

**ALLIANCE PHARMACEUTICAL CORP. ANNOUNCES CHANGE IN SENIOR  
EXECUTIVE STATUS AND PROVIDES UPDATE ON REVISED *OXYGENT*<sup>™</sup>  
DEVELOPMENT PLAN FOLLOWING FEEDBACK FROM EUROPEAN  
REGULATORY AUTHORITIES**

San Diego, CA; October 6, 2004 --- Alliance Pharmaceutical Corp. (OTCBB: ALLP.OB) (“Alliance” or the “Company”), announced today that Duane Roth has agreed to assume the role of Executive Director of UCSD CONNECT, an organization founded by the University of California at San Diego to foster entrepreneurship in the San Diego region. Mr. Roth will remain Chairman of the Board and will retain the position of acting Chief Executive Officer until a replacement is named.

In further news, Alliance announced that it has received clarification from the European Agency for the Evaluation of Medical Products (“EMA”) regarding development recommendations for *Oxygent* as an alternative to blood transfusions. The EMA recommended that the company pursue an initial indication that would not require direct comparison to allogeneic (donor) blood transfusion as they believe it would not be possible to conduct a clinical trial comparing blood transfusion with *Oxygent* that was of sufficient size to show that *Oxygent* is as safe or safer than transfusion of allogeneic blood. Their recommendation is based upon the low incidence of serious adverse effects of blood transfusion (death, and infectious disease such as HIV and Hepatitis).

In response to this regulatory feedback, Alliance has determined that it will pursue an alternative clinical indication for the initial application for *Oxygent* that will specifically exploit the efficient oxygen delivery capability of this product to enhance tissue oxygenation. Several preclinical studies in a variety of animal models have been published over the years, demonstrating the potential for using *Oxygent* to protect ischemic organs from hypoxic injury. In addition, pilot efficacy data to support this new indication was obtained as part of Alliance’s previous Phase 3 cardiac surgery study, from a subset of patients enrolled at Columbia Presbyterian Medical Center (New York, NY) where gastric tonometry was incorporated to assess perfusion and oxygenation status of the gut. These results, published by Frumento et al., (2002) in *Anesthesia and Analgesia* (abstract: <http://www.anesthesia-analgesia.org/cgi/content/abstract/94/4/809>), demonstrated that *Oxygent*-treated patients exhibited improved gastric tonometry findings and significantly shorter time to return of normal bowel function postoperatively. This protective effect of *Oxygent* on the GI tract is indicative of improved oxygen delivery and perfusion, which would be expected to also benefit other critical organs that are at risk of perioperative ischemic injury. Recent reports suggest that postoperative complications, many of which may be triggered by an initial intraoperative hypoxic insult, occur in a significant number of patients following many different major surgical procedures (including abdominal, cardiovascular and orthopedic). Hence, using *Oxygent* as an oxygen therapeutic drug in elective surgery to protect organs from hypoxic injury may result in less postoperative organ dysfunction, fewer complications and lead to shorter hospital stays that would also lower overall healthcare costs.

Presently, Alliance is seeking a potential European partner to develop *Oxygent* for an initial perfusion and tissue oxygenation indication as outlined above. Burrill & Company has served as Alliance’s advisor for securing partnerships, and continues to assist Alliance in these efforts. In parallel, Alliance has also engaged in preliminary discussions with several Chinese

pharmaceutical companies seeking to license rights for China to develop and commercialize *Oxygent* as a temporary blood substitute. Alliance will continue to pursue development of *Oxygent* in the U.S. and will continue working with Burrill to secure licensing agreements for selected other countries.

#### About ALLIANCE

Alliance Pharmaceutical Corp., founded in 1989, is a development-stage pharmaceutical company that is currently focused on developing its lead product, *Oxygent*. Alliance is currently the only company that has advanced a synthetic PFC emulsion-based oxygen therapeutic into late-stage multi-center international clinical trials in both Europe and North America. Through its wholly owned subsidiary, PFC Therapeutics, Alliance is developing *Oxygent* as an intravascular oxygen therapeutic, based on its proprietary PFC and surfactant technologies. The goal of the remaining clinical development program will be to seek marketing approvals for an initial indication to use *Oxygent* in surgery when tissues are in acute need of additional oxygen supply, and thereby decrease postoperative complications and organ dysfunction.

Except for historical information, the matters set forth in this release are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth herein, including the availability of funding for development, the uncertainties associated with the conduct of preclinical or clinical studies and the timing or ability to investigate scientific data. Alliance refers you to cautionary information contained in documents the Company files with the Securities and Exchange Commission from time to time, including its Form 10-KSB for the year ended June 30, 2004 and the risk factors set forth therein and in the registration statement on Form SB-2 (File No. 333-119428). Alliance is under no obligation (and expressly disclaims any obligation) to update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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