002.

On June 18, 2003, the Company issued 141,310 shares of common stock to one institutional investor upon the cashless exercise of 163,200 warrants. The warrants were issued in conjunction with a Regulation D Subscription Agreement entered into during January 2000.

On various dates during the quarter ended July 31, 2003, debenture holders elected to convert an aggregate of \$1,845,000 of the outstanding convertible debt in exchange for approximately 2,170,586 shares of common stock at the conversion price of \$0.85 per share. The convertible debentures were issued in conjunction with a Securities Purchase Agreement ("SPA") entered into during August 2002.

On various dates during the quarter ended July 31, 2003, the Company issued 2,244,120 shares of common stock to debenture holders upon the exercise of 2,244,120 warrants at an exercise price of \$0.75 per share. The warrants were issued in conjunction with the SPA entered into during August 2002.

On various dates during the quarter ended July 31, 2003, the Company issued 1,303,847 shares of common stock to two investors upon the exercise of 1,303,847 warrants at an exercise price of \$0.71 per share. The warrants were issued in conjunction with the SPA entered into during August 2002.

The issuances of the securities of the Company in the above transactions were deemed to be exempt from registration under the Securities Act by virtue of Section 4(2) thereof or Regulation D promulgated thereunder, as a transaction by an issuer not involving a public offering. The recipient of such securities either received adequate information about the Company or had access, through employment or other relationships with the Company, to such information.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES. None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. None.

ITEM 5. OTHER INFORMATION. None.

(a) Exhibits:

- 10.87 Common Stock Purchase Agreement dated June 6, 2003 between Registrant and eight institutional investors.
- 10.88 Common Stock Purchase Agreement dated June 6, 2003 between Registrant and one institutional investor.
- 10.89 Common Stock Purchase Agreement dated June 26, 2003 between Registrant and seven institutional investors.
- 10.90 Common Stock Purchase Agreement dated July 24, 2003 between Registrant and one institutional investor.
- 31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K:

- (i) Current report on Form 8-K as filed with the Commission on June 10, 2003 reporting the Company completed a financing transaction with eight institutional investors for aggregate gross proceeds of \$2.07 million.
- (ii) Current report on Form 8-K as filed with the Commission on June 30, 2003 reporting the Company completed a financing transaction with seven institutional investors for aggregate gross proceeds of \$1.8 million.
- (iii) Current report on Form 8-K as filed with the Commission on July 3, 2003 reporting the Company's financial results for the fiscal year ended April 30, 2003 and its operational highlights.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PEREGRINE PHARMACEUTICALS, INC.

By: /s/ Steven W. King

Steven W. King
President & Chief Executive
Officer

/s/ Paul J. Lytle

Paul J. Lytle
Chief Financial Officer (signed
both as an officer duly
authorized to sign on behalf of
the Registrant and principal
financial officer and chief
accounting officer)

EXHIBIT 10.87

PEREGRINE PHARMACEUTICALS, INC.

COMMON STOCK
PURCHASE AGREEMENT

2,000,003 SHARES OF
COMMON STOCK

JUNE 6, 2003

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this "Agreement") is made and entered into as of June 6, 2003, by and between Peregrine Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and the Investors set forth on Schedule I hereto (each an "Investor", collectively, the "Investors").

RECITALS

WHEREAS, the Company has filed with the Securities and Exchange Commission ("SEC") a Shelf Registration Statement on Form S-3 No. 333-103965, which was declared effective by the SEC on March 31, 2003 (the "Form S-3").

WHEREAS, pursuant to the Form S-3, the Company may offer to the public from time to time up to 10,000,000 shares of common stock, par value \$0.001 per share (the "Common Stock").

WHEREAS, the Company previously filed with the SEC a Shelf Registration Statement on Form S-3 No. 333-71086 which was declared effective by the SEC on November 14, 2001, pursuant to which the Company registered the offer of 10,000,000 shares of Common Stock, and Warrants to acquire 2,000,000 shares of Common Stock (together with the underlying Common Stock to be issued upon exercise thereof) (the "Warrant Form S-3");

WHEREAS, the Company desires to sell and issue to the Investors under the Form S-3 an aggregate of Two Million Three (2,000,003) shares of Common Stock at the per share price of \$0.86, and from the Warrant Form S-3 warrants ("Warrant") to purchase up to One Hundred Fifty Thousand (150,000) shares of Common Stock at an exercise price of \$0.86 per share ("Warrant Shares"), in exchange for the Investors' payment of the sum of One Million Seven Hundred Twenty Thousand Three Dollars (\$1,720,003).

NOW, THEREFORE, in consideration of the covenants, agreements and considerations herein contained, the Company and Investor agree as follows:

1. PURCHASE AND SALE OF SHARES

1.1 TRANSFER OF SHARES. Subject to the terms and conditions hereof, the Company agrees to sell to the Investors, and the Investors agree to purchase from the Company in the respective amounts set forth on Schedule I, an aggregate of 2,000,003 shares of the Company's Common Stock (the "Shares"). On the Closing Date, the Company shall instruct its transfer agent to transfer the Shares via DWAC to each Investor, in the name of such Investor or its nominee, representing the Shares purchased by such Investor.

1.2 PURCHASE PRICE. As full consideration for the sale of the Shares to Investors, the Investors shall deliver to the Company on the Closing Date by wire transfer of immediately available funds to such account as the Company shall designate the sum of One Million Seven Hundred Twenty Thousand Three Dollars (\$1,720,003) (the "Purchase Price"), representing a per share purchase price of \$0.86 per share (the "Per Share Price").

1.3 WARRANTS. In connection with the Investors' purchase of the Shares, the Company shall deliver to each Investor on the Closing Date a Warrant to purchase a number of Warrant Shares equal to 7.5% of the Shares purchased, exercisable on a cash basis only for a period of four (4) years, at an exercise price equal to the Per Share Price, not to exceed warrants to purchase up to 150,000 shares of common stock.

2. CLOSING.

2.1 TIME. Subject to terms and provisions herein, the purchase and sale of the Shares and Warrants shall take place on June 6, 2003 (the "Closing Date") at the offices of Falk, Shaff & Ziebell, LLP located at 18881 Von Karman Avenue, Suite 1400, Irvine, California 92612, or such other location as the parties may individually agree.

2.2 DELIVERIES AT AND FOLLOWING THE CLOSING DATE. Upon the Company's receipt of Purchase Price, the Company shall deliver all Shares, Warrants, consents, assignments and other instruments and documents provided for in this Agreement. In addition, the Company agrees to execute and deliver all instruments and documents and perform all other acts which may be reasonably required or appropriate in order to further effect or perfect the sale and transfer of the Shares and the consummation of the transactions contemplated by this Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth below, the Company makes no representations or warranties of any nature or kind.

3.1 ORGANIZATION, STANDING AND POWER. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole.

3.2 CAPITALIZATION. The authorized capital stock of the Company consists of 175,000,000 shares of common stock, par value \$0.001 per share, and 5,000,000 shares of preferred stock, par value \$0.001 per share, of which, as of June 2, 2003, there were approximately 121,359,000 shares of common stock and nil shares of preferred stock, issued and outstanding. The Company is not a party to any voting trust agreements or understandings with respect to the voting common stock of the Company.

3.3 AUTHORIZATION.

3.3.1 The Company has full legal right, power and capacity to enter into, execute, deliver and perform this Agreement and all attendant documents and instruments contemplated hereby.

3.3.2 This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of the Company and is enforceable with respect to the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, priority or other laws or court decisions relating to or affecting generally the enforcement of creditors' rights or affecting generally the availability of equitable remedies.

3.3.3 The execution and delivery of this Agreement by the Company, and the consummation of the transactions contemplated hereby by the Company in accordance with the terms hereof shall not conflict with or result in a breach of, violation of, or default under (or constitute an event that with notice, lapse of time, or both, would constitute a breach or default under), or result in the termination of, or accelerate the performance required by, or result in the creation of any liens or other encumbrances upon any of the properties or assets of the Company under any of the terms, conditions or provisions of the Certificate of Incorporation or Bylaws, any provision of the laws of the State of California or the State of Delaware, or any note, bond, mortgage, indenture, deed of trust, license, lease, credit agreement or other agreement, document, instrument or obligation to which the Company is a party or by which any of its assets or properties are bound.

3.3.4 Neither the execution and delivery of this Agreement by the Company, nor the consummation of the transactions, contemplated hereunder by the Company will violate or conflict with any judgment, order, decree, statute, rule or regulation applicable to the Company or its assets or properties.

3.4 VALID ISSUANCE OF COMMON STOCK.

3.4.1 The Shares and Warrants being purchased by the Investor hereunder and the Warrant Shares issuable upon exercise of the Warrants, when issued, sold and delivered in accordance with the terms hereof or thereof, for the consideration expressed herein or therein, will be duly and validly issued, fully paid and nonassessable and will be issued in compliance with all applicable federal and state securities laws.

3.4.2 The outstanding shares of Common Stock are all duly and validly authorized and issued, fully paid and nonassessable, and were issued in compliance with all applicable federal and state securities laws.

3.4.3 The Company has full power, right and authority to transfer, convey and sell to the Investors on the Closing Date the Shares and Warrants and upon consummation of the transactions contemplated by this Agreement, each Investor will have acquired good and marketable title to the Shares and Warrants purchased by such Investor, free and clear of claims, liens, restrictions on transfer or voting or encumbrances.

3.5 LITIGATION. Except as referred to in the SEC Documents, as defined below, the Form S-3, or as disclosed in Schedule 3.5, there are no claims, suits, actions or proceedings pending or, to the knowledge of the Company, threatened against, relating to or affecting the Company or any of its subsidiaries, before any court, governmental department, commission, agency, instrumentality or authority, or any arbitrator that would reasonably be expected, either alone or in the aggregate with all such claims, actions or proceedings, to have a material adverse effect on the Company's business or financial condition or the transactions contemplated hereunder. Except as referred to in the Company's SEC Documents, neither the Company nor any of its subsidiaries is subject to any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or authority, or any arbitrator which prohibits or restricts the consummation of the transactions contemplated hereby or would have a material adverse effect on the Company's business or financial condition or the transactions contemplated hereunder.

3.6 SEC DOCUMENTS; THE COMPANY'S FINANCIAL STATEMENTS. The Company is a reporting company under the Securities Exchange Act of 1934 (the "Exchange Act"), and files annual and periodic reports (the "SEC Documents") with the Securities and Exchange Commission (the "SEC"). As of their respective filing dates, the SEC Documents complied in all material respects with the requirements of the Securities Exchange Act of 1934, as amended, applicable to the Company and to the knowledge of the Company none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except to the extent corrected by a subsequently filed document with the SEC. The SEC Documents contain an audited consolidated balance sheet of the Company as of the end of the last completed fiscal year (the "Balance Sheet") and the related audited consolidated statements of income and cash flow for the year then ended (collectively, the "Financials"). The Financials have been prepared in accordance with GAAP applied on a basis consistent through the periods indicated and consistent with each other. The Financials present fairly the consolidated financial condition and operating results and cash flows of the Company and its subsidiaries as of the dates and during the periods indicated therein. Since the date of the Balance Sheet and until the date of this Agreement, there has not occurred any material adverse change in the business, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole, which has not been reflected in the SEC Documents.

