

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ARROWHEAD RESEARCH CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

46-0408024
(I.R.S. Employer
Identification No.)

225 South Lake Avenue, Suite 300
Pasadena, CA 91101
(Address of Principal Executive Offices)

2004 EQUITY INCENTIVE PLAN, AS AMENDED
STAND ALONE INDUCEMENT OPTIONS*
(Full Title of the Plan)

***See Explanatory Note on Following Page**

Christopher Anzalone
President and Chief Executive Officer
225 South Lake Avenue, Suite 300
Pasadena, CA 91101
Telephone: (626) 304-3400

(Name, address, and telephone number, including area code, of agent for service)

Copy to:

Ryan A. Murr
Ropes & Gray
Three Embarcadero Center
San Francisco, California 94111
Telephone: (415) 315-6300
Facsimile: (415) 315-6026

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$0.001 par value per share	1,000,000(3)	\$6.658	\$6,658,000	\$763.01
Common Stock, \$0.001 par value per share	225,000(4)	\$6.658	\$1,498,050	\$171.68
Common Stock, \$0.001 par value per share	30,000(5)	\$6.658	\$199,740	\$22.89
Common Stock, \$0.001 par value per share	17,500(6)	\$6.658	\$116,515	\$13.35
Total Amount			\$8,472,305	\$970.93

- (1) Pursuant to Rule 416 of the Securities Act of 1933, as amended (the "Securities Act"), this registration statement also covers any additional shares of common stock which become issuable under the 2004 Equity Incentive Plan, as amended or the stand alone inducement options by reason of any stock split, stock dividend or similar transaction effected without the receipt of consideration which results in an increase in the number of the Registrant's outstanding shares of common stock.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 of the Securities Act, and based on the average of the high and low sale prices of the Registrant's common stock, as reported on the Nasdaq Capital Market, on April 11, 2012.
- (3) Represents shares of Common Stock reserved for issuance pursuant to options available for grant (but not yet granted) under the Amended and Restated 2004 Incentive Plan (the "2004 Equity Incentive Plan").
- (4) Represents shares of Common Stock reserved for issuance upon the exercise of inducement options granted on October 21, 2011 to various employees at a newly acquired facility in connection with their employment.
- (5) Represents shares of Common Stock reserved for issuance upon the exercise of inducement options granted on October 26, 2011 to Bruce D. Given in connection with his employment.
- (6) Represents shares of Common Stock reserved for issuance upon the exercise of inducement options granted on October 31, 2011 to Brendan Rae in connection with his employment.

Explanatory Note

This Registration Statement on Form S-8 is being filed by the registrant to register (i) 1,000,000 shares of common stock, par value \$0.001 per share, issuable under the registrant's 2004 Equity Incentive Plan, as amended (the "**2004 Plan**"), which shares represent an increase to the shares issuable under the Plan from 1,000,000 to 2,000,000 shares, and (ii) 264,500 shares of common stock, par value \$0.001 per share, issuable under previously announced stand-alone inducement stock option awards granted on October 2011 to the registrant's Chief Operating Officer, Chief Business Officer, and employees at a newly acquired research and development facility. All share numbers reflected in this registration statement have been adjusted for the Company's one-for-ten reverse stock split effected on November 17, 2011.

Registration Statements on Form S-8, (File Nos. 333-124066, 333-136225, and 333-170252) were filed previously with the SEC by the Registrant to register an aggregate of 1,000,000 shares of its common stock issued or issuable under the 2004 Plan. The contents of the prior Registration Statements relating to the 2004 Plan (File Nos. 333-124066, 333-136225, and 222-170252) are incorporated herein by reference.

Part I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Information required by Part I to be contained in the Section 10(a) prospectus is omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933, as amended, and the Note to Part I of Form S-8.

Part II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this registration statement, and later information filed with the SEC will update and supersede this information. We hereby incorporate by reference into this registration statement the following documents previously filed with the SEC:

- The registrant's Annual Report on Form 10-K for the year ended September 30, 2011 filed with the SEC on December 20, 2011;
- The registrant's Quarterly Report on Form 10-Q for the quarter ended December 31, 2011 filed with the SEC on February 9, 2012;
- The registrant's Current Report on Form 8-K filed with the SEC on October 6, 2011, October 24, 2011 (as amended by the Company's Current Report on Form 8-K/A filed on December 30, 2011), October 26, 2011, October 27, 2011, November 15, 2011, November 17, 2011, February 23, 2012 and April 11, 2012; and
- The description of the Registrant's common stock contained in the registrant's registration statement on Form 8-A/A (Registration No. 000-21898), filed by the registrant with the SEC under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on November 1, 2010, including any amendments or reports filed for the purpose of updating such description.

