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Peregrine Pharmaceuticals Announces Second Defense Department Grant for Preclinical Tarvacin Prostate Cancer Studies

- Results Could Help Guide Design of Tarvacin Prostate Cancer Clinical Trials -

- Over $3 Million in Aggregate Grant Funding Has Now Been Awarded to Study Tarvacin at the University of Texas Southwestern Medical Center -

TUSTIN, Calif., Jan. 18 /PRNewswire-FirstCall/ -- Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM), a biopharmaceutical company with a portfolio of innovative, clinical stage product candidates for viral diseases and cancer, today announced that the U.S. Department of Defense (DOD) has awarded a grant totaling $585,000 to its collaborators at the University of Texas Southwestern Medical Center at Dallas to conduct preclinical studies of Tarvacin™ Anti-Cancer as a potential treatment for prostate cancer. Tarvacin Anti-Cancer, Peregrine's lead vascular targeting antibody, is currently in a Phase I clinical trial for advanced refractory solid tumors.

In November, Peregrine announced a major DOD prostate cancer grant to UT Southwestern researchers for preclinical studies of Tarvacin in combination with chemotherapy. With this new project, the total DOD commitment to Tarvacin prostate cancer research exceeds one million dollars. Altogether more than three million dollars in aggregate grant funding has been awarded to UT Southwestern researchers to study Tarvacin in anti-cancer and anti-viral applications.

"This second peer-reviewed Defense Department grant is another confirmation of the research community's growing interest in the therapeutic potential of Tarvacin Anti-Cancer," said Steven W. King, president and CEO of Peregrine. "As we move to complete our first Phase I cancer trial later this year, we look forward to applying findings from these ongoing research efforts to advance later stage human studies of Tarvacin in a variety of solid tumor cancers."

In the new prostate cancer studies, UT Southwestern researchers will use several realistic and well-validated models of prostate cancer to focus on issues relevant to optimization of therapy, including dosing and scheduling, as well as how best to combine Tarvacin with chemotherapy to achieve synergistic therapeutic effects. They will assess the efficacy of Tarvacin Anti-Cancer against primary tumors and examine its impact on bone metastases. The results of these studies are expected to help guide the design of human prostate cancer studies for Tarvacin Anti-Cancer.

"This new prostate cancer grant, which brings together the expertise of several disciplines at UT Southwestern, will employ advanced techniques such as MRI tumor oximetry to measure dynamic changes in the tumors," said Ralph Mason, Ph.D., professor of radiology at UT Southwestern and a principal investigator of the study. "We expect that the findings of these studies will be directly applicable to the design of Tarvacin clinical trials for prostate cancer."

Tarvacin is a monoclonal antibody that binds selectively to phospholipids, certain components of the cell structure that are located inside normal cells but which become exposed on the outside of cells that line the blood vessels of tumors, creating a specific target for anti-cancer therapies. Once bound to tumor blood vessels, Tarvacin alerts the body's immune system to attack the tumor's blood supply, resulting in tumor cell death. Tarvacin Anti-Cancer has already demonstrated promising preclinical activity in studies of human and rat prostate tumors.

The Department of Defense manages the Congressional Special Interest Medical Research Programs (CSI) including breast, prostate and ovarian cancers. Since fiscal year 1992, CSI programs have handled approximately $3.4 billion in Congressional appropriations for peer-reviewed research aimed to prevent, control and cure disease. Prostate cancer, an important target of these programs, is the most commonly diagnosed cancer in men, accounting for 30 percent of all male cancers, and prostate cancer is second only to lung cancer as a leading cause of cancer deaths in men. Currently, there is no cure for locally advanced or metastatic prostate cancer.

Similar to its mechanism of action in cancer, Tarvacin also targets phospholipids exposed on the cell surface when the cell is infected with certain viruses, mobilizing the immune system to attack and destroy both the viruses and the infected cells. Tarvacin Anti-Viral is in Phase I clinical studies for hepatitis C infections and is in preclinical studies for potential use against influenza, cytomegalovirus, HIV and other life-threatening viruses.

About Peregrine

Peregrine Pharmaceuticals, Inc. is a biopharmaceutical company with a portfolio of innovative product candidates in clinical trials for the treatment of cancer and viral diseases. The company is pursuing three separate clinical trials in cancer and anti-viral indications with its lead product candidates Tarvacin™ and Cotara®. Peregrine also has in-house manufacturing capabilities through its wholly-owned subsidiary Avid Bioservices, Inc. (www.avidbio.com), which provides development and bio-manufacturing services for both Peregrine and outside customers. Additional information about Peregrine can be found at www.peregrineinc.com.

Safe Harbor Statement: Statements in this press release which are not purely historical, including statements regarding Peregrine Pharmaceutical's intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that promising preclinical activity demonstrated by Tarvacin Anti-Cancer in studies of human and rat prostate tumors will not be consistent in human testing. It is important to note that the company's actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, uncertainties associated with completing pre-clinical and clinical trials for our technologies; the early stage of product development; the significant costs to develop our products as all of our products are currently in development, pre-clinical studies or clinical trials; obtaining additional financing to support our operations and the development of our products; obtaining regulatory approval for our technologies; anticipated timing of regulatory filings and the potential success in gaining regulatory approval and complying with governmental regulations applicable to our business. Our business could be affected by a number of other factors, including the risk factors listed from time to time in the Company's SEC reports including, but not limited to, the annual report on Form 10-K for the year ended April 30, 2005, and the quarterly report on Form 10-Q for the quarter ended October 31, 2005. The Company cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Peregrine Pharmaceuticals, Inc. disclaims any obligation, and does not undertake to update or revise any forward-looking statements in this press release.

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CONTACT: Investors, Brod&Schaffer, +1-800-987-8256, ir@peregrineinc.com; or Media, Stephen Gendel of GendeLLindheim BioCom Partners, +1-212-918-4650, both for Peregrine Pharmaceuticals, Inc.
/Web site: http://www.peregrineinc.com
http://www.avidbio.com