3.7 FORM S-3. The Company has delivered to each Investor a copy of the Form S-3 and Warrant Form S-3. The Company represents and warrants that each of the Form S-3 and Warrant Form S-3 have been declared effective by the SEC and neither is subject to any stop order. The Company is not aware of any event, fact or circumstance which would cause the Form S-3 or Warrant Form S-3 to contain a material misstatement. The Company at the time of the initial filing of each of the Form S-3 and the Warrant Form S-3 met the SEC's eligibility requirements for use of a Form S-3 in connection with a primary offering.

3.8 DISCLOSURE. Neither this Agreement, nor any of the schedules, attachments, or certificates attached to this Agreement or delivered by the Company on the Closing Date, contains any untrue statements of material fact or omits a material fact necessary to make the statements contained herein or therein not misleading. There is no fact which the Company has not disclosed to the Investors, orally or in writing, and of which any of the Company's directors or officers are aware, which could reasonably be anticipated to have a material adverse effect, upon the financial condition, operating results or assets, of the Company. Notwithstanding the foregoing, certain information provided by the Company to the Investors contained statements that are forward-looking, which are covered by the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of the Company.

3.9 REGULATORY COMPLIANCE. To the best of its knowledge, the Company is not in violation of any applicable law, regulation, judgment, order or consent decree (of any governmental or non-governmental regulatory or self-regulatory agency or any organized exchange, including without limitation, the SEC, any state or local securities or insurance regulatory body, or the Internal Revenue Service), which violation is likely to have a material adverse effect on the Company's business, financial condition, or this transaction.

3.10 REGULATORY PROCEEDINGS, INVESTIGATIONS AND INQUIRIES. To the best of its knowledge, the Company has not been the subject of any material regulatory proceeding, examination, investigation or inquiry (known to the Company), including any pending or threatened regulatory proceeding, investigation or inquiry (known to the Company) (including without limitation any by governmental or non-governmental regulatory or self-regulatory agency or any organized exchange) relating to the Company.

3.11 CERTAIN FEES. Except for fees or commissions payable by the Company as set forth on Schedule A, no brokerage or finder's fees or commissions are or will be payable by the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transaction contemplated by this Agreement. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by this Agreement.

3.12 REGISTRATION STATEMENT. The Company's Registration Statements on Form S-3 (Nos. 333-71086 and 333-103965) (each a "Registration Statement") were declared effective by the SEC on November 14, 2001 and March 31, 2002, respectively. Each Registration Statement is effective on the date hereof and the Company has not received notice that the SEC has issued or intends to issue a stop order with respect to such Registration Statement or that the SEC otherwise has suspended or withdrawn the effectiveness of such Registration Statement, either temporarily or permanently, or intends or has threatened in writing to do so. Each Registration Statement (including the information or documents incorporated by reference therein), as of the time it was declared effective, and any amendments or supplements thereto, each as of the time of filing, did not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The Company hereby agrees to file with the SEC a prospectus supplement in accordance with the required timelines as prescribed under Rule 424(b)(2) of the Securities Act. The issuance of the Common Stock and Warrants to the Purchasers is registered by the Registration Statement.

4. REPRESENTATIONS AND WARRANTIES OF EACH INVESTOR

Each Investor hereby represents and warrants to the Company the following:

4.1 AUTHORITY. Investor has full legal right, power and capacity to enter into, execute, deliver and perform this Agreement and all attendant documents and instruments contemplated hereby. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of Investor and is enforceable with respect to Investor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, priority or other laws or court decisions relating to or affecting generally the enforcement of creditors' rights or affecting generally the availability of equitable remedies.

4.2 NO VIOLATION OF AGREEMENTS. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereunder by Investor will violate or conflict with any judgment, order, decree, statute, rule or regulation applicable to Investor or its assets or properties.

4.3 DISCLOSURE OF INFORMATION. Subject in part to the truth and accuracy of the representations and warranties of the Company, the Investor believes that it has received all the information that it considers necessary or appropriate for deciding whether to purchase the Shares and Warrants. The Investor further represents that it has had an opportunity to review the SEC Documents and the Form S-3 and Warrant Form S-3, and had sufficient opportunity to ask questions and receive answers from the Company and its directors and officers regarding the terms and conditions of the offering of the Shares and Warrants and the business and operations of the Company. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3 of this Agreement or the right of the Investor to rely thereon.

5. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY

The obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the conditions set forth below, any or all of which may be waived by the Company in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by the Company of any other condition or of any of the Company's rights or remedies, at law or in equity, if the Investors shall be in default or breach of any of its representations, warranties or agreements under this Agreement:

5.1 PURCHASE PRICE. Each Investor shall deliver on the Closing Date that portion of the Purchase Price to be paid by such Investor as provided in Section 1.2.

5.2 ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of each Investor contained in this Agreement shall be accurate and complete on and as of the Closing Date with the same effect as though such representations and warranties had been made on or as of such date.

5.3 PERFORMANCE OF AGREEMENTS. Each and all of the conditions precedent and agreements of the Investors subject to satisfaction on or before the Closing Date pursuant to the terms of this Agreement shall have been performed or satisfied.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF INVESTOR

The obligations of each Investor to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the conditions set forth below, any or all of which may be waived by each Investor in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by such Investor of any other condition or of any of such Investor's rights or remedies, at law or in equity, if the Company shall be in default or breach of any of its representations, warranties or agreements under this Agreement:

6.1 ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company contained in this Agreement shall be accurate and complete on and as of the Closing Date with the same effect as though such representations and warranties had been made on or as of such date and the Company shall have delivered to Investor a certificate to that effect signed by the Company, and dated as of the Closing Date.

6.2 PERFORMANCE OF AGREEMENTS. Each and all of the conditions precedent and agreements of the Company subject to satisfaction on or before the Closing Date pursuant to the terms of this Agreement shall have been performed or satisfied and the Company shall have delivered to Investor a certificate to that effect signed by the Company, and dated as of the Closing Date.

6.3 NO ADVERSE EVENTS. Between the date hereof and the Closing Date, neither the business, assets or condition, financial or otherwise, of the Company taken as a whole shall have been materially adversely affected in any manner.

6.4 DELIVERY OF DOCUMENTS.

6.4.1 The Company shall have effected the transfers and deliveries set forth in Section 1.1 and 1.3;

7. MISCELLANEOUS

7.1 EXPENSES, COMMISSIONS AND TAXES. Each party shall bear and pay its own expenses, including legal, accounting and other professional fees, and taxes incurred in connection with the transactions referred to in this Agreement. The party responsible under applicable law shall bear and pay in their entirety all other taxes and registration and transfer fees, if any, payable by reason of the sale and conveyance of the Shares and Warrants.

7.2 ENTIRE AGREEMENT; MODIFICATIONS; WAIVER. This Agreement, together with the related agreements or certificates referenced herein, constitutes the final, exclusive and complete understanding of the parties with respect to the subject matter hereof and supersedes any and all prior understandings and discussions with respect thereto. No variation or modification of this Agreement and no waiver of any provision or condition hereof, or granting of any consent contemplated hereby, shall be valid unless in writing and signed by the party against whom enforcement of any such variation, modification, waiver or consent is sought.

7.3 FURTHER ASSURANCES. The parties hereto shall use their best efforts, and shall cooperate with one another, to secure all necessary consents, approvals, authorizations, exemptions and waivers from third parties as shall be required in order to consummate the transactions contemplated hereby, and shall otherwise use their best efforts to cause such transactions to be consummated in accordance with the terms and conditions hereof. At any time or from time to time after the Closing Date, each party hereto, shall execute and deliver any further instruments or documents and take all such further action as such requesting party may reasonably request in order to consummate and document the transactions contemplated hereby.

7.4 CAPTIONS. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the constructing or interpretation of any provision of this Agreement.

7.5 SECTION REFERENCES. Unless otherwise noted, all section references herein are to sections of this Agreement.

7.6 COUNTERPARTS. This Agreement may be executed in any number of counterparts, including electronically transmitted counterparts, each of which when so executed shall constitute an original copy hereof, but all of which together shall constitute one agreement.

7.7 SUCCESSORS AND ASSIGNS. Neither party shall have the right to assign this Agreement.

7.8 PARTIES IN INTEREST. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over against any party to this Agreement.

7.9 NOTICES. All notices, requests, demands and other communications hereunder ("Notices") shall be in writing and shall be deemed to have been duly given if delivered by hand or by registered or certified mail, postage prepaid, return receipt requested, but only upon receipt of such return receipt, as follows:

If to Investors:	As noted in Exhibit I
If to the Company:	Peregrine Pharmaceutical, Inc. 14272 Franklin Avenue, Suite 100 Tustin, California 92780 Attn.: President

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt. All Notices shall be deemed received on the date of delivery or, if mailed, on the date appearing on the return receipt therefor.

7.10 LAW GOVERNING. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California, without regard to its choice-of-laws or conflicts-of-law rules.

[REMAINDER OF PAGE
INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as of date first above written.

"The Company"
Peregrine Pharmaceuticals, Inc.,
a Delaware corporation

BY: /S/ STEVEN W. KING

Name: Steven W. King

Title: President & CEO

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) CLEVELAND OVERSEAS LTD.

Tax ID No.: _____

Address (for delivery of documents): C/O GTF GLOBAL TRADE & FINANCE S.A.
ST. MARKUSGASSE 19
FL-9490 VADUZ / LIECHTENSTEIN

DWAC Instructions: DTC# _____
Broker _____
Address _____
Contact _____
Phone # _____
Acct Name _____
Acct Number _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Gwald Vogt

Name of Individual representing Purchaser: Gwald Vogt - Director of
GTF GLOBAL TRADE & FINANCE SA

NUMBER OF SHARES TO BE PURCHASED: -27,596-

PER SHARE PURCHASE PRICE: \$0.86

AGGREGATE PURCHASE PRICE: \$-24,076,56-

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) SDS MERCHANT FUND, LP

Tax ID No.: _____

Address (for delivery of documents): C/O SDS CAPITAL PARTNERS, LLC
53 FOREST AVE., 2ND FLOOR
OLD GREENWICH, CT 06870

DWAC Instructions: DTC# _____
Broker _____
Address _____
Contact _____
Phone # _____
Acct Name _____
Acct Number _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Steve Darby

Name of Individual representing Purchaser: Steve Darby
MANAGING MEMBER

NUMBER OF SHARES TO BE PURCHASED: 209,967

PER SHARE PURCHASE PRICE: \$0.86

AGGREGATE PURCHASE PRICE: \$180,571.62

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) OTATO, LLC

Tax ID No.: _____

Address (for delivery of documents):

DWAC Instructions: DTC# _____
Broker _____
Address _____
Contact _____
Phone # _____
Acct Name _____
Acct Number _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Richard M. Cayne

Name of Individual representing Purchaser: RICHARD M. CAYNE

NUMBER OF SHARES TO BE PURCHASED: 111,983

PER SHARE PURCHASE PRICE: \$0.86

AGGREGATE PURCHASE PRICE: \$96,305.38

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) CRANSHIRE CAPITAL, L.P.