All documents that the registrant subsequently files pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, prior to the filing of a post-effective amendment to the registration statement which indicates that all of the shares of common stock offered have been sold or which deregisters all of such shares then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of the filing of such documents; except as to any portion of any future annual or quarterly report to stockholders or document or current report furnished under current Items 2.02 or 7.01 of Form 8-K that is not deemed filed under such provisions. For the purposes of this registration statement, any statement

contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Under no circumstances will any information filed under current items 2.02 or 7.01 of Form 8-K be deemed incorporated herein by reference unless such Form 8-K expressly provides to the contrary.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

None.

Item 6. Indemnification of Directors and Officers.

The Company's Certificate of Incorporation, as amended, provides for the elimination of personal monetary liability of directors to the fullest extent permissible under Delaware law. Delaware law does not permit the elimination or limitation of director monetary liability for: (i) breaches of the director's duty of loyalty to the corporation or its stockholders; (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violations of law; (iii) the payment of unlawful dividends or unlawful stock repurchases or redemptions or (iv) transactions in which the director received an improper personal benefit.

Section 145 of the Delaware General Corporation Law permits a Delaware corporation to indemnify, on certain terms and conditions, any person who was or is a party or is threatened to be made a party to any threatened pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action. The Certificate of Incorporation and Bylaws of the Company require the Company to indemnify the Company's directors and officers to the fullest extent permitted under Delaware law.

We have entered into indemnification agreements with each of our directors and our executive officers. These agreements provide that we will indemnify each of our directors and executive officers to the fullest extent permitted by Delaware law. We will advance expenses, including attorneys' fees, judgments, fines and settlement amounts, to each indemnified director and executive officer in connection with any proceeding in which indemnification is available and we will indemnify our directors and officers for any action or proceeding arising out of that person's services as an officer or director brought on behalf of the Company or in furtherance of our rights.

We also maintain general liability insurance which covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
4.1	Form of Common Stock Certificate (1)
5.1	Opinion of Ropes & Gray LLP*
23.1	Consent of Rose, Snyder & Jacobs LLP*
23.2	Consent of Ropes & Gray LLP (filed as a part of Exhibit 5.1)
24.1	Power of attorney (set forth on signature page)
99.1	2004 Equity Incentive Plan, as amended (2)
99.2	Form of Inducement Grant*

* Filed herewith.

- (1) Filed as an exhibit to the registrant's Amendment No. 2 to the Registration Statement on Form S-1, filed on September 11, 2009 and incorporated herein by reference.
- (2) Filed as Annex B of the registrant's Proxy Statement filed on January 12, 2012 and incorporated herein by reference.

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pasadena, California, on April 12, 2012.

Arrowhead Research Corporation

By: /s/ Christopher Anzalone
Christopher Anzalone
President and Chief Executive Officer

POWER OF ATTORNEY

Each of the undersigned hereby constitutes and appoints each of Christopher Anzalone and Kenneth A. Myszkowski, his or her attorney-in-fact, with power of substitution, in his or her name and in the capacity indicated below, to sign any and all further amendments (including post-effective amendments) to this registration statement on Form S-8 and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Christopher Anzalone</u> Christopher Anzalone	President, Chief Executive Officer and Director (Principal Executive Officer)	April 12, 2012
<u>/s/ Kenneth A. Myszkowski</u> Kenneth A. Myszkowski	Chief Financial Officer (Principal Financial and Accounting Officer)	April 12, 2012
<u>/s/ Mauro Ferrari</u> Mauro Ferrari	Director	April 12, 2012
<u>/s/ Edward W. Frykman</u> Edward W. Frykman	Director	April 12, 2012
<u>/s/ Douglass Given</u> Edward W. Frykman	Director	April 12, 2012
<u>/s/ Charles P. McKenney</u> Charles P. McKenney	Director	April 12, 2012
<u>/s/ Michael Perry</u> Michael Perry	Director	April 12, 2012

EXHIBIT INDEX

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23.2	Consent of Ropes & Gray LLP (filed as a part of Exhibit 5.1)
24.1	Power of attorney (set forth on signature page)
99.1	2004 Equity Incentive Plan, as amended(2)
99.2	Form of Inducement Grant*

