



PRESS RELEASE

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Arrowhead Research Subsidiary, Insert Therapeutics, Receives FDA Approval for IT-101 Phase I Clinical Trial

Clinical Trials for Patented Nanotechnology-based Therapeutic Set to Begin

PASADENA, Calif., March 14, 2006 -- Arrowhead Research Corporation (NASDAQ: ARWR) announced today that the U.S. Food and Drug Administration has approved the Investigational New Drug ("IND") application submitted by its majority-owned subsidiary Insert Therapeutics, Inc. Under the IND, Insert will conduct a Phase I study for IT-101, its first anti-cancer therapeutic, at the City of Hope in Duarte, California.

IT-101 is a nanotechnology-based therapeutic that combines Insert's patented Cyclosert™ technology and the anti-cancer compound camptothecin. Cyclosert is a linear cyclodextrin polymer that was invented at Caltech in the lab of Dr. Mark Davis, a professor in Chemical Engineering and founder of Insert. Insert holds an exclusive license to Cyclosert and has conducted numerous animal studies showing the safety of the Cyclosert delivery platform and the efficacy of IT-101.

"FDA clearance to begin clinical trials is another significant milestone for Insert on the road to becoming a leader in nanotechnology-based therapeutics," said R. Bruce Stewart, Arrowhead's Chairman. "This accomplishment reflects Insert's capability and commitment to commercialize the Cyclosert platform for cancer and other diseases."

Analogues of camptothecin, such as irinotecan and topotecan, realize nearly \$1 billion in worldwide sales annually, despite the numerous unwanted side effects of these medications. In preclinical animal studies conducted by Insert, treatments with IT-101 appear to be substantially more effective, resulting in protracted anti-tumor activities, at significantly lower doses than all other treatments, including those with irinotecan. In some tumor types, IT-101 has caused complete remission of tumors.

The Phase I trial will be an open-label, dose-escalation clinical trial of IT-101 in patients with all types of cancer. The trial is expected to enroll between 24 and 48 patients and has been designed to determine safety and tolerability of IT-101.

For more information about Insert and its technology, please visit Insert's website at 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.

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 Annual Report on Form 10-K and 10-K/A, recent and forthcoming Quarterly Reports on Form 10-Q and 10-Q/A, recent Current Reports on Forms 8-K and 8-K/A, our Registration Statement 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.

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