Tax ID No.: _____

Address (for delivery of documents): 666 DUNDEE RD., SUITE 1901
NORTHBROOK, IL 60062

DWAC Instructions: DTC# _____
Broker _____
Address _____
Contact _____
Phone # _____
Acct Name _____
Acct Number _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Mitchell P. Kopin

Name of Individual representing Purchaser: MITCHELL P. KOPIN

NUMBER OF SHARES TO BE PURCHASED: 251,960

PER SHARE PURCHASE PRICE: \$0.86

AGGREGATE PURCHASE PRICE: \$216,685.60

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) ZLP MASTER TECHNOLOGY FUND, LTD.

Tax ID No.: _____

Address (for delivery of documents): 45 BROADWAY, 28TH FLOOR
NEW YORK, NY 10006

DWAC Instructions: DTC# _____
Broker _____
Address _____
Contact _____
Phone # _____
Acct Name _____
Acct Number _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Stuart J. Zimmer

Name of Individual representing Purchaser: STUART J. ZIMMER

NUMBER OF SHARES TO BE PURCHASED: 600,224
PER SHARE PURCHASE PRICE: \$0.86
AGGREGATE PURCHASE PRICE: \$516,192.64

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) ALPHA CAPITAL AG

Tax ID No.: _____

Address (for delivery of documents):
L.H. FINANCIAL
160 CENTRAL PARK SOUTH
NEW YORK, NY 10019

DWAC Instructions:

DTC#	_____
Broker	_____
Address	_____
Contact	_____
Phone #	_____
Acct Name	_____
Acct Number	_____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Konrad Ackerman

Name of Individual representing Purchaser: KONRAD ACKERMAN

NUMBER OF SHARES TO BE PURCHASED: 97,985

PER SHARE PURCHASE PRICE: \$0.86

AGGREGATE PURCHASE PRICE: \$84,267.10

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) XMARK FUNDS, L.P.

Tax ID No.: _____

Address (for delivery of documents): 152 WEST 57TH ST., 21ST FLOOR
NEW YORK, NY 10019

DWAC Instructions: DTC# _____
Broker _____
Address _____
Contact _____
Phone # _____
Acct Name _____
Acct Number _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Mitchell D. Kaye

Name of Individual representing Purchaser: MITCHELL D. KAYE

NUMBER OF SHARES TO BE PURCHASED: 279,955

PER SHARE PURCHASE PRICE: \$0.86

AGGREGATE PURCHASE PRICE: \$240,762

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) XMARK FUNDS, LTD.

Tax ID No.: _____

Address (for delivery of documents): 152 WEST 57TH ST., 21ST FLOOR
NEW YORK, NY 10019

DWAC Instructions: DTC# _____
Broker _____
Address _____
Contact _____
Phone # _____
Acct Name _____
Acct Number _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Mitchell D. Kaye

Name of Individual representing Purchaser: MITCHELL D. KAYE

NUMBER OF SHARES TO BE PURCHASED: 419,933

PER SHARE PURCHASE PRICE: \$0.86

AGGREGATE PURCHASE PRICE: \$361,143

SCHEDULE 3.5

LITIGATION

None

Schedule A
Fees and Commissions

1.Olympus Securities - 5% of the gross proceeds received by the Company from the following nine (9) investors as more fully described in the Finders Agreement dated August 8, 2002:

1. Vertical Ventures, LLC and affiliates
2. Cleveland Overseas Ltd. and affiliates
3. Xmark and affiliates
4. SDS Capital and affiliates
5. Alpha Capital and affiliates
6. Cranshire Capital and affiliates
7. West End Capital and affiliates
8. OTA and affiliates
9. Zimmer Lucas and affiliates

PEREGRINE PHARMACEUTICALS, INC.

COMMON STOCK
PURCHASE AGREEMENT

412,445 SHARES OF
COMMON STOCK

JUNE 6, 2003

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this "Agreement") is made and entered into as of June 6, 2003, by and between Peregrine Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and Vertical Ventures, LLC (the "Investor").

RECITALS

WHEREAS, the Company has filed with the Securities and Exchange Commission ("SEC") a Shelf Registration Statement on Form S-3 No. 333-71086, which was declared effective by the SEC on November 14, 2001 (the "Form S-3").

WHEREAS, pursuant to the Form S-3, the Company may offer to the public from time to time up to 10,000,000 shares of common stock, par value \$0.001 per share (the "Common Stock"), and warrants to acquire 2,000,000 shares of Common Stock (together with the underlying Common Stock to be issued upon exercise thereof);

WHEREAS, the Company desires to sell and issue to the Investor under the Form S-3 412,445 shares of Common Stock at the per share price of \$0.86, for an aggregate of \$354,702.70.

NOW, THEREFORE, in consideration of the covenants, agreements and considerations herein contained, the Company and Investor agree as follows:

1. PURCHASE AND SALE OF SHARES

1.1 TRANSFER OF SHARES. Subject to the terms and conditions hereof, the Company agrees to sell to the Investors and the Investor agree to purchase from the Company, 412,445 shares of the Common Stock (the "Shares"). On the Closing Date, the Company shall instruct its transfer agent to transfer the Shares via DWAC to the Investor, in the name of such Investor or its nominee.

1.1 PURCHASE PRICE. As full consideration for the sale of the Shares to the Investor, the Investor shall deliver to the Company on the Closing Date by wire transfer of immediately available funds to such account as the Company shall designate the sum of \$354,702.70 (the "Purchase Price"), representing a per share purchase price of \$0.86 per share (the "Per Share Price").

2. CLOSING.

2.1 TIME. Subject to terms and provisions herein, the purchase and sale of the Shares shall take place on June 6, 2003 (the "Closing Date") at the offices of Falk, Shaff & Ziebell, LLP located at 18881 Von Karman Avenue, Suite 1400, Irvine, California 92612, or such other location as the parties may individually agree.

2.2 DELIVERIES AT AND FOLLOWING THE CLOSING DATE. Upon the Company's receipt of Purchase Price, the Company shall deliver all Shares, consents, assignments and other instruments and documents provided for in this Agreement. In addition, the Company agrees to execute and deliver all instruments and documents and perform all other acts which may be reasonably required or appropriate in order to further effect or perfect the sale and transfer of the Shares and the consummation of the transactions contemplated by this Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth below, the Company makes no representations or warranties of any nature or kind.

3.1 ORGANIZATION, STANDING AND POWER. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole.

3.2 CAPITALIZATION. The authorized capital stock of the Company consists of 175,000,000 shares of common stock, par value \$0.001 per share, and 5,000,000 shares of preferred stock, par value \$0.001 per share, of which, as of June 2, 2003, there were approximately 121,359,000 shares of common stock and nil shares of preferred stock, issued and outstanding. The Company is not a party to any voting trust agreements or understandings with respect to the voting common stock of the Company.

3.3 AUTHORIZATION.

3.3.1 The Company has full legal right, power and capacity to enter into, execute, deliver and perform this Agreement and all attendant documents and instruments contemplated hereby.

3.3.2 This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of the Company and is enforceable with respect to the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, priority or other laws or court decisions relating to or affecting generally the enforcement of creditors' rights or affecting generally the availability of equitable remedies.

3.3.3 The execution and delivery of this Agreement by the Company, and the consummation of the transactions contemplated hereby by the Company in accordance with the terms hereof shall not conflict with or result in a breach of, violation of, or default under (or constitute an event that with notice, lapse of time, or both, would constitute a breach or default under), or result in the termination of, or accelerate the performance required by, or result in the creation of any liens or other encumbrances upon any of the properties or assets of the Company under any of the terms, conditions or provisions of the Certificate of Incorporation or Bylaws, any provision of the laws of the State of California or the State of Delaware, or any note, bond, mortgage, indenture, deed of trust, license, lease, credit agreement or other agreement, document, instrument or obligation to which the Company is a party or by which any of its assets or properties are bound.

3.3.4 Neither the execution and delivery of this Agreement by the Company, nor the consummation of the transactions, contemplated hereunder by the Company will violate or conflict with any judgment, order, decree, statute, rule or regulation applicable to the Company or its assets or properties.

3.4 VALID ISSUANCE OF COMMON STOCK.

3.4.1 The Shares being purchased by the Investor hereunder, when issued, sold and delivered in accordance with the terms hereof or thereof, for the consideration expressed herein or therein, will be duly and validly issued, fully paid and nonassessable and will be issued in compliance with all applicable federal and state securities laws.

3.4.2 The outstanding shares of Common Stock are all duly and validly authorized and issued, fully paid and nonassessable, and were issued in compliance with all applicable federal and state securities laws.

3.4.3 The Company has full power, right and authority to transfer, convey and sell to the Investor on the Closing Date the Shares and upon consummation of the transactions contemplated by this Agreement, the Investor will have acquired good and marketable title to the Shares, free and clear of claims, liens, restrictions on transfer or voting or encumbrances.

3.5 LITIGATION. Except as referred to in the SEC Documents, as defined below, the Form S-3, or as disclosed in Schedule 3.5, there are no claims, suits, actions or proceedings pending or, to the knowledge of the Company, threatened against, relating to or affecting the Company or any of its subsidiaries, before any court, governmental department, commission, agency, instrumentality or authority, or any arbitrator that would reasonably be expected, either alone or in the aggregate with all such claims, actions or proceedings, to have a material adverse effect on the Company's business or financial condition or the transactions contemplated hereunder. Except as referred to in the Company's SEC Documents, neither the Company nor any of its subsidiaries is subject to any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or authority, or any arbitrator which prohibits or restricts the consummation of the transactions contemplated hereby or would have a material adverse effect on the Company's business or financial condition or the transactions contemplated hereunder.

