December 7, 2012

Arrowhead Announces Pricing of a Public Offering of Common Stock and Warrants

PASADENA, Calif. – December 7, 2012 – Arrowhead Research Corporation (NASDAQ: ARWR) today announced that it has priced a public offering of approximately 1.8 million units at a price to the public of $2.26 per unit. The Company has received commitments and indications for approximately $4 million in gross proceeds. The sale of the units is expected to close on December 12, 2012, subject to the satisfaction of customary closing conditions. Each unit consists of one share of common stock and one warrant to purchase 0.50 of a share of common stock.

Arrowhead intends to use the net proceeds of this offering for general corporate purposes, including working capital, research and development expenditures, clinical trial expenditures, and capital expenditures.

Dawson James Securities, Inc. is acting as the sole book-running manager for the offering. Additionally, the Company has arranged for the sale of units to certain other investors. The shares of common stock and warrants will be issued separately, and no units will be issued or certificated.

The warrants are exercisable immediately upon issuance, have a five-year term and an exercise price of $2.20 per share. The warrants will be delivered to the investors by physical delivery following the closing. There is no established public trading market for the warrants and we do not expect a market to develop.

The securities described above are being offered pursuant to an effective registration statement on Form S-3, together with a prospectus supplement and accompanying base prospectus, previously filed with, and declared effective by, the Securities and Exchange Commission (the “SEC”). The securities may be offered only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement. A preliminary prospectus supplement relating to the terms of the offering has been filed with the SEC and is available on the SEC’s web site at http://www.sec.gov. Copies of the final prospectus supplement relating to the offering, when available, may be obtained from Dawson James Securities, Inc., 925 South Federal Highway, 6th Floor, Boca Raton, FL 33432 or via telephone at (866) 928-0928, or from the above-mentioned SEC website. This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

About Arrowhead Research Corporation

Arrowhead Research Corporation is a clinical stage targeted therapeutics company with development programs in oncology, obesity, and chronic hepatitis B virus infection. The company leveraging its platform technologies to design and develop peptide-drug conjugates (PDCs) which specifically home to cell typeis s 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. 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 and the results of the offering described in this news release 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 sell the securities in the offering described in this news release, 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.

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