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Arrowhead Research Corporation Completes \$5.5 Million Private Placement

At Market Offering Led by Noted Investor, Jim Mellon; Proceeds to Fund Nanomedicine Programs

PASADENA, Calif. - October 4, 2011 - Arrowhead Research Corporation (NASDAQ: ARWR) today announced that on September 30, 2011, it closed a private placement of approximately 14.5 million shares of common stock priced at market for \$0.38 per share. Gross proceeds were approximately \$5.5 million and will be used to fund current operations.

"We are making good progress in advancing our clinical and preclinical nanomedicine technology platforms and this capital raise helps us to continue our momentum," said Christopher Anzalone, Chief Executive Officer of Arrowhead. "We are proud to bring in such high quality new investors in an at market transaction, particularly in light of current market conditions."

The offering was led by prominent investor Jim Mellon, who is well known for his experience in emerging markets, real estate, mining and biotechnology. He has also authored two books: *Wake Up! Survive and Prosper in the Coming Economic Turmoil*, and *Top Ten Investments to Beat the Crunch*. Arrowhead will be featured in Mr. Mellon's next book about biotech investing, *Cracking the Code*, due to be published in February 2012.

About Arrowhead Research Corporation

Arrowhead Research Corporation is a clinical stage targeted therapeutics company with development programs in oncology, obesity, and infectious disease. The company leverages its platform technologies to design and develop peptide-drug conjugates (PDCs) which specifically home to cell types of interest while sparing off-target tissues, creates targeted drugs based on the gene silencing RNA interference (RNAi) mechanism, and works with partners to create improved versions of traditional small molecule drugs.

For more information please visit <http://www.arrowheadresearch.com>, or follow us on Twitter [@ArrowRes](https://twitter.com/ArrowRes). To be added to the Company's email list to receive news directly, please send an email to ir@arrowres.com

Safe Harbor Statement under the Private Securities Litigation Reform Act:

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 our ability to finance our operations, the future success of our scientific studies, our ability to successfully develop drug candidates, the timing for starting and completing clinical trials, rapid technological change in our markets, and the enforcement of our intellectual property rights. Arrowhead Research Corporation's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q discuss some of the important risk factors that may affect our business, results of operations and financial condition. We assume no obligation to update or revise forward-looking statements to reflect new events or circumstances.

Contacts:
Brandi Floberg

The Piacente Group, Inc.

212-481-2050
ir@arrowres.com