* Filed herewith

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ROPES & GRAY LLP
THREE EMBARCADERO CENTER
SAN FRANCISCO, CA 94111-4006
WWW.ROPESGRAY.COM

April 12, 2012

Arrowhead Research Corporation
225 South Lake Avenue, Suite 300
Pasadena, CA 91101

Ladies and Gentlemen:

This opinion letter is furnished to you in connection with a registration statement on Form S-8 (the "Registration Statement"), filed by Arrowhead Research Corporation, a Delaware corporation (the "Company"), on the date hereof, with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), for the registration of an aggregate of 1,264,500 shares of the Company's Common Stock (the "Shares"). The Shares are issuable under the Company's 2004 Equity Incentive Plan, as amended (the "Plan") and pursuant to stand alone inducement options (the "Inducement Awards").

We are familiar with the actions taken by the Company in connection with the adoption of the Plan and the Inducement Awards. We have examined such certificates, documents and records and have made such investigation of fact and such examination of law as we have deemed appropriate in order to enable us to render the opinion set forth herein. In conducting such investigation, we have relied, without independent verification, upon certificates of officers of the Company, public officials and other appropriate persons.

The opinion expressed below is limited to the Delaware General Corporation Law.

For purposes of the opinion expressed below, we have assumed that a sufficient number of authorized but unissued shares of the Company's Common Stock will be available for issuance when the Shares are issued.

Based upon and subject to the foregoing, we are of the opinion that the Shares have been duly authorized and, when the Shares have been issued and sold in accordance with the terms of the Plan or the respective Inducement Award, as applicable, the Shares will be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations thereunder.

Very truly yours,

/s/ Ropes & Gray LLP
Ropes & Gray LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference, in this Registration Statement on Form S-8 of our report dated December 20, 2011, with respect to the consolidated financial statements of Arrowhead Research Corporation and Subsidiaries appearing in the Company's Annual Report on Form 10-K for the year ended September 30, 2011, and to the reference of our Firm under the caption "Experts" in the Registration Statement.

/s/ Rose, Snyder & Jacobs LLP
Rose, Snyder & Jacobs LLP

Encino, California
April 11, 2012

**STOCK OPTION GRANT
INDUCEMENT AWARD**

To: (“**Optionee**”)

From: Arrowhead Research Corporation

We are pleased to inform you that the Arrowhead Research Corporation (the “**Company**”) Board of Directors (the “**Board**”) has decided to grant you an option (your “**Option**”) to purchase shares of the Company’s Common Stock (the “**Common Stock**”).

Your Option has been granted as an “inducement” award under NASDAQ Marketplace Rules. Accordingly, the Option has been granted outside of the Company’s existing equity compensation plans. However, the Option will be governed in all respects as if issued under the Company’s 2004 Equity Incentive Plan (the “**Plan**”), as currently in effect and as may be amended hereafter from time to time, as well as the attached Stock Option Award Agreement (the “**Agreement**”) and the following specific provisions (which are subject to adjustment under the Plan and the Agreement):

The “**Date of Grant**” for your Option is:

The “**Expiration Date**” of your Option is:

The “**Number of Shares**” covered by your Option is:

The “**Exercise Price**” per share for your Option is: \$

The “**Commencement Date**” of your Option is:

Vesting: As long as you remain a of the Company, your option will vest and become exercisable with respect to 1/8 of the Number of Shares (shares) sixth months from the Commencement Date (“First Vesting Date”) and then in 42 equal installments on the first day of each month thereafter. Your option cannot be exercised except to the extent vested; if all other terms and conditions are satisfied, your option will be fully vested and exercisable as of the fourth anniversary of the Commencement Date. Of course, you can never exercise the Option for more than the Number of Shares or after the Expiration Date (in each case as adjusted under the Terms and the Plan). This option is a non-statutory Stock Option under the Internal Revenue Code (“NSO”).

ARROWHEAD RESEARCH CORPORATION

INDUCEMENT AWARD STOCK OPTION AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

AGREEMENT

A. Grant of Option.

(i) The Committee of the Company hereby grants to the Optionee named in the Notice of Grant attached as Part I of this Agreement (the "Optionee") an option (the "Option") to purchase the number of Shares, as set forth in the Notice of Grant, at the exercise price per share set forth in the Notice of Grant (the "Exercise Price"). The Option has been granted as an "inducement" award under NASDAQ Marketplace Rules outside of the Company's existing equity compensation plans. However, the Option will be governed in all respects as if issued under the Company's 2004 Equity Incentive Plan (the "**Plan**"), as currently in effect and as may be amended hereafter from time to time, the terms of which are incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Option Agreement, the terms and conditions of the Plan shall prevail.