3.6 SEC DOCUMENTS; THE COMPANY'S FINANCIAL STATEMENTS. The Company is a reporting company under the Securities Exchange Act of 1934 (the "Exchange Act"), and files annual and periodic reports (the "SEC Documents") with the Securities and Exchange Commission (the "SEC"). As of their respective filing dates, the SEC Documents complied in all material respects with the requirements of the Securities Exchange Act of 1934, as amended, applicable to the Company and to the knowledge of the Company none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except to the extent corrected by a subsequently filed document with the SEC. The SEC Documents contain an audited consolidated balance sheet of the Company as of the end of the last completed fiscal year (the "Balance Sheet") and the related audited consolidated statements of income and cash flow for the year then ended (collectively, the "Financials"). The Financials have been prepared in

accordance with GAAP applied on a basis consistent through the periods indicated and consistent with each other. The Financials present fairly the consolidated financial condition and operating results and cash flows of the Company and its subsidiaries as of the dates and during the periods indicated therein. Since the date of the Balance Sheet and until the date of this Agreement, there has not occurred any material adverse change in the business, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole, which has not been reflected in the SEC Documents.

3.7 FORM S-3. The Company has delivered to the Investor a copy of the Form S-3. The Company represents and warrants that the Form S-3 has been declared effective by the SEC and is not subject to any stop order. The Company is not aware of any event, fact or circumstance which would cause the Form S-3 to contain a material misstatement. The Company at the time of the initial filing of the Form S-3 met the SEC's eligibility requirements for use of a Form S-3 in connection with a primary offering.

3.8 DISCLOSURE. Neither this Agreement, nor any of the schedules, attachments, or certificates attached to this Agreement or delivered by the Company on the Closing Date, contains any untrue statements of material fact or omits a material fact necessary to make the statements contained herein or therein not misleading. There is no fact which the Company has not disclosed to the Investors, orally or in writing, and of which any of the Company's directors or officers are aware, which could reasonably be anticipated to have a material adverse effect, upon the financial condition, operating results or assets, of the Company. Notwithstanding the foregoing, certain information provided by the Company to the Investors contained statements that are forward-looking, which are covered by the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of the Company.

3.9 REGULATORY COMPLIANCE. To the best of its knowledge, the Company is not in violation of any applicable law, regulation, judgment, order or consent decree (of any governmental or non-governmental regulatory or self-regulatory agency or any organized exchange, including without limitation, the SEC, any state or local securities or insurance regulatory body, or the Internal Revenue Service), which violation is likely to have a material adverse effect on the Company's business, financial condition, or this transaction.

3.10 REGULATORY PROCEEDINGS, INVESTIGATIONS AND INQUIRIES. To the best of its knowledge, the Company has not been the subject of any material regulatory proceeding, examination, investigation or inquiry (known to the Company), including any pending or threatened regulatory proceeding, investigation or inquiry (known to the Company) (including without limitation any by governmental or non-governmental regulatory or self-regulatory agency or any organized exchange) relating to the Company.

3.11 CERTAIN FEES. Except for fees or commissions payable by the Company as set forth on Schedule A, no brokerage or finder's fees or commissions are or will be payable by the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transaction contemplated by this Agreement. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by this Agreement.

3.12 REGISTRATION STATEMENT. The Company's Registration Statements on Form S-3 (No. 333-71086) (the "Registration Statement") was declared effective by the SEC on November 14, 2001. The Registration Statement is effective on the date hereof and the Company has not received notice that the SEC has issued or intends to issue a stop order with respect to such Registration Statement or that the SEC otherwise has suspended or withdrawn the effectiveness of such Registration Statement, either temporarily or permanently, or intends or has threatened in writing to do so. The Registration Statement (including the information or documents incorporated by reference therein), as of the time it was declared effective, and any amendments or supplements thereto, each as of the time of filing, did not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The Company hereby agrees to file a prospectus supplement in accordance with the time requirements proscribed by Rule 424(b)(2).

4. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor hereby represents and warrants to the Company the following:

4.1 AUTHORITY. Investor has full legal right, power and capacity to enter into, execute, deliver and perform this Agreement and all attendant documents and instruments contemplated hereby. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of Investor and is enforceable with respect to Investor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, priority or other laws or court decisions relating to or affecting generally the enforcement of creditors' rights or affecting generally the availability of equitable remedies.

4.2 NO VIOLATION OF AGREEMENTS. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereunder by Investor will violate or conflict with any judgment, order, decree, statute, rule or regulation applicable to Investor or its assets or properties.

4.3 DISCLOSURE OF INFORMATION. Subject in part to the truth and accuracy of the representations and warranties of the Company, the Investor believes that it has received all the information that it considers necessary or appropriate for deciding whether to purchase the Shares. The Investor further represents that it has had an opportunity to review the SEC Documents and the Form S-3, and had sufficient opportunity to ask questions and receive answers from the Company and its directors and officers regarding the terms and conditions of the offering of the Shares and the business and operations of the Company. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3 of this Agreement or the right of the Investor to rely thereon.

5. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY

The obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the conditions set forth below, any or all of which may be waived by the Company in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by the Company of any other condition or of any of the Company's rights or remedies, at law or in equity, if the Investors shall be in default or breach of any of its representations, warranties or agreements under this Agreement:

5.1 PURCHASE PRICE. The Investor shall deliver on the Closing Date the Purchase Price to be paid by the Investor as provided in Section 1.2.

5.2 ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Investor contained in this Agreement shall be accurate and complete on and as of the Closing Date with the same effect as though such representations and warranties had been made on or as of such date.

5.3 PERFORMANCE OF AGREEMENTS. Each and all of the conditions precedent and agreements of the Investors subject to satisfaction on or before the Closing Date pursuant to the terms of this Agreement shall have been performed or satisfied.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF INVESTOR

The obligations of the Investor to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the conditions set forth below, any or all of which may be waived by each Investor in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by the Investor of any other condition or of any of the Investor's rights or remedies, at law or in equity, if the Company shall be in default or breach of any of its representations, warranties or agreements under this Agreement:

6.1 ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company contained in this Agreement shall be accurate and complete on and as of the Closing Date with the same effect as though such representations and warranties had been made on or as of such date and the Company shall have delivered to Investor a certificate to that effect signed by the Company, and dated as of the Closing Date.

6.2 PERFORMANCE OF AGREEMENTS. Each and all of the conditions precedent and agreements of the Company subject to satisfaction on or before the Closing Date pursuant to the terms of this Agreement shall have been performed or satisfied and the Company shall have delivered to Investor a certificate to that effect signed by the Company, and dated as of the Closing Date.

6.3 NO ADVERSE EVENTS. Between the date hereof and the Closing Date, neither the business, assets or condition, financial or otherwise, of the Company taken as a whole shall have been materially adversely affected in any manner.

6.4 DELIVERY OF DOCUMENTS.

6.4.1 The Company shall have effected the transfers and deliveries set forth in Section 1.1 and 1.3;

7. MISCELLANEOUS

7.1 EXPENSES, COMMISSIONS AND TAXES. Each party shall bear and pay its own expenses, including legal, accounting and other professional fees, and taxes incurred in connection with the transactions referred to in this Agreement. The party responsible under applicable law shall bear and pay in their entirety all other taxes and registration and transfer fees, if any, payable by reason of the sale and conveyance of the Shares and Warrants.

7.2 ENTIRE AGREEMENT; MODIFICATIONS; WAIVER. This Agreement, together with the related agreements or certificates referenced herein, constitutes the final, exclusive and complete understanding of the parties with respect to the subject matter hereof and supersedes any and all prior understandings and discussions with respect thereto. No variation or modification of this Agreement and no waiver of any provision or condition hereof, or granting of any consent contemplated hereby, shall be valid unless in writing and signed by the party against whom enforcement of any such variation, modification, waiver or consent is sought.

7.3 FURTHER ASSURANCES. The parties hereto shall use their best efforts, and shall cooperate with one another, to secure all necessary consents, approvals, authorizations, exemptions and waivers from third parties as shall be required in order to consummate the transactions contemplated hereby, and shall otherwise use their best efforts to cause such transactions to be consummated in accordance with the terms and conditions hereof. At any time or from time to time after the Closing Date, each party hereto, shall execute and deliver any further instruments or documents and take all such further action as such requesting party may reasonably request in order to consummate and document the transactions contemplated hereby.

7.4 CAPTIONS. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the constructing or interpretation of any provision of this Agreement.

7.5 SECTION REFERENCES. Unless otherwise noted, all section references herein are to sections of this Agreement.

7.6 COUNTERPARTS. This Agreement may be executed in any number of counterparts, including electronically transmitted counterparts, each of which when so executed shall constitute an original copy hereof, but all of which together shall constitute one agreement.

7.7 SUCCESSORS AND ASSIGNS. Neither party shall have the right to assign this Agreement.

7.8 PARTIES IN INTEREST. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over against any party to this Agreement.

7.9 NOTICES. All notices, requests, demands and other communications hereunder ("Notices") shall be in writing and shall be deemed to have been duly given if delivered by hand or by registered or certified mail, postage prepaid, return receipt requested, but only upon receipt of such return receipt, as follows:

If to Investor:	As on the signature page
If to the Company:	Peregrine Pharmaceutical, Inc. 14272 Franklin Avenue, Suite 100 Tustin, California 92780 Attn.: President

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt. All Notices shall be deemed received on the date of delivery or, if mailed, on the date appearing on the return receipt therefor.

7.10 LAW GOVERNING. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California, without regard to its choice-of-laws or conflicts-of-law rules.

[REMAINDER OF PAGE
INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as of date first above written.

"The Company"
Peregrine Pharmaceuticals, Inc.,
a Delaware corporation

By: /s/ Steven King

Name: STEVEN KING
Title PRESIDENT & CEO

Name of Investor (Institution) VERTICAL VENTURES, LLC

Tax ID No.: _____

Address (for delivery of documents): 650 FIFTH AVENUE, 6TH FLOOR
NEW YORK, NY 10019

DWAC Instructions: DTC# _____
Broker _____
Address _____
Contact _____
Phone # _____
Acct Name _____
Acct Number _____

IF NOT DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Joshua Silverman

Name of Individual representing Purchaser: JOSHUA SILVERMAN, MANAGER

SCHEDULE 3.5

LITIGATION

None

EXHIBIT 10.89

PEREGRINE PHARMACEUTICALS, INC.

COMMON STOCK
PURCHASE AGREEMENT

UP TO 1,600,000 SHARES OF
COMMON STOCK

JUNE 26, 2003

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this "Agreement") is made and entered into as of June 26, 2003, by and between Peregrine Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and the Investors set forth on Schedule I hereto (each an "Investor", collectively, the "Investors").

RECITALS

WHEREAS, the Company has filed with the Securities and Exchange Commission ("SEC") a Shelf Registration Statement on Form S-3 No. 333-103965, which was declared effective by the SEC on March 31, 2003 (the "Form S-3").

WHEREAS, pursuant to the Form S-3, the Company may offer to the public from time to time up to 10,000,000 shares of common stock, par value \$0.001 per share (the "Common Stock").

