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Peregrine Pharmaceuticals Licenses Anti-VEGF Antibodies to Affitech

----Affitech Gains Exclusive Worldwide Rights to Develop and Commercialize New Anti-VEGF Antibodies----Peregrine to Receive Upfront and Research Fees, Potential Milestone Payments and Royalties from Affitech--

TUSTIN, Calif. and HORSHOLM, Denmark, July 22, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- Peregrine Pharmaceuticals, Inc. (Nasdaq: PPHM) and Affitech A/S (Nasdaq OMX: AFFI) today announced that they have entered into a licensing agreement for antibody therapeutic rights under Peregrine's preclinical anti-VEGF (Vascular Endothelial Growth Factor) antibody program. Under the terms of the agreement, Affitech will license exclusive worldwide rights to develop and commercialize products under Peregrine's selective anti-VEGF intellectual property portfolio, including the fully human antibody r84, which was discovered by Affitech and jointly developed by the companies under an ongoing collaboration. Under the license agreement, Affitech will be responsible for future preclinical and clinical development and potential product commercialization. Peregrine will receive an upfront payment, research fees and future milestone payments potentially totaling in the double-digit millions (US$). Peregrine will also receive royalties on any future sales and a share of sublicensing revenues. Additional financial terms were not disclosed.

Announcing the transaction, Steven W. King, president and CEO of Peregrine, said, "This licensing agreement with Affitech is an excellent opportunity for both companies. The selective anti-VEGF antibodies we have been jointly developing with Affitech hold significant clinical promise and we are pleased that Affitech will now have the opportunity to develop and commercialize them on behalf of both companies. This agreement will allow us to realize positive short-term cash flow and at the same time maintain an interest in the significant upside potential of the anti-VEGF program. This agreement fits very nicely with our announced corporate strategy to monetize and advance our preclinical pipeline through partnerships or licensing agreements, while focusing our R&D efforts on advancing our later-stage clinical programs highlighted by our bavituximab Phase II cancer program, which is already generating promising clinical data."

Commenting on the licensing agreement, Dr. Achim Kaufhold, chief executive officer of Affitech, said, "Using advanced phage display technologies, Affitech successfully identified fully human, potent and selective anti-VEGF antibodies as part of a previous research and development collaboration with Peregrine. As a result of the recently completed reverse acquisition of Pharmexa, Affitech has now added product development expertise to its drug discovery capabilities. We are therefore delighted now to have acquired the exclusive worldwide development and commercialization rights for this exciting program."

Anti-VEGF therapy has become a standard part of treatments for many different types of solid tumors. According to projections of some market analysts, sales of anti-VEGF antibodies are expected to exceed $10 billion by 2015. The fully human and selective anti-VEGF monoclonal antibody, r84, which is the most advanced candidate in Peregrine's anti-VEGF antibody program, targets the cancer-promoting growth factor VEGF. Data presented at IBC's 5th Annual International Anti-Angiogenesis Conference in 2007 showed that r84 was as effective as Avastin(R) (bevacizumab) in inhibiting tumor growth in a number of models of human cancers, including a mouse model of human breast cancer. r84 is distinctive because it selectively blocks VEGF from binding to VEGF receptor 2 (VEGFR2), while non-selective agents such as Avastin block binding to both VEGFR2 and VEGF receptor 1 (VEGFR1). Selective anti-VEGF agents such as r84 may have safety and efficacy advantages over non-selective approaches. In addition, the fully human nature of the r84 antibody minimizes the risk of an immune response against the drug itself, thereby lessening the potential for immunological side effects and neutralization of the treatment effect. As a fully human antibody, r84 may also have better pharmacokinetic properties in patients.

About Affitech A/S

Affitech A/S is an antibody research and development company. It was formed recently by a reverse merger of Norway, Oslo-based Affitech AS with Pharmexa A/S, a Danish biotech company. The merged company has developed several proprietary technology platforms that constitute a highly productive, fully human, antibody discovery engine. Based on its proprietary technologies and know-how, Affitech has built a pipeline of promising human antibody candidates for internal development or co-development with collaboration partners. The focus of the newly expanded company is to pursue both research and clinical development of antibody therapeutic products. Further information can be found at www.affitech.com.

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 three separate clinical programs in cancer and HCV infection with its lead product candidates bavituximab and Cotara(R). Peregrine also has in-house 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.

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 that the company will not receive some or all of the future milestone payments or royalties, the risk that the program does not have significant upside potential and the risk that sales of anti-VEGF antibodies do not achieve the levels projected by some market analysts. 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, 2009. 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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