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Peregrine and Affitech to Amend License Agreements to Expedite Development of Novel Fully Human Anti-VEGF Antibody AT001/R84

To Amend Terms for Brazil and Russia/CIS Markets to Expedite Clinical Development of AT001/r84; Peregrine's Subsidiary Avid Bioservices Secures Biomanufacturing Contract to Support AT001/r84 Clinical Studies

TUSTIN, CA and COPENHAGEN, DENMARK and OSLO, NORWAY, Sep 30, 2010 (MARKETWIRE via COMTEX News Network) -- Peregrine Pharmaceuticals, Inc. (NASDAQ: PPHM), a clinical-stage biopharmaceutical company, and Affitech A/S (COPN: AFFI), the antibody medicines company, today announced that the companies have agreed to amend certain terms of their worldwide license agreements for Brazil, Russia and other countries of the Commonwealth of Independent States (CIS) to expedite the development of a fully human antibody called AT001/r84 for these territories.

Under the amended terms, Peregrine and Affitech will reinvest their respective portions of any future milestone payments to be received under the agreements for the countries of Brazil, Russia and the CIS toward the further advancement of AT001/r84. In the event Affitech enters into a licensing deal for AT001/r84 in a major pharmaceutical market, Affitech has agreed to reimburse Peregrine for its milestone payments that were applied to the program while Affitech will be eligible to be reimbursed for up to 50% of its development costs in Brazil, Russia and CIS territories. The remaining terms of the original license agreements remain unchanged, including milestone and royalty payments. Additional terms were not disclosed.

In July 2009, Affitech licensed exclusive worldwide rights to develop and commercialize certain products under Peregrine's anti-VEGF (Vascular Endothelial Growth Factor) antibody technology platform, including the fully human antibody AT001/r84, a selective blocker of VEGF binding to VEGF receptor 2 (VEGFR2). AT001/r84 was discovered by Affitech and jointly developed by the companies under an ongoing collaboration. As part of Affitech's recent strategic partnership with NauchTekhStroy Plus (NTS Plus), initial clinical trials will be conducted in Russia. If successful, Affitech plans to market the product in Russia and the CIS territories through its alliance with NTS Plus and in other territories, subject to successful clinical results and further funding.

"We believe our long-term relationship with Peregrine has enabled us to restructure a deal that is mutually beneficial by enabling us to speed up the development of AT001/r84 by partnering with NTS Plus in Russia and the CIS countries," said Martin Welschof, Managing Director of Affitech. "With funding provided by NTS Plus, we will accelerate our goal of developing a selective anti-angiogenesis antibody for these growing markets. We believe expediting the development of AT001/r84 in the exciting emerging pharmaceutical markets of Russia and eventually Brazil will dramatically increase the value of this program for Affitech, Peregrine, and a potential global pharmaceutical partner."

Separately, Peregrine's wholly-owned biomanufacturing subsidiary Avid Bioservices has secured a biomanufacturing contract to supply clinical material to Affitech over the coming year. The initial contract for committed services provides for several large-scale cGMP manufacturing runs as well as other cGMP-related services.

"By initially focusing on markets that offer the potential for expedited development, we expect Affitech to more rapidly increase the value of our collaboration and the probability of success for this program," said Steven W. King, president and chief executive officer of Peregrine Pharmaceuticals. "We look forward to seeing Affitech advance the development of AT001/r84 to realize the potential value of our anti-VEGF platform technology, while benefiting near-term from this new biomanufacturing contract."

Additionally, Peregrine and Affitech have agreed to modify the terms under their research collaboration agreement to eliminate Affitech's future obligations for the development of new antibody targets, in exchange for reduced future license fees, milestone payments and royalty obligations due from Peregrine for existing antibody targets. The collaboration has generated several fully human antibodies, including AT001/r84; PGN 635, an antibody being evaluated as part of Peregrine's government contract; and other antibodies in preclinical evaluation for the treatment of a broad range of cancer and infectious diseases indications.