WHEREAS, the Company desires to sell and issue to the Investors under the Form S-3 an aggregate of One Million Six Hundred Thousand (1,600,000) shares of Common Stock at the per share price of \$1.15, in exchange for the Investors' payment of the aggregate sum of up to One Million Eight Hundred Forty Thousand Dollars (\$1,840,000).

WHEREAS, in connection herewith, the Company desires to grant to the Investors an irrevocable right to purchase from the Company pursuant to the Form S-3 at any time during a period of six (6) months from the Closing Date (as defined below) up to an additional 1,600,000 shares of Common Stock at a per share price of \$1.15.

NOW, THEREFORE, in consideration of the covenants, agreements and considerations herein contained, the Company and Investor agree as follows:

1. PURCHASE AND SALE OF SHARES

1.1 TRANSFER OF SHARES. Subject to the terms and conditions hereof, the Company agrees to sell to the Investors, and the Investors agree to purchase from the Company in the respective amounts set forth on Schedule I, an aggregate of up to 1,600,000 shares of the Company's Common Stock (the "Shares"). On the Closing Date, the Company shall instruct its transfer agent to transfer the Shares via DWAC to each Investor, in the name of such Investor or its nominee, representing the Shares purchased by such Investor.

1.2 PURCHASE PRICE. As full consideration for the sale of the Shares to Investors, the Investors shall deliver to the Company on the Closing Date by wire transfer of immediately available funds to such account as the Company shall designate the sum of One Million Eight Hundred Forty Thousand Dollars (\$1,840,000) (the "Purchase Price"), representing a per share purchase price of \$1.15 per share (the "Per Share Price").

1.3 PURCHASE RIGHT. (a) In connection with the Investors' purchase of the Shares, the Company hereby grants to each Investor the irrevocable right to purchase from the Company in the respective amounts set forth on Schedule I, up to an additional 1,600,000 shares of the Company's Common Stock at a per share purchase price of \$1.15 (the "Additional Shares"). An Investor may exercise its respective right under this Section 1.3 by delivery of written notice to the Company specifying the number of Additional Shares purchased and accompanied by

cash in the amount of the applicable purchase price. Within three (3) trading days following the due exercise of an Investor's right to purchase Additional Shares, the Company shall issue stock certificates evidencing such Additional Shares to such Investor. This right to purchase Additional Shares shall expire on the date which is six (6) months following the Closing Date (as defined below).

(b) No Investor shall have the right to assign its rights under this Section 1.3 without the prior written consent of the Company.

(c) The Company shall not avoid or seek to avoid the observance or performance of any of the terms of this Section 1.3, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Investors against impairment.

(d) The Company shall keep reserved a sufficient number of shares of the authorized and unissued shares of Common Stock, to provide for the exercise of the rights under this Section 1.3. The Company shall keep the Shares and Additional Shares authorized for quotation on Nasdaq (or such other exchange or national securities association on which the Common Stock may then be traded).

2. CLOSING. -----

2.1 TIME. Subject to terms and provisions herein, the purchase and sale of the Shares shall take place on June 25, 2003 (the "Closing Date") at the offices of Falk, Shaff & Ziebell, LLP located at 18881 Von Karman Avenue, Suite 1400, Irvine, California 92612, or such other location as the parties may individually agree.

2.2 DELIVERIES AT AND FOLLOWING THE CLOSING DATE. Upon the Company's receipt of Purchase Price, the Company shall deliver all Shares, consents, assignments and other instruments and documents provided for in this Agreement. In addition, the Company agrees to execute and deliver all instruments and documents and perform all other acts which may be reasonably required or appropriate in order to further effect or perfect the sale and transfer of the Shares and the consummation of the transactions contemplated by this Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY -----

Except as set forth below, the Company makes no representations or warranties of any nature or kind.

3.1 ORGANIZATION, STANDING AND POWER. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole.

3.2 CAPITALIZATION. The authorized capital stock of the Company consists of 175,000,000 shares of common stock, par value \$0.001 per share, and 5,000,000 shares of preferred stock, par value \$0.001 per share, of which, as of June 23, 2003, there were approximately 125,162,000 shares of common stock and nil shares of preferred stock, issued and outstanding. The Company is not a party to any voting trust agreements or understandings with respect to the voting common stock of the Company.

3.3 AUTHORIZATION.

3.3.1 The Company has full legal right, power and capacity to enter into, execute, deliver and perform this Agreement and all attendant documents and instruments contemplated hereby.

3.3.2 This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of the Company and is enforceable with respect to the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, priority or other laws or court decisions relating to or affecting generally the enforcement of creditors' rights or affecting generally the availability of equitable remedies.

3.3.3 The execution and delivery of this Agreement by the Company, and the consummation of the transactions contemplated hereby by the Company in accordance with the terms hereof shall not conflict with or result in a breach of, violation of, or default under (or constitute an event that with notice, lapse of time, or both, would constitute a breach or default under), or result in the termination of, or accelerate the performance required by, or result in the creation of any liens or other encumbrances upon any of the properties or assets of the Company under any of the terms, conditions or provisions of the Certificate of Incorporation or Bylaws, any provision of the laws of the State of California or the State of Delaware, or any note, bond, mortgage, indenture, deed of trust, license, lease, credit agreement or other agreement, document, instrument or obligation to which the Company is a party or by which any of its assets or properties are bound.

3.3.4 Neither the execution and delivery of this Agreement by the Company, nor the consummation of the transactions, contemplated hereunder by the Company will violate or conflict with any judgment, order, decree, statute, rule or regulation applicable to the Company or its assets or properties.

3.4 VALID ISSUANCE OF COMMON STOCK.

3.4.1 The Shares being purchased by the Investor hereunder and the Additional Shares upon exercise of the right set forth in Section 1.3, when issued, sold and delivered in accordance with the terms hereof or thereof, for the consideration expressed herein or therein, will be duly and validly issued, fully paid and nonassessable and will be issued in compliance with all applicable federal and state securities laws.

3.4.2 The outstanding shares of Common Stock are all duly and validly authorized and issued, fully paid and nonassessable, and were issued in compliance with all applicable federal and state securities laws.

3.4.3 The Company has full power, right and authority to transfer, convey and sell to the Investors on the Closing Date the Shares and upon consummation of the transactions contemplated by this Agreement, each Investor will have acquired good and marketable title to the Shares purchased by such Investor, free and clear of claims, liens, restrictions on transfer or voting or encumbrances.

3.4.4 The Company has reserved for issuance a sufficient number of shares of the authorized and unissued shares of Common Stock to provide for the issuance of the Additional Shares. Each Investor that exercises its right to purchase Additional Shares will acquire good and marketable title to the Additional Shares purchased by such Investor, free and clear of claims, liens, restrictions on transfer or voting or encumbrances.

3.4.5 The Company has taken the requisite action to cause the Shares and the Additional Shares to be listed on the Nasdaq SmallCap Market.

3.5 LITIGATION. Except as referred to in the SEC Documents, as defined below, the Form S-3, or as disclosed in Schedule 3.5, there are no claims, suits, actions or proceedings pending or, to the knowledge of the Company, threatened against, relating to or affecting the Company or any of its subsidiaries, before any court, governmental department, commission, agency, instrumentality or authority, or any arbitrator that would reasonably be expected, either alone or in the aggregate with all such claims, actions or proceedings, to have a material adverse effect on the Company's business or financial condition or the transactions contemplated hereunder. Except as referred to in the Company's SEC Documents, neither the Company nor any of its subsidiaries is subject to any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or authority, or any arbitrator which prohibits or restricts the consummation of the transactions contemplated hereby or would have a material adverse effect on the Company's business or financial condition or the transactions contemplated hereunder.

3.6 SEC DOCUMENTS; THE COMPANY'S FINANCIAL STATEMENTS. The Company is a reporting company under the Securities Exchange Act of 1934 (the "Exchange Act"), and files annual and periodic reports (the "SEC Documents") with the Securities and Exchange Commission (the "SEC"). As of their respective filing dates, the SEC Documents complied in all material respects with the requirements of the Securities Exchange Act of 1934, as amended, applicable to the Company and to the knowledge of the Company none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except to the extent corrected by a subsequently filed document with the SEC. The SEC Documents contain an audited consolidated balance sheet of the Company as of the end of the last completed fiscal year (the "Balance Sheet") and the related audited consolidated statements of income and cash flow for the year then ended (collectively, the "Financials"). The Financials have been prepared in accordance with GAAP applied on a basis consistent through the periods indicated and consistent with each other. The Financials present fairly the consolidated financial condition and operating results and cash flows of the Company and its subsidiaries as of the dates and during the periods indicated therein. Since the date of the Balance Sheet and until the date of this Agreement, there has not occurred any material adverse change in the business, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole, which has not been reflected in the SEC Documents.

3.7 FORM S-3. The Company has delivered to each Investor a copy of the Form S-3. The Company represents and warrants that the Form S-3 has been declared effective by the SEC and is not subject to any stop order. The Company is not aware of any event, fact or circumstance, which would cause the Form S-3 to contain a material misstatement. The Company at the time of the initial filing of the Form S-3 met the SEC's eligibility requirements for use of a Form S-3 in connection with a primary offering.

3.8 DISCLOSURE. Neither this Agreement, nor any of the schedules, attachments, or certificates attached to this Agreement or delivered by the Company on the Closing Date, contains any untrue statements of material fact or omits a material fact necessary to make the statements contained herein or therein not misleading. There is no fact which the Company has not disclosed to the Investors, orally or in writing, and of which any of the Company's directors or officers are aware, which could reasonably be anticipated to have a material adverse effect, upon the financial condition, operating results or assets, of the Company. Notwithstanding the foregoing, certain information provided by the Company to the Investors contained statements that are forward-looking, which are covered by the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of the Company.

3.9 NO CONSENTS. The execution, delivery and performance by the Company of this Agreement and the offer, issuance and sale of the Shares and the Additional Shares require no consent of, action by or in respect of, or filing with, any individual or entity, governmental body, agency, or official other than filings that have been made pursuant to applicable state securities laws and post-sale filings pursuant to applicable state and federal securities laws which the Company undertakes to file within the applicable time periods.

3.10 REGULATORY COMPLIANCE. The Company is not in violation of any applicable law, regulation, judgment, order or consent decree (of any governmental or non-governmental regulatory or self-regulatory agency or any organized exchange, including without limitation, the SEC, any state or local securities or insurance regulatory body, or the Internal Revenue Service), which violation is likely to have a material adverse effect on the Company's business, financial condition, or this transaction.

3.11 REGULATORY PROCEEDINGS, INVESTIGATIONS AND INQUIRIES. The Company has not been the subject of any material regulatory proceeding, examination, investigation or inquiry (known to the Company), including any pending or threatened regulatory proceeding, investigation or inquiry (known to the Company) (including without limitation any by governmental or non-governmental regulatory or self-regulatory agency or any organized exchange) relating to the Company.

