

**PRESS RELEASE**

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INSERT THERAPEUTICS FILES INVESTIGATIONAL NEW DRUG APPLICATION FOR LEAD ANTI-CANCER COMPOUND IT-101

PASADENA, CA – February 9, 2006 – **Insert Therapeutics, Inc.**, a majority-owned subsidiary of Arrowhead Research Corporation (NASDAQ: ARWR), announced today that it has submitted an investigational new drug application (IND) to the U.S. Food and Drug Administration (FDA) to initiate a Phase I clinical trial using its lead anti-cancer compound, IT-101, a combination of its patented polymer technology, Cycloisert™, and the anti-cancer compound camptothecin, to treat patients with unresectable or metastatic solid tumors. The objectives of the Phase I clinical protocol submitted with the IND are to evaluate the safety, pharmacokinetics and tolerability of IT-101 in humans.

The clinical trials will be held at The City of Hope Cancer Center (COH) in Duarte, CA, where Yun Yen, MD., Ph.D. will lead the study. Patient enrollment can begin once the clinical protocol has been accepted by the FDA and COH. If the IND becomes effective with the FDA without delay or the need for additional studies, Insert expects to begin treating patients in the second quarter of 2006.

“We hope IT-101 will become a potent new therapy for patients suffering from various forms of cancer,” said John Petrovich, President of Insert. “This IND filing is an important step in expanding the potential of Cycloisert,” he continued, noting that in addition to preclinical test data on IT-101, the IND contains data that demonstrate the safety in animals of Cycloisert alone, potentially allowing Insert to accelerate Cycloisert’s use in the clinic with other existing therapeutics.

Thomas Schlupe, Insert’s Chief Scientific Officer who led the development effort for IT-101, added, “While advancing the clinical development of IT-101 is Insert’s highest priority,” he said, “IT-101 is only the first in a series of therapeutics under development at Insert that will seek to take advantage of Cycloisert’s unique properties.”

Insert’s proprietary Cycloisert delivery system is based on small cyclic repeating molecules of glucose called cyclodextrins. Using modified cyclodextrins as building blocks, Insert has developed an entirely new proprietary class of materials called linear cyclodextrin-containing polymers. To the company’s knowledge, Cycloisert is the first nanoparticle drug delivery platform to be designed *de novo* and synthesized specifically to overcome limitations in existing delivery technologies used for the systemic delivery of therapeutics. The polymers were invented at Caltech in the lab of Dr. Mark Davis, a professor in Chemical Engineering and founder of Insert, and licensed exclusively to Insert.

Cycloisert polymers have been synthesized over a broad range of molecular weights providing tunable properties for systemic drug delivery that improve localization of active drug at the target tissue. This feature of the Cycloisert technology provides great flexibility for overcoming multiple hurdles encountered in formulation and delivery.

Discovered in the 1960s, camptothecin is a naturally occurring, water-insoluble alkaloid that has established potent activity against a broad spectrum of cancer types. Although analogues of camptothecin (e.g., irinotecan and topotecan) continue to realize nearly \$1 billion in worldwide sales annually, camptothecin itself has not been commercialized due to its poor solubility and unfavorable pharmacokinetics. In numerous animal studies conducted by Insert, treatments with IT-101 result in protracted anti-tumor activities that are substantially more effective at significantly lower doses than all other treatment groups, including irinotecan.

About Insert Therapeutics, Inc.

Insert Therapeutics, Inc., a majority-owned subsidiary of Arrowhead Research Corporation, is using its proprietary, nano-engineered, polymeric delivery system, Cyclosert to design, develop and commercialize drug-delivery-enhanced small-molecule therapeutics. Cyclosert uses cyclodextrins as building blocks to create an entirely new class of biocompatible materials – linear cyclodextrin-containing polymers that are nontoxic and nonimmunogenic at therapeutic doses. The company is pursuing this goal through its internal research and development, and also through collaborations and partnerships with pharmaceutical and biotechnology companies. For more information, visit www.insertt.com.

About Arrowhead Research Corporation

Arrowhead Research Corporation (www.arrowheadresearch.com) is a diversified nanotechnology company structured to commercialize products expected to have revolutionary impacts on a variety of industries, including materials, electronics, life sciences, and energy.

There are three strategic components to Arrowhead's business model:

- **Outsourced R&D Program**: Arrowhead identifies patented or patent-pending technologies at universities or government labs and funds additional development of those technologies in exchange for exclusive rights to commercialize the resulting prototypes. Leveraging the resources and infrastructure of these institutions provides Arrowhead with a cost-effective development pipeline. Currently, Arrowhead is supporting efforts in drug discovery tools, stem cell technology and nanoelectronics at the California Institute of Technology, Stanford University, and Duke University, respectively.
- **Commercialization Program**: After prototypes have been sufficiently developed in the laboratories, Arrowhead forms or acquires majority-owned subsidiaries to commercialize the technology and provides the subsidiaries with strategic, managerial and operational support. By doing so, each research team is able to maintain focus on its specific technology and each management team can focus on specific markets, increasing the likelihood of successful technological development and commercialization. At present, Arrowhead owns majority interest in subsidiaries commercializing diverse technologies, including anti-cancer drugs, RNAi therapeutics, compound semiconductor materials and nanotube technology.
- **The Patent Toolbox**: Arrowhead has acquired or exclusively licensed patents and patent applications covering a broad range of nanotechnology. The Company actively adds to its intellectual property portfolio.

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