

**PRESS RELEASE**

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7AM ET

CALANDO PHARMACEUTICALS DOSES FIRST PATIENT IN siRNA PHASE I CLINICAL TRIAL

Calando Pharmaceuticals doses first patient with CALAA-01, a targeted nanoparticle therapeutic. This represents the first siRNA therapeutic to enter the clinic in oncology and the first targeted delivery of any RNAi product.

PASADENA, Calif.— June 2, 2008— Calando Pharmaceuticals, a majority-owned subsidiary of Arrowhead Research Corporation (NASDAQ: ARWR), announced today that the first patient has successfully completed the first dosing cycle (four doses over two weeks) of CALAA-01 in the first clinical trial using systemically-delivered siRNA to treat cancer. CALAA-01 is a targeted nanoparticle, comprised of a proprietary, non-chemically-modified siRNA against the M2 subunit of ribonucleotide reductase—a clinically-validated cancer target—formulated with Calando’s proprietary RONDEL™ (RNAi/Oligonucleotide Nanoparticle Delivery) polymer delivery system. The first patient was enrolled and dosed at South Texas Accelerated Research Therapeutics (START) in San Antonio, Texas.

This open-label, dose-escalation Phase I study in patients with solid tumors which are refractory to standard-of-care therapies is being conducted at the UCLA Jonsson Cancer Center (UCLA) in Los Angeles, California, and at South Texas Accelerated Research Therapeutics (START) in San Antonio, Texas. It is being led by Drs. Antoni Ribas (UCLA) and Anthony Tolcher (START).

“The initiation of this Phase I clinical trial of CALAA-01 is a hallmark for Calando and for the field of RNAi therapeutics,” said Calando CSO for siRNA delivery, Jeremy Heidel, Ph.D. “We look forward to the continued treatment of this patient and subsequent patients and the establishment of safety and efficacy profiles for CALAA-01 in humans.”

About RNA Interference (RNAi)

RNA interference, or RNAi, is a naturally-occurring mechanism within cells for selectively silencing and regulating specific genes. Since many diseases are caused by the inappropriate activity of specific genes, the ability to silence genes selectively through RNAi could provide a new class of medicines to treat a wide range of human diseases. RNAi is induced by small, double-stranded RNA molecules. One method to activate RNAi is with chemically synthesized small interfering RNAs, or siRNAs, which are double-stranded RNAs that are targeted to a specific disease-associated gene. The siRNA molecules are used by the natural RNAi machinery in cells to cause highly targeted gene silencing.

About Calando Pharmaceuticals Inc.

Calando Pharmaceuticals Inc. (www.calandopharma.com), a majority-owned subsidiary of Arrowhead Research Corporation (NASDAQ: ARWR), is a biopharmaceuticals company using proprietary technologies developed at Caltech to create targeted siRNA-based therapeutics. Calando combines its innovative RONDEL™ system of polymeric delivery with siRNA to solve the long-standing obstacle of effective delivery and targeting for this revolutionary new field of medicine. Based upon the breakthrough in siRNA delivery enabled by the RONDEL™ system, the promise of using siRNA in new systemic therapies may finally be realized.

Calando’s RONDEL™ technology involves the use of cyclodextrin-containing polymers that 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 smaller than 100 nm in diameter that fully protect the siRNA from nuclease degradation in serum. The siRNA delivery system has been designed to allow for intravenous injection. When the nanoparticle reaches 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.

Forward-Looking Statements

This news release and any oral statements made with respect to the information contained in this news release, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements which express plans, anticipation, intent, contingency, goals, targets, future development and are otherwise not statements of historical fact. These statements are based on Calando’s management current expectations and are subject to risks and uncertainties that could cause actual results or developments to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Factors that may cause actual results or developments to differ materially include, among others: the risk that CALAA-01 or IT-101 may appear promising in early research and clinical trials but may not demonstrate safety and/or efficacy in larger-scale or later stage clinical trials, the risks that the regulatory approvals may not be obtained, the risks associated with dependence upon key personnel, the risks associated with reliance on collaborative partners and others for further clinical trials, development, manufacturing and commercialization of our product candidates; the cost, delays and uncertainties associated with our scientific research, product development, clinical trials and regulatory approval process; our history of operating losses since our inception; competition; litigation; and risks associated with our ability to protect our intellectual property. You are cautioned not to place undue reliance on any forward-looking statements, any of which could turn out to be wrong due to inaccurate assumptions, unknown risks or uncertainties or other risk factors.

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