(ii) This Option shall be treated as a Non-statutory Stock Option ("NSO") under Section 422 of the Internal Revenue Code.

B. Exercise of Option.

(i) Right to Exercise. This Option is exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Grant and the applicable provisions of the Plan and this Option Agreement.

(ii) Exercise Period. In no event shall this Option be exercised later than the Expiration Date set forth in the Notice of Grant. Specifically, any vested portion of this Option may be exercised after a Termination of Employment, but not later than the Expiration Date set forth in the Notice of Grant.

(iii) Method of Exercise. This Option is exercisable by delivery of an exercise notice, in the form attached as Exhibit A (the "Exercise Notice"), which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be completed by the Optionee and delivered to the Secretary of the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by such aggregate Exercise Price.

(iv) Compliance with Applicable Laws. No Shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with Applicable Laws. Assuming such compliance, for income tax purposes the Exercised Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Exercised Shares.

C. Method of Payment.

Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

1. Cash; or
2. Check; or
3. Consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan; or

4. Surrender of other Shares which (i) in the case of Shares acquired upon exercise of an option, have been owned by the Optionee for more than six (6) months on the date of surrender, **and** (ii) have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares.

D. Non-Transferability of Option.

This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by the Optionee. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

E. Term of Option.

This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.

F. Tax Consequences.

Some of the federal tax consequences relating to this Option, as of the date of this Option, are set forth below. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE OPTIONEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

(i) Exercise of Option

(a) Non-statutory Stock Option. The Optionee may incur regular federal income tax liability upon exercise of a NSO. The Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Exercised Shares on the date of exercise over their aggregate Exercise Price. If the Optionee is an Employee or a former Employee, the Company will be required to withhold from his or her compensation or collect from Optionee and pay to the applicable taxing authorities an amount in cash equal to a percentage of this compensation income at the time of exercise, and may refuse to honor the exercise and refuse to deliver Shares if such withholding amounts are not delivered at the time of exercise. This Option does not qualify as an incentive stock option under Section 422 of the Internal Revenue Code.

(ii) Disposition of Shares. NSO. If the Optionee holds NSO Shares for at least one year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

G. Entire Agreement: Governing Law.

The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee interest except by means of a writing signed by the Company and Optionee. This agreement is governed by the internal substantive laws but not the choice of law rules of California.

H. NO GUARANTEE OF CONTINUED SERVICE.

OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED AN OPTION OR PURCHASING SHARES HEREUNDER). OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE WITH OPTIONEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE OPTIONEE'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

Optionee has reviewed the Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement and fully understands all provisions of the Plan and Option Agreement. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and Option Agreement. Optionee further agrees to notify the Company upon any change in the residence address indicated on the Agreement.

OPTIONEE

ARROWHEAD RESEARCH CORPORATION

Signature

By

Christopher Anzalone

CEO and President

Address:

Address:

225 S. Lake Avenue
Suite 300
Pasadena, CA 91101

EXHIBIT A

ARROWHEAD RESEARCH CORPORATION

INDUCEMENT AWARD

EXERCISE NOTICE

Arrowhead Research Corporation
225 South Lake Avenue, Suite 300
Pasadena, California 91101
Attention: Secretary

1. Exercise of Option. Effective as of today, _____, the undersigned ("Purchaser") hereby elects to purchase _____ shares (the "Shares") of the Common Stock of Arrowhead Research Corporation (the "Company") under the Stock Option Agreement dated _____, _____ (the "Option Agreement"). The purchase price for the Shares shall be \$ _____, as required by the Option Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Option Agreement.

2. Delivery of Payment. Purchaser herewith delivers to the Company the full purchase price for the Shares.

3. Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Shareholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. The Shares so acquired shall be issued to the Optionee as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 15 of the Plan.

5. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying, on the Company for any tax advice.

6. Entire Agreement: Governing Law. The Plan and Option Agreement are incorporated herein by reference. This Agreement, the Plan and the Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This agreement is governed by the internal substantive laws, but not the choice of law rules, of California.

Submitted by:

PURCHASER

Signature

Print Name

Date Received

Address:

Accepted by:

ARROWHEAD RESEARCH CORPORATION

By

Title

Date Received

Address:

225 South Lake Avenue, Suite 300

Pasadena, California 91101