3.12 CERTAIN FEES. Except for fees or commissions payable by the Company as set forth on Schedule A, no brokerage or finder's fees or commissions are or will be payable by the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transaction contemplated by this Agreement. The Investors shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by this Agreement.

3.13 REGISTRATION STATEMENT. The Company's Registration Statement on Form S-3 (the "Registration Statement") was declared effective by the SEC on March 31, 2003. The Registration Statement is effective on the date hereof and the Company has not received notice that the SEC has issued or intends to issue a stop order with respect to such Registration Statement or that the SEC otherwise has suspended or withdrawn the effectiveness of the Registration Statement, either temporarily or permanently, or intends or has threatened in writing to do so. The Registration Statement (including the information or documents incorporated by reference therein), as of the time it was declared effective, and any amendments or supplements thereto, each as of the time of filing, did not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The Company hereby agrees to file with the SEC a prospectus supplement in accordance with the required timelines as prescribed under Rule 424(b)(2) of the Securities Act. The issuance of the Shares and Additional Shares to the Investors is registered by the Registration Statement and, when issued to the Investors, the Shares and the Additional Shares shall be freely tradeable by the Investors.

3.14 COMPLIANCE WITH NASDAQ CONTINUED LISTING REQUIREMENTS. The Company is in compliance with applicable Nasdaq SmallCap Market continued listing requirements. There are no proceedings pending or, to the Company's knowledge, threatened against the Company relating to the continued listing of the Common Stock on the Nasdaq SmallCap Market and the Company has not received any currently effective notice of, nor to the Company's knowledge is there any basis for, the delisting of the Common Stock from the Nasdaq SmallCap Market.

4. REPRESENTATIONS AND WARRANTIES OF EACH INVESTOR

Each Investor hereby represents and warrants to the Company the following:

4.1 AUTHORITY. Investor has full legal right, power and capacity to enter into, execute, deliver and perform this Agreement and all attendant documents and instruments contemplated hereby. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of Investor and is enforceable with respect to Investor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, priority or other laws or court decisions relating to or affecting generally the enforcement of creditors' rights or affecting generally the availability of equitable remedies.

4.2 NO VIOLATION OF AGREEMENTS. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereunder by Investor will violate or conflict with any judgment, order, decree, statute, rule or regulation applicable to Investor or its assets or properties.

4.3 DISCLOSURE OF INFORMATION. Subject in part to the truth and accuracy of the representations and warranties of the Company, the Investor believes that it has received all the information that it considers necessary or appropriate for deciding whether to purchase the Shares. The Investor further represents that it has had an opportunity to review the SEC Documents and the Form S-3, and had sufficient opportunity to ask questions and receive answers from the Company and its directors and officers regarding the terms and conditions of the offering of the Shares and the business and operations of the Company. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3 of this Agreement or the right of the Investor to rely thereon.

5. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY

The obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the conditions set forth below, any or all of which may be waived by the Company in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by the Company of any other condition or of any of the Company's rights or remedies, at law or in equity, if the Investors shall be in default or breach of any of its representations, warranties or agreements under this Agreement:

5.1 PURCHASE PRICE. Each Investor shall deliver on the Closing Date that portion of the Purchase Price to be paid by such Investor as provided in Section 1.2.

5.2 ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of each Investor contained in this Agreement shall be accurate and complete on and as of the Closing Date with the same effect as though such representations and warranties had been made on or as of such date.

5.3 PERFORMANCE OF AGREEMENTS. Each and all of the conditions precedent and agreements of the Investors subject to satisfaction on or before the Closing Date pursuant to the terms of this Agreement shall have been performed or satisfied.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF INVESTOR

The obligations of each Investor to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the conditions set forth below, any or all of which may be waived by each Investor in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by such Investor of any other condition or of any of such Investor's rights or remedies, at law or in equity, if the Company shall be in default or breach of any of its representations, warranties or agreements under this Agreement:

6.1 ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company contained in this Agreement shall be accurate and complete on and as of the Closing Date with the same effect as though such representations and warranties had been made on or as of such date and the Company shall have delivered to Investor a certificate to that effect signed by the Company, and dated as of the Closing Date.

6.2 PERFORMANCE OF AGREEMENTS. Each and all of the conditions precedent and agreements of the Company subject to satisfaction on or before the Closing Date pursuant to the terms of this Agreement shall have been performed or satisfied and the Company shall have delivered to Investor a certificate to that effect signed by the Company, and dated as of the Closing Date.

6.3 NO ADVERSE EVENTS. Between the date hereof and the Closing Date, neither the business, assets or condition, financial or otherwise, of the Company taken as a whole shall have been materially adversely affected in any manner.

6.4 DELIVERY OF DOCUMENTS. The Company shall have effected the transfers and deliveries set forth in Section 1.1.

7. MISCELLANEOUS

7.1 EXPENSES, COMMISSIONS AND TAXES. Each party shall bear and pay its own expenses, including legal, accounting and other professional fees, and taxes incurred in connection with the transactions referred to in this Agreement. The party responsible under applicable law shall bear and pay in their entirety all other taxes and registration and transfer fees, if any, payable by reason of the sale and conveyance of the Shares.

7.2 ENTIRE AGREEMENT; MODIFICATIONS; WAIVER. This Agreement, together with the related agreements or certificates referenced herein, constitutes the final, exclusive and complete understanding of the parties with respect to the subject matter hereof and supersedes any and all prior understandings and discussions with respect thereto. No variation or modification of this Agreement and no waiver of any provision or condition hereof, or granting of any consent contemplated hereby, shall be valid unless in writing and signed by the party against whom enforcement of any such variation, modification, waiver or consent is sought.

7.3 FURTHER ASSURANCES. The parties hereto shall use their best efforts, and shall cooperate with one another, to secure all necessary consents, approvals, authorizations, exemptions and waivers from third parties as shall be required in order to consummate the transactions contemplated hereby, and shall otherwise use their best efforts to cause such transactions to be consummated in accordance with the terms and conditions hereof. At any time or from time to time after the Closing Date, each party hereto, shall execute and deliver any further instruments or documents and take all such further action as such requesting party may reasonably request in order to consummate and document the transactions contemplated hereby.

7.4 CAPTIONS. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the constructing or interpretation of any provision of this Agreement.

7.5 SECTION REFERENCES. Unless otherwise noted, all section references herein are to sections of this Agreement.

7.6 COUNTERPARTS. This Agreement may be executed in any number of counterparts, including electronically transmitted counterparts, each of which when so executed shall constitute an original copy hereof, but all of which together shall constitute one agreement.

7.7 SUCCESSORS AND ASSIGNS. Neither party shall have the right to assign this Agreement.

7.8 PARTIES IN INTEREST. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over against any party to this Agreement.

7.9 NOTICES. All notices, requests, demands and other communications hereunder ("Notices") shall be in writing and shall be deemed to have been duly given if delivered by hand or by registered or certified mail, postage prepaid, return receipt requested, but only upon receipt of such return receipt, as follows:

If to Investors:	As noted in Exhibit I
If to the Company:	Peregrine Pharmaceutical, Inc. 14272 Franklin Avenue, Suite 100 Tustin, California 92780 Attn.: President

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt. All Notices shall be deemed received on the date of delivery or, if mailed, on the date appearing on the return receipt therefor.

7.10 LAW GOVERNING. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California, without regard to its choice-of-laws or conflicts-of-law rules.

7.11 SURVIVAL. The representations and warranties contained in this Agreement shall survive the Closing Date indefinitely.

[REMAINDER OF PAGE
INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as of date first above written.

"The Company"
Peregrine Pharmaceuticals, Inc.,
a Delaware corporation

BY: /S/ PAUL LYTLE

Name: Paul Lytle

Title: CFO

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) VERTICAL VENTURES, LLC
Tax ID No.: _____
Address (for delivery of documents): 641 LEXINGTON AVE., 26TH FLOOR
NEW YORK, NY 10022

DWAC Instructions: DTC# _____
BROKER _____
ADDRESS _____
CONTACT _____
PHONE # _____
ACCT NAME _____
ACCT NUMBER _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Joshua Silverman

Name of Individual representing Purchaser: VERTICAL VENTURES, LLC

NUMBER OF SHARES TO BE PURCHASED: 190,179
PER SHARE PURCHASE PRICE: \$1.15
AGGREGATE PURCHASE PRICE: \$218,705.85

NUMBER OF SHARES WHICH MAY BE ACQUIRED PURSUANT TO SECTION 1.3 _____

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) CRANSHIRE CAPITAL, L.P.
Tax ID No.: _____
Address (for delivery of documents): 666 DUNDEE RD., SUITE 1901
NORTHBROOK, IL 60062

DWAC Instructions: DTC# _____
BROKER _____
ADDRESS _____
CONTACT _____
PHONE # _____
ACCT NAME _____
ACCT NUMBER _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Mitchell Kopin

Name of Individual representing Purchaser: MITCHELL KOPIN

NUMBER OF SHARES TO BE PURCHASED: 301,567
PER SHARE PURCHASE PRICE: \$1.15
AGGREGATE PURCHASE PRICE: \$346,802.05

NUMBER OF SHARES WHICH MAY BE ACQUIRED PURSUANT TO SECTION 1.3 301,567

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) OTATO LIMITED PARTNERSHIP

Tax ID No.: _____

Address (for delivery of documents):
OTATO LIMITED PARTNERSHIP
C/O OTA
ONE MANHATTANVILLE RD.,
PURCHASE, NY 10577

DWAC Instructions:
DTC# _____
BROKER _____
ADDRESS _____
CONTACT _____
PHONE # _____
ACCT NAME _____
ACCT NUMBER _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Richard M. Cayne

Name of Individual representing Purchaser: RICHARD M. CAYNE

NUMBER OF SHARES TO BE PURCHASED: 89,585

PER SHARE PURCHASE PRICE: \$1.15

AGGREGATE PURCHASE PRICE: \$103,022.75

NUMBER OF SHARES WHICH MAY BE ACQUIRED PURSUANT TO SECTION 1.3 89,585

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) SDS MERCHANT FUND, L.P.
Tax ID No.: _____
Address (for delivery of documents): 53 FOREST AVE., 2ND FLOOR
OLD GREENWICH, CT 06870

DWAC Instructions: DTC# _____
BROKER _____
ADDRESS _____
CONTACT _____
PHONE # _____
ACCT NAME _____
ACCT NUMBER _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Scott Derby

Name of Individual representing Purchaser: SCOTT DERBY

NUMBER OF SHARES TO BE PURCHASED: 167,973
PER SHARE PURCHASE PRICE: \$1.15
AGGREGATE PURCHASE PRICE: \$193,168.95

NUMBER OF SHARES WHICH MAY BE ACQUIRED PURSUANT TO SECTION 1.3 167,973

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) CLEVELAND OVERSEAS LTD.

