

August 3, 2007
7:00 am ET

ARROWHEAD SUBSIDIARY LICENSES TECHNOLOGY TO INCORPORATE CARBON NANOTUBES INTO MINIATURIZED MEDICAL DEVICES FOR THE TREATMENT OF CARDIOVASCULAR DISEASE

Nanotechnology Holds Promise as Next Frontier in Vascular Intervention

PASADENA, Calif., and CHARLESTON, West Virginia – August 3, 2007 – Arrowhead Research Corporation (NASDAQ: ARWR) and Paragon Intellectual Properties, LCC announced today that Arrowhead's majority-owned subsidiary, Unidym Inc., has signed an exclusive license agreement with Paragon's majority-owned subsidiary, Nanotech Catheter Solutions, LLC (NCS). NCS will use Unidym's carbon nanotube technology in the development of medical devices for the treatment of cardiovascular disease. Under the terms of the agreement, Unidym will receive a 20 percent equity stake in NCS, and the parties will negotiate a supply agreement or royalty.

"We are pleased that our agreement with NCS could lead to improvements in technology to treat the millions of people around the world with cardiovascular disease," stated Art Swift, Unidym's CEO. "This agreement marks the launch of Unidym's licensing program. Our goal is to license our intellectual property and/or supply nanotubes to third parties commercializing products incorporating carbon nanotubes outside of our focus of electronics. We intend to replicate this model in other areas such as nanotube-based therapeutics, diagnostics, field emission displays, nonvolatile memory, and composite materials."

"We are thrilled about the opportunity to play a leading role in this exciting area of advanced technology," said Mark C. Bates, M.D., a leading interventional cardiologist and founder of the CAMC Vascular Center of Excellence in Charleston, West Virginia, and CEO of Paragon Intellectual Properties (the parent of NCS) and NCS. "We firmly believe that the application of nanotechnology to interventional devices such as catheters and stents could change the rules under which device designers operate, allowing them to implement improvements not previously deemed possible. This agreement with Unidym gives NCS critical intellectual property in this promising field."

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. Arrowhead is building value for shareholders through the progress of majority owned subsidiaries founded on nanotechnologies originally developed at universities. 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.

About Unidym, Inc.

Unidym (www.unidym.com) is a leader in the manufacture and application of carbon nanotubes (CNTs), a novel material with extraordinary electrical, thermal, and mechanical properties. Unidym provides bulk materials, CNT-enabled products, and intellectual property to a wide range of customers and business partners. As a result of its recent merger with CNI, Unidym possesses a foundational patent portfolio that covers nearly every aspect of CNT manufacturing and processing as well as multiple product applications.

Unidym is focused on the electronics industry where its initial products include transparent electrodes for touch screens, flat panel displays, solar cells, and solid state lighting; electrodes for fuel cells; and thin film transistors for printable electronics. Unidym is also pursuing an aggressive, cross-industry partnership strategy to capture value from the wide ranging uses of CNTs. Unidym's licensing program, technical expertise and manufacturing facilities can enable partners to rapidly develop CNT solutions for their specific applications.

About Paragon Intellectual Properties

Paragon Intellectual Properties, LLC was founded in 2004 by Mark C. Bates, M.D., to develop innovative breakthrough solutions to complex medical problems. Headquartered in Charleston, West Virginia, with research and development in Carlsbad, California, Paragon has assembled a team of like-minded clinicians, scientists, engineers and business leaders. Paragon's seven subsidiaries (Apollo Therapeutics, LLC, Biflex Hybrid Stent Systems, LLC, Global Stem Cell Solutions, LLC, Nanotech Catheter Solutions, LLC, Renal Protection Solutions, LLC, Spinal Cord Injury Solutions, LLC and Temporary Intravascular Drug Delivery Systems, LLC) hold fifty-nine issued and pending international or domestic patents. For more information about the company, please visit www.paragon-ip.com.

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 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.

Contact:

Arthur L. Swift
CEO, Unidym, Inc.
650-462-1935
aswift@unidym.com

Dan Heilbrunn
Vice President of Marketing
Paragon Intellectual Properties
604-662-3589
dheilbrunn@paragon-ip.com