About AT001/r84 AT001/r84 is a fully human, selective therapeutic antibody to vascular endothelial growth factor (VEGF) and has demonstrated encouraging effects on immune cells in preclinical models. Anti-VEGF antibody therapy is a clinically and commercially validated approach to treating cancer, and the leading marketed anti-VEGF product is Avastin(R), which

generated global sales of $6.3 billion USD in 2009.

- AT001/r84 has demonstrated potent anti-tumor activity with limited induction of side effects in mice studies
  - Fully human antibody AT001/r84 binds human and mouse Vascular Endothelial Growth Factor (VEGF) and selectively blocks VEGF from interacting with VEGF receptor 2
  - AT001/r84 has potent anti-tumor activity that is comparable to bevacizumab (Avastin) or sunitinib (Stuent(R)) and shows no significant side effects after chronic high dose therapy in mice
  - AT001/r84's ability to bind to and block VEGF receptor 2 provides a valuable tool for characterizing tumor progression driven by VEGF receptor pathway and highlights the utility and potential safety of more selective blocking of VEGF induced VEGF receptor 2 signaling in anti-tumor therapy

Source: r84, a novel therapeutic antibody against mouse and human VEGF with potent anti-tumour activity and limited toxicity induction, L. Sullivan et al., Public Library of Science (PLoS ONE). August 6, 2010.

- AT001/r84 limits the emergence of immunosuppression in preclinical cancer models
  - AT001/r84 demonstrates equivalent efficacy to bevacizumab (Avastin) and sunitinib (Sutent) in a preclinical model of cancer
  - AT001/r84 limits emergence of immunosuppression in three preclinical models of cancer

Source: Cytokine Levels Correlate with Immune Cell Infiltration after Anti-VEGF Therapy in Preclinical Mouse Models of Breast Cancer, CL Roland et al., Public Library of Science (PLoS ONE). November 3, 2009.

About Peregrine Pharmaceuticals Peregrine Pharmaceuticals, Inc. is a biopharmaceutical company with a portfolio of innovative monoclonal antibodies in clinical trials for the treatment of cancer and serious viral infections. The company is pursuing multiple clinical programs in cancer and hepatitis C virus infection with its lead product candidate bavituximab and novel brain cancer agent Cotara(R). Peregrine also has in-house cGMP manufacturing capabilities through its wholly-owned subsidiary Avid Bioservices, Inc. (www.avidbio.com), which provides development and biomanufacturing services for both Peregrine and outside customers. Additional information about Peregrine can be found at www.peregrineinc.com.

About Affitech Affitech AS is a publicly traded human therapeutic antibody company located in Copenhagen, Denmark with R&D facilities in Oslo, Norway. The company utilizes a range of proprietary antibody technologies for the discovery of fully human antibodies for application in oncology, inflammation and other disease areas. CBAS(TM) (Cell Based Antibody Selection) is Affitech's premier discovery engine for the isolation of lead antibodies to cell surface molecules in situ. Several of the Company's proprietary product candidates were generated by CBAS(TM). Further information is available at www.affitech.com.

Peregrine's Safe Harbor Statement Statements in this press release which are not purely historical, including statements regarding Peregrine Pharmaceuticals' intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk results of future studies may not be consistent with the results from the preclinical models, the risk that Affitech and Peregrine may not be able to expedite the development of AT001/r84 in a major pharmaceutical market, the risk that milestones may not be achieved under this program, and the risk that initial clinical trials in Russia may not be successful and the risk that Affitech may not be successful in commercializing AT001/r84 in any territories. 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 preclinical 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, preclinical 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, 2010 and quarterly report on Form 10-Q for the quarter ended July 31, 2010. 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.

Affitech's Safe Harbor Statement (disclaimer) This news release contains forward-looking statements and forecasts based on uncertainty, since they relate to events and depend on circumstances that will occur in the future and which, by their nature, will have an impact on results of the financial condition and operations of Affitech A/S. There are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. These factors include, among other things, risks associated with technological development, the risk that research & development will not yield new products that achieve commercial success, the impact of competition, the ability to transact viable and profitable commercial deals, the risk of non-approval of patents not yet granted, and difficulties of obtaining relevant governmental approvals for new products.

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