Tax ID No.: _____

Address (for delivery of documents): C/O GTF GLOBAL TRADE & FINANCE SA
ST. MARKUSGASSE 19
FL-9490 VADUZ / LIECHTENSTEIN

DWAC Instructions: DTC# _____
BROKER _____
ADDRESS _____
CONTACT _____
PHONE # _____
ACCT NAME _____
ACCT NUMBER _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Ewald Vogt

Name of Individual representing Purchaser: Ewald Vogt / Director
GTF GLOBAL TRADE & FINANCE SA

NUMBER OF SHARES TO BE PURCHASED: -22,396-

PER SHARE PURCHASE PRICE: \$1.15

AGGREGATE PURCHASE PRICE: \$-25,755.50-

NUMBER OF SHARES WHICH MAY BE ACQUIRED PURSUANT TO SECTION 1.3 _____

SCHEDULE I
"The Investors"

Print or Type:

Name of Purchaser (Institution) XMARK FUND, L.P. & XMARK FUND, LTD.

Tax ID No.: _____

Address (for delivery of documents): XMARK FUNDS
152 WEST 57TH ST., 21ST FLOOR
NEW YORK, NY 10019

DWAC Instructions: DTC# _____
BROKER _____
ADDRESS _____
CONTACT _____
PHONE # _____
ACCT NAME _____
ACCT NUMBER _____

IF NO DWAC INSTRUCTIONS ARE PROVIDED, COMPANY WILL ISSUE PHYSICAL CERTIFICATE FOR THE NUMBER OF SHARES LISTED BELOW. CERTIFICATE WILL BE MAILED TO ADDRESS ABOVE UNLESS OTHERWISE STATED HEREIN.

Signature by: /s/ Mitchell D. Kaye

Name of Individual representing Purchaser: MITCHELL D. KAYE

NUMBER OF SHARES TO BE PURCHASED: 749,910

PER SHARE PURCHASE PRICE: \$1.15

AGGREGATE PURCHASE PRICE: \$862,396.50

NUMBER OF SHARES WHICH MAY BE ACQUIRED PURSUANT TO SECTION 1.3 749,910

SCHEDULE 3.5

LITIGATION

None

Schedule A
Fees and Commissions

1. Olympus Securities - 5% of the gross proceeds received by the Company from the following nine (9) investors as more fully described in the Finders Agreement dated August 8, 2002:

1. Vertical Ventures, LLC and affiliates
2. Cleveland Overseas Ltd. and affiliates
3. Xmark and affiliates
4. SDS Capital and affiliates
5. Alpha Capital and affiliates
6. Cranshire Capital and affiliates
7. West End Capital and affiliates
8. OTA and affiliates
9. Zimmer Lucas and affiliates

EXHIBIT 10.90

PEREGRINE PHARMACEUTICALS, INC.

COMMON STOCK
PURCHASE AGREEMENT

UP TO 2,000,000 SHARES OF
COMMON STOCK

JULY 24, 2003

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this "Agreement") is made and entered into as of July 24, 2003, by and between Peregrine Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and Melton Management, Ltd. (the "Investor").

RECITALS

WHEREAS, the Company has filed with the Securities and Exchange Commission ("SEC") a Shelf Registration Statement on Form S-3 No. 333-103965, which was declared effective by the SEC on March 31, 2003 (the "Form S-3").

WHEREAS, pursuant to the Form S-3, the Company may offer to the public from time to time up to 10,000,000 shares of common stock, par value \$0.001 per share (the "Common Stock").

WHEREAS, in accordance with the parties' term sheet dated July 16, 2003 (the "Term Sheet"), the Company desires to sell and issue to the Investor under the Form S-3 up to an aggregate of Two Million (2,000,000) shares of Common Stock at the per share price of \$1.45, all in the manner described below.

NOW, THEREFORE, in consideration of the covenants, agreements and considerations herein contained, the Company and Investor agree as follows:

1. PURCHASE AND SALE OF SHARES

1.1 PUT OF SHARES. Subject to the terms and conditions hereof, for a period of twenty five (25) trading days commencing on the date hereof, the Company shall have the right to put (each a "Put") to the Investor, by way of one or more Puts, up to an aggregate of Two Million (2,000,000) shares (the "Put Limit") of Common Stock (the "Shares"), by delivering to the Investor a written notice (the "Put Notice") specifying the number of Shares to be put and sold to the Investor on such date. The form of Put Notice is attached hereto as Exhibit A.

1.2 PURCHASE PRICE. As full consideration for the sale of the Shares to Investor in connection with each Put, the Investor shall deliver to the Company within three (3) business days after receipt of the Put Notice (the "Put Closing Date"), the purchase price for such Shares by wire transfer of immediately available funds to such account as the Company shall designate. The purchase price for each Put shall be equal to the sum of the number of Shares for such Put multiplied by the per share purchase price of \$1.45 per share. Within three (3) business days following the Put Closing Date, the Company shall deliver to the Investor a stock certificate representing the Shares purchased in the Put.

1.3 TERMINATION OF PUT RIGHT. The Company's right to deliver a Put Notice pursuant to this Agreement shall terminate on the first to occur of (i) the date that is twenty five (25) trading days from the date hereof, and (ii) the Investor having acquired pursuant to Puts a number of Shares equal to the Put Limit. Notwithstanding the termination of the Put Right pursuant to clause (i), the Investor shall be obligated to complete any Put delivered on or before such date.

2. RESERVED.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth below, the Company makes no representations or warranties of any nature or kind.

3.1 ORGANIZATION, STANDING AND POWER. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole.

3.2 CAPITALIZATION. The authorized capital stock of the Company consists of 175,000,000 shares of common stock, par value \$0.001 per share, and 5,000,000 shares of preferred stock, par value \$0.001 per share, of which, as of July 24, 2003, there were approximately 129,856,000 shares of common stock and nil shares of preferred stock, issued and outstanding. The Company is not a party to any voting trust agreements or understandings with respect to the voting common stock of the Company.

3.3 AUTHORIZATION.

3.3.1 The Company has full legal right, power and capacity to enter into, execute, deliver and perform this Agreement and all attendant documents and instruments contemplated hereby.

3.3.2 This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of the Company and is enforceable with respect to the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, priority or other laws or court decisions relating to or affecting generally the enforcement of creditors' rights or affecting generally the availability of equitable remedies.

3.3.3 The execution and delivery of this Agreement by the Company, and the consummation of the transactions contemplated hereby by the Company in accordance with the terms hereof shall not conflict with or result in a breach of, violation of, or default under (or constitute an event that with notice, lapse of time, or both, would constitute a breach or default under), or result in the termination of, or accelerate the performance required by, or result in the creation of any liens or other encumbrances upon any of the properties or assets of the Company under any of the terms, conditions or provisions of the Certificate of Incorporation or Bylaws, any provision of the laws of the State of California or the State of Delaware, or any note, bond, mortgage, indenture, deed of trust, license, lease, credit agreement or other agreement, document, instrument or obligation to which the Company is a party or by which any of its assets or properties are bound.

3.3.4 Neither the execution and delivery of this Agreement by the Company, nor the consummation of the transactions, contemplated hereunder by the Company will violate or conflict with any judgment, order, decree, statute, rule or regulation applicable to the Company or its assets or properties.

3.4 VALID ISSUANCE OF COMMON STOCK.

3.4.1 The Shares being purchased by the Investor hereunder, when issued, sold and delivered in accordance with the terms hereof or thereof, for the consideration expressed herein or therein, will be duly and validly issued, fully paid and nonassessable and will be issued in compliance with all applicable federal and state securities laws.

3.4.2 The outstanding shares of Common Stock are all duly and validly authorized and issued, fully paid and nonassessable, and were issued in compliance with all applicable federal and state securities laws.

3.4.3 The Company has full power, right and authority to transfer, convey and sell to the Investors on the Closing Date the Shares and upon consummation of the transactions contemplated by this Agreement, each Investor will have acquired good and marketable title to the Shares purchased by such Investor, free and clear of claims, liens, restrictions on transfer or voting or encumbrances.

3.4.5 The Company has taken the requisite action to cause the Shares to be listed on the Nasdaq SmallCap Market.

3.5 LITIGATION. Except as referred to in the SEC Documents, as defined below, the Form S-3, or as disclosed in Schedule 3.5, there are no claims, suits, actions or proceedings pending or, to the knowledge of the Company, threatened against, relating to or affecting the Company or any of its subsidiaries, before any court, governmental department, commission, agency, instrumentality or authority, or any arbitrator that would reasonably be expected, either alone or in the aggregate with all such claims, actions or proceedings, to have a material adverse effect on the Company's business or financial condition or the transactions contemplated hereunder. Except as referred to in the Company's SEC Documents, neither the Company nor any of its subsidiaries is subject to any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or authority, or any arbitrator which prohibits or restricts the consummation of the transactions contemplated hereby or would have a material adverse effect on the Company's business or financial condition or the transactions contemplated hereunder.

3.6 SEC DOCUMENTS; THE COMPANY'S FINANCIAL STATEMENTS. The Company is a reporting company under the Securities Exchange Act of 1934 (the "Exchange Act"), and files annual and periodic reports (the "SEC Documents") with the Securities and Exchange Commission (the "SEC"). As of their respective filing dates, the SEC Documents complied in all material respects with the requirements of the Securities Exchange Act of 1934, as amended, applicable to the Company and to the knowledge of the Company none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except to the extent corrected by a subsequently filed document with the SEC. The SEC

Documents contain an audited consolidated balance sheet of the Company as of the end of the last completed fiscal year (the "Balance Sheet") and the related audited consolidated statements of income and cash flow for the year then ended (collectively, the "Financials"). The Financials have been prepared in accordance with GAAP applied on a basis consistent through the periods indicated and consistent with each other. The Financials present fairly the consolidated financial condition and operating results and cash flows of the Company and its subsidiaries as of the dates and during the periods indicated therein. Since the date of the Balance Sheet and until the date of this Agreement, there has not occurred any material adverse change in the business, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole, which has not been reflected in the SEC Documents.

3.7 FORM S-3. The Company has delivered to each Investor a copy of the Form S-3. The Company represents and warrants that the Form S-3 has been declared effective by the SEC and is not subject to any stop order. The Company is not aware of any event, fact or circumstance, which would cause the Form S-3 to contain a material misstatement. The Company at the time of the initial filing of the Form S-3 met the SEC's eligibility requirements for use of a Form S-3 in connection with a primary offering.

