

Alliance Pharmaceutical Corp. Receives Commitments for \$11 Million Equity Financing

SAN DIEGO, CALIFORNIA —June 4, 2004—Alliance Pharmaceutical Corp. (OTCBB: ALLP.OB) today announced that it has entered into definitive purchase agreements with respect to the private placement of 31,427,137 shares of Alliance Pharmaceutical Corp.'s common stock which will result in gross proceeds to Alliance of approximately \$11 million. The transaction is subject to standard and customary closing conditions. The price per share of the common stock to be sold at the closing will be \$0.35 per share. In addition, as part of the transaction the Company will issue to the investors at the closing warrants to purchase an aggregate of 23,570,357 additional shares of Alliance common stock at an exercise price of \$0.50 per share.

The securities sold in this private placement will not have been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States in the absence of an effective registration statement or exemption from registration requirements. However, as part of the transaction, Alliance has agreed to file a registration statement on Form SB-2 with the Securities and Exchange Commission for the purpose of registering the resale of the common stock and the shares of common stock issuable upon exercise of the warrants issued in the private placement.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state. Any offering of Alliance Pharmaceutical Corp.'s securities under the resale registration statement will be made only by means of a prospectus.