



**ALLIANCE PHARMACEUTICAL CORP. AND BEIJING DOUBLE-CRANE  
PHARMACEUTICAL CO., LTD. ANNOUNCE A MEMORANDUM OF UNDERSTANDING  
CONCERNING THE DEVELOPMENT, LICENSING AND MARKETING OF  
OXYGENT(™) IN THE PEOPLE'S REPUBLIC OF CHINA**

**San Diego, CA; April 5, 2005** --Alliance Pharmaceutical Corp. ("Alliance") (OTC Bulletin Board: ALLP), through its subsidiary PFC Therapeutics, LLC, and Beijing Double-Crane Pharmaceutical Co., Ltd. ("Double-Crane"), today announced that they have entered into a Memorandum of Understanding ("MOU") for the development of Oxygent(™) in The People's Republic of China ("PRC"). Pursuant to the MOU, the parties intend to negotiate a final license agreement whereby Double-Crane will be granted the right to develop and commercialize Oxygent in the PRC. The parties contemplate that Double-Crane will make an upfront license fee payment and will be obligated to make milestone and royalty payments to Alliance under certain circumstances. In addition, Double-Crane will be responsible for conducting clinical trials in the PRC necessary to receive marketing approval for Oxygent and that Alliance will have the right to use any data derived from these clinical trials in other territories. Alliance and Double-Crane have also agreed to discuss the possibility of manufacturing Oxygent in the PRC for distribution worldwide. The parties have agreed to negotiate exclusively with one another in good faith for the purpose of entering into a definitive license agreement with respect to the subject matter of the MOU by May 15, 2005.

**About Double-Crane**

Double-Crane was established and listed on May 22, 1997 (share code: 600062) in the Shanghai Securities Exchange China. By the end of 2004, Double-Crane had controlled shareholding in 23 subsidiaries and shares in seven companies in ten provinces throughout China. Double-Crane covers many areas of R&D, production, marketing, logistics and equipment, etc., and participates in markets like synthetic antibiotics, cardiovascular, raw materials and GI. Double-Crane is the market leader in China for IV solutions. The revenues of Double-Crane in 2004 were around RMB 4.2 billion (equals to US\$ 510 million). Double-Crane is one of the largest pharmaceutical companies in China.

**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. Alliance is developing Oxygent as an intravascular oxygen therapeutic, based on its proprietary PFC and surfactant technologies.

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 results of further negotiations with Double-Crane, the results of scientific advice of the regulatory authorities of the PRC and the

uncertainties associated with the conduct of preclinical or clinical studies. Alliance refers you to cautionary information contained in documents Alliance files with the Securities and Exchange Commission from time to time, including the last Form 10-KSB and Form 10-QSB, and those risk factors set forth in the most recent 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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