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Avid Bioservices Announces Expansion of cGMP Manufacturing Capacity

State-of-the-Art Facility Design Using Modular Clean Rooms and Fully-Disposable Technologies Provide Flexibility to Meet Growing Production Demands; Facility Expected to Be Ready for cGMP Production in Mid-2015

TUSTIN, CA -- (Marketwired) -- 12/10/14 -- Avid Bioservices, Inc, the contract manufacturing subsidiary of Peregrine Pharmaceuticals, Inc. (NASDAQ: PPHM) (NASDAQ: PPHMP), today announced it has initiated an expansion of its biomanufacturing capacity. Avid provides high quality clinical and commercial manufacturing services under cGMP for the biotechnology and biopharmaceutical industries. The new production facility will more than double Avid Bioservices' current manufacturing capacity in a state-of-the-art facility design.

This facility will employ an innovative and flexible modular clean room design and the latest in single-use technologies that provide expanded capacity to meet the growing needs of Avid's existing and future clients. The capacity expansion will take place within an existing 40,000 square foot warehouse located adjacent to the company's current campus. The new cGMP facility will accommodate multiple single use bioreactors of up to 2,000 liters, downstream processing suites, and dedicated support utilities that will allow for the production of a variety of biological products.

"This new production suite will be a key component of our strategic growth as it allows us to meet the increasing demand for our clinical and commercial manufacturing," said Steven King, president at Avid. "As one of the early adopters of single-use technology, this expansion allows us to build upon our expertise in what is now a common mainstream practice for biologics production and is in line with our commitment to providing our clients with the highest quality service offerings to meet every phase of development and production."

"This will truly be a cutting edge facility utilizing a leading trend in biomanufacturing in terms of flexibility and efficiency," said Robert Garnick, Ph.D. head of regulatory affairs at Peregrine. "We have been pleased that the design, the flow, as well as equipment and timelines, have all been well received by leaders and experts in biomanufacturing. We look forward to having this facility build upon our exemplary inspection and audit record that Avid has achieved from multiple regulatory agencies."

About Avid Bioservices
Avid Bioservices provides a comprehensive range of high quality cGMP clinical and commercial manufacturing services for the biotechnology and biopharmaceutical industries. With over 20 years of experience producing monoclonal antibodies and recombinant proteins in batch, fed-batch and perfusion modes, Avid's services include cGMP clinical and commercial product manufacturing, purification, bulk packaging, final product filling, stability testing and regulatory strategy, submission and support. The company also provides a variety of process development activities, including cell line development and optimization, cell culture and feed optimization, analytical methods development and product characterization. For more information about Avid, please visit www.avidbio.com.

About Peregrine Pharmaceuticals, Inc.
Peregrine Pharmaceuticals, Inc. is a biopharmaceutical company with a pipeline of novel drug candidates in clinical trials for the treatment and diagnosis of cancer. The company's lead immunotherapy candidate, bavituximab, is in Phase III development for the treatment of second-line non-small lung cancer (the "SUNRISE trial") along with several investigator-sponsored trials evaluating other treatment combinations and additional oncology indications. The company is also advancing a molecular imaging agent, 124I-PGN650, in an exploratory clinical trial for the imaging of multiple solid tumor types. 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 third-party 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 Avid Bioservices' 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 the new facility may not be ready for cGMP production during the summer of 2015 due to unanticipated delays in construction and/or validation, as well as receipt of any required regulatory approvals. Our business could be affected by a number of other factors, including the risk factors listed from time to time in Peregrine Pharmaceutical's reports filed with the Securities and Exchange Commission including, but not

limited to, our annual report on Form 10-K for the fiscal year ended April 30, 2014 as well as any updates to these risk factors filed from time to time in the company's other filings with the Securities and Exchange Commission. The company cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Avid Bioservices, Inc. and Peregrine Pharmaceuticals, Inc. disclaim any obligation, and do not undertake to update or revise any forward-looking statements in this press release.

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