3.8 DISCLOSURE. Neither this Agreement, nor any of the schedules, attachments, or certificates attached to this Agreement or delivered by the Company on the Closing Date, contains any untrue statements of material fact or omits a material fact necessary to make the statements contained herein or therein not misleading. There is no fact which the Company has not disclosed to the Investors, orally or in writing, and of which any of the Company's directors or officers are aware, which could reasonably be anticipated to have a material adverse effect, upon the financial condition, operating results or assets, of the Company. Notwithstanding the foregoing, certain information provided by the Company to the Investors contained statements that are forward-looking, which are covered by the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of the Company.

3.9 NO CONSENTS. Other than the compliance with the first right to participate held by certain existing shareholder referred to in the Term Sheet, the execution, delivery and performance by the Company of this Agreement and the offer, issuance and sale of the Shares require no consent of, action by or in respect of, or filing with, any individual or entity, governmental body, agency, or official other than filings that have been made pursuant to applicable state securities laws and post-sale filings pursuant to applicable state and federal securities laws which the Company undertakes to file within the applicable time periods.

3.10 REGULATORY COMPLIANCE. The Company is not in violation of any applicable law, regulation, judgment, order or consent decree (of any governmental or non-governmental regulatory or self-regulatory agency or any organized exchange, including without limitation, the SEC, any state or local securities or insurance regulatory body, or the Internal Revenue Service), which violation is likely to have a material adverse effect on the Company's business, financial condition, or this transaction.

3.11 REGULATORY PROCEEDINGS, INVESTIGATIONS AND INQUIRIES. The Company has not been the subject of any material regulatory proceeding, examination, investigation or inquiry (known to the Company), including any pending or threatened regulatory proceeding, investigation or inquiry (known to the Company) (including without limitation any by governmental or non-governmental regulatory or self-regulatory agency or any organized exchange) relating to the Company.

3.12 REGISTRATION STATEMENT. The Company's Registration Statement on Form S-3 (the "Registration Statement") was declared effective by the SEC on March 31, 2003. The Registration Statement is effective on the date hereof and the Company has not received notice that the SEC has issued or intends to issue a stop order with respect to such Registration Statement or that the SEC otherwise has suspended or withdrawn the effectiveness of the Registration Statement, either temporarily or permanently, or intends or has threatened in writing to do so. The Registration Statement (including the information or documents incorporated by reference therein), as of the time it was declared effective, and any amendments or supplements thereto, each as of the time of filing, did not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. With respect to each completed Put, the Company hereby agrees to file with the SEC a prospectus supplement in accordance with the required timelines as prescribed under Rule 424(b)(2) of the Securities Act. The issuance of the Shares to the Investor is registered by the Registration Statement and, when issued to the Investor, the Shares shall be freely tradeable by the Investors.

3.14 COMPLIANCE WITH NASDAQ CONTINUED LISTING REQUIREMENTS. The Company is in compliance with applicable Nasdaq SmallCap Market continued listing requirements. There are no proceedings pending or, to the Company's knowledge, threatened against the Company relating to the continued listing of the Common Stock on the Nasdaq SmallCap Market and the Company has not received any currently effective notice of, nor to the Company's knowledge is there any basis for, the delisting of the Common Stock from the Nasdaq SmallCap Market.

4. REPRESENTATIONS AND WARRANTIES OF EACH INVESTOR

Each Investor hereby represents and warrants to the Company the following:

4.1 AUTHORITY. Investor has full legal right, power and capacity to enter into, execute, deliver and perform this Agreement and all attendant documents and instruments contemplated hereby. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of Investor and is enforceable with respect to Investor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, priority or other laws or court decisions relating to or affecting generally the enforcement of creditors' rights or affecting generally the availability of equitable remedies.

4.2 NO VIOLATION OF AGREEMENTS. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereunder by Investor will violate or conflict with any judgment, order, decree, statute, rule or regulation applicable to Investor or its assets or properties.

4.3 DISCLOSURE OF INFORMATION. Subject in part to the truth and accuracy of the representations and warranties of the Company, the Investor believes that it has received all the information that it considers necessary or appropriate for deciding whether to purchase the Shares. The Investor further represents that it has had an opportunity to review the SEC Documents and the Form S-3, and had sufficient opportunity to ask questions and receive answers from the Company and its directors and officers regarding the terms and conditions of the offering of the Shares and the business and operations of the Company. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3 of this Agreement or the right of the Investor to rely thereon.

5. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY

The obligations of the Company to consummate each Put contemplated by this Agreement shall be subject to the satisfaction of each of the conditions set forth below, any or all of which may be waived by the Company in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by the Company of any other condition or of any of the Company's rights or remedies, at law or in equity, if the Investor shall be in default or breach of any of its representations, warranties or agreements under this Agreement:

5.1 PURCHASE PRICE. Investor shall deliver the applicable Put purchase price on the date specified in Section 1.2.

5.2 ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Investor contained in this Agreement shall be accurate and complete on and as of each Put Closing Date with the same effect as though such representations and warranties had been made on or as of such date.

5.3 PERFORMANCE OF AGREEMENTS. Each and all of the conditions precedent and agreements of the Investor subject to satisfaction on or before the Put Closing Date pursuant to the terms of this Agreement shall have been performed or satisfied.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF INVESTOR

The obligations of the Investor to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the conditions set forth below, any or all of which may be waived by each Investor in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by such Investor of any other condition or of any of the Investor's rights or remedies, at law or in equity, if the Company shall be in default or breach of any of its representations, warranties or agreements under this Agreement:

6.1 ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company contained in this Agreement shall be accurate and complete on and as of the Put Closing Date with the same effect as though such representations and warranties had been made on or as of such date.

6.2 PERFORMANCE OF AGREEMENTS. Each and all of the conditions precedent and agreements of the Company subject to satisfaction on or before the Put Closing Date pursuant to the terms of this Agreement shall have been performed or satisfied.

6.3 NO ADVERSE EVENTS. Between the date hereof and the Put Closing Date, neither the business, assets or condition, financial or otherwise, of the Company taken as a whole shall have been materially adversely affected in any manner.

7. MISCELLANEOUS
- - - - -

7.1 EXPENSES, COMMISSIONS AND TAXES. Each party shall bear and pay its own expenses, including legal, accounting and other professional fees, and taxes incurred in connection with the transactions referred to in this Agreement. The party responsible under applicable law shall bear and pay in their entirety all other taxes and registration and transfer fees, if any, payable by reason of the sale and conveyance of the Shares.

7.2 ENTIRE AGREEMENT; MODIFICATIONS; WAIVER. This Agreement, together with the related agreements or certificates referenced herein, constitutes the final, exclusive and complete understanding of the parties with respect to the subject matter hereof and supersedes any and all prior understandings and discussions with respect thereto. No variation or modification of this Agreement and no waiver of any provision or condition hereof, or granting of any consent contemplated hereby, shall be valid unless in writing and signed by the party against whom enforcement of any such variation, modification, waiver or consent is sought.

7.3 FURTHER ASSURANCES. The parties hereto shall use their best efforts, and shall cooperate with one another, to secure all necessary consents, approvals, authorizations, exemptions and waivers from third parties as shall be required in order to consummate the transactions contemplated hereby, and shall otherwise use their best efforts to cause such transactions to be consummated in accordance with the terms and conditions hereof. At any time or from time to time after the Closing Date, each party hereto, shall execute and deliver any further instruments or documents and take all such further action as such requesting party may reasonably request in order to consummate and document the transactions contemplated hereby.

7.4 CAPTIONS. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the constructing or interpretation of any provision of this Agreement.

7.5 SECTION REFERENCES. Unless otherwise noted, all section references herein are to sections of this Agreement.

7.6 COUNTERPARTS. This Agreement may be executed in any number of counterparts, including electronically transmitted counterparts, each of which when so executed shall constitute an original copy hereof, but all of which together shall constitute one agreement.

7.7 SUCCESSORS AND ASSIGNS. Neither party shall have the right to assign this Agreement.

7.8 PARTIES IN INTEREST. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over against any party to this Agreement.

7.9 NOTICES. All notices, requests, demands and other communications hereunder ("Notices") shall be in writing and shall be deemed to have been duly given if delivered by hand or by registered or certified mail or upon fax notice with confirmation of receipt, as follows:

If to Investor: Melton Management, Ltd.
Jerusalem, Israel
Attention: Mr. Breitkope
Fax: 011-972-2-652-1063

with copy to: Wall & Broad Equities
Mr. Howard Bash
Fax: 718-972-6803

If to the Company: Peregrine Pharmaceutical, Inc.
14272 Franklin Avenue, Suite 100
Tustin, California 92780
Attn.: President
Fax: 714-838-5817

with copy to: Falk, Shaff & Ziebell
Mr. Mark Ziebell
Fax: 949-660-7799

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt. All Notices shall be deemed received on the date of delivery or, if mailed, on the date appearing on the return receipt therefor.

7.10 LAW GOVERNING. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California, without regard to its choice-of-laws or conflicts-of-law rules.

7.11 SURVIVAL. The representations and warranties contained in this Agreement shall survive the Closing Date indefinitely.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as of date first above written.

"The Company"
Peregrine Pharmaceuticals, Inc.,
a Delaware corporation

By: /s/ Paul Lytle

Name: PAUL LYTLE

Title: CHIEF FINANCIAL OFFICER

"Investor"
Melton Management, Ltd

By: /s/ Yehuda Breitkope

Name: YEHUDA BREITKOPE

Title: DIRECTOR

EXHIBIT I

PUT NOTICE

PEREGRINE PHARMACEUTICALS, INC. (the "Company") pursuant to the terms of the Common Stock Purchase Agreement dated July 24, 2003 (the "Purchase Agreement") hereby intends, subject to the Put Limit (as defined in the Purchase Agreement), to elect to exercise a Put to sell the number of shares of Common Stock of the Company specified below at a price of \$1.45 per share, to Melton Management, Ltd., the Investor, as of the Put Closing Date written below.

Date of Put Notice: _____

Intended Put Date: _____

Intended Put Share Amount: _____

Aggregate Purchase Price: _____

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven W. King, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Peregrine Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: September 12, 2003

Signed: /s/ Steven W. King

Steven W. King
PRESIDENT AND CHIEF EXECUTIVE
OFFICER

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul J. Lytle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Peregrine Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: September 12, 2003

Signed: /s/ Paul J. Lytle

Paul J. Lytle
CHIEF FINANCIAL OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned hereby certifies, in his capacity as an officer of Peregrine Pharmaceuticals, Inc. (the "Company"), for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) the Quarterly Report of the Company on Form 10-Q for the period ended July 31, 2003 fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 12, 2003

/s/ Steven W. King

Steven W. King
PRESIDENT AND CHIEF EXECUTIVE OFFICER

/s/ Paul J. Lytle

Paul J. Lytle
CHIEF FINANCIAL OFFICER

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO PEREGRINE PHARMACEUTICALS, INC. AND WILL BE RETAINED BY PEREGRINE PHARMACEUTICALS, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.