
PRESS RELEASE

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**CALANDO PHARMACEUTICALS ANNOUNCES PRECLINICAL EFFICACY AND SAFETY
DATA OF TARGETED, SYSTEMIC DELIVERY OF siRNA AT AACR ANNUAL MEETING**

**Data indicate significant anti-tumor effects of targeted, systemic siRNA
therapeutic at doses significantly lower than the limits
of safe administrations in rodent and non-human primates**

PASADENA, Calif.—April 16, 2007—Calando Pharmaceuticals, a leading siRNA therapeutics company and a majority-owned subsidiary of Arrowhead Research Corporation (NASDAQ: ARWR) presented positive results of preclinical efficacy testing in mice using multiple, systemic dosing with Calando's lead siRNA therapeutic candidate CALAA-01, a nanoparticle containing non-chemically modified siRNA and a transferrin protein targeting agent at the American Association for Cancer Research (AACR) annual meeting on April 17, 2007 in Los Angeles, California.

The presentation is entitled "Development and *in vivo* tolerability and efficacy testing of a therapeutic formulation containing siRNA against the M2 subunit of ribonucleotide reductase in mice and monkeys". Calando's presentation details the results of a pilot safety study of Calando's lead siRNA-containing nanoparticle formulation CALAA-01 in rodents and monkeys. Additionally, data from a multi-dose efficacy study in mice using systemically-administered siRNA nanoparticles showed significant anti-tumor activity at dose levels that are significantly below the upper limits of safe, systemic, multi-dose administrations in both rodents and monkeys.

"Based on this data, we are very optimistic as we move closer to an IND filing later this year." said John Petrovich, Calando's CEO. "This data combined with other recently announced data shows efficacy as well as an overall lack of toxicity using CALAA-01."

(more)

The formulation investigated contains Calando's proprietary delivery technology and utilizes RNA interference in cancer cells with an siRNA duplex targeting the M2 subunit of ribonucleotide reductase, a well-established cancer target. This duplex, developed at Calando, demonstrates potent anti-proliferative activity across multiple types of cancer types *in vitro* and *in vivo*.

"These studies were performed to demonstrate both the safety and efficacy of this siRNA-containing formulation in animals," said Jeremy Heidel, Chief Scientific Officer at Calando Pharmaceuticals. "This formulation was well-tolerated in mice and monkeys at concentrations that elicited a significant anti-tumor effect in a murine cancer model. These results suggest that this formulation has promise for human use."

Calando's cyclodextrin-containing polymers form the foundation for its two-part siRNA delivery system. The first component is a linear, cyclodextrin-containing polycation that, when mixed with small interfering RNA (siRNA), binds to the anionic "backbone" of the siRNA. The polymer and siRNA self-assemble into nanoparticles of approximately 50-80 nm diameter that fully protect the siRNA from nuclease degradation in serum. The siRNA delivery system has been designed to allow for intravenous injection. Upon delivery to the target cell, the targeting ligand binds to membrane receptors on the cell surface and the RNA-containing nanoparticle is taken into the cell by endocytosis. There, chemistry built into the polymer functions to unpackage the siRNA from the delivery vehicle. In addition to targeting tumors, the targeting of liver cells has also been accomplished *in vivo*.

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About Calando Pharmaceuticals Inc.

Calando Pharmaceuticals Inc. (www.calandopharma.com), a majority-owned subsidiary of Arrowhead Research (NASDAQ:ARWR), is using its proprietary technologies in targeted polymeric delivery systems and siRNA design to design and create new, targeted siRNA therapeutics. Small interfering RNAs (siRNA) induce RNA interference, or RNAi, a naturally occurring mechanism within cells to selectively silence and regulate specific genes. The ability to silence genes through RNAi could provide a new way to treat a wide range of human diseases. The company is pursuing this goal through its internal research and development and also through collaborations and partnerships with pharmaceutical and biotechnology companies.

About Arrowhead Research Corporation

Arrowhead Research Corporation (www.arrowheadresearch.com) is a publicly-traded nanotechnology company commercializing new technologies in the areas of life sciences, electronics, and energy. The company works closely with universities to source early stage deals and to generate rights to intellectual property covering promising new nanotechnologies. Currently, Arrowhead has four subsidiaries commercializing nanotech products and applications, including anti-cancer drugs, RNAi therapeutics, carbon-based electronics and compound semiconductor materials.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

This news release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based upon our current expectations and speak only as of the date hereof. Our actual results may differ materially and adversely from those expressed in any forward-looking statements as a result of various factors and uncertainties, including the recent economic slowdown affecting technology companies, the future success of our scientific studies, our ability to successfully develop products, rapid technological change in our markets, changes in demand for our future products, legislative, regulatory and competitive developments and general economic conditions. Our latest Annual Report on Form 10-K, recent and forthcoming Quarterly Reports on Form 10-Q, recent Current Reports on Forms 8-K, our Registration Statements on Form S-3, and other SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.