June 30, 2016

Ligand Receives $4 Million from Expansion of Two OmniAb® License Agreements

SAN DIEGO-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** announces that two recent events relating to its OmniAb platform generated $4 million in combined payments due to Ligand. One event relates to a current OmniAb licensee exercising its option to expand access to the OmniAb platform and the second event relates to Wuxi sub-licensing Chinese rights to an IND-ready antibody it discovered with the OmniAb platform.

In exercising its option, an OmniAb licensee broadened its access to the OmniAb platform by adding OmniFlic®, a transgenic rat technology with a fixed light chain used to generate bispecific antibodies. Prior to the option exercise, this licensee's access to the OmniAb technology was limited to OmniRat®. The option exercise triggered a payment to Ligand. Additionally, any approved antibody therapeutics generated utilizing OmniFlic will be subject to milestones and royalties to Ligand.

Under the existing license agreement with Wuxi, antibodies developed using the OmniAb platform and subsequently out-licensed for use in China trigger a payment to Ligand, in addition to potential royalties on product sales. Wuxi recently out-licensed the Chinese rights to an undisclosed IND-ready antibody it discovered with the OmniAb platform and its sub-licensee will be responsible for all future costs related to the program.

"These recent events show the meaningful progress with two of our OmniAb partnerships, and illustrate the focus and ongoing efforts by OmniAb partners to advance their OmniAb pipelines," said John Higgins, Chief Executive Officer of Ligand. "These transactions also demonstrate the potential for cash flows available to Ligand during the product development period, driving near-term financial benefit from the OMT acquisition."

Including these payments, Ligand anticipates total revenue for the second quarter of 2016 to be approximately $19 million.

About OmniAb®

OmniAb includes three transgenic animal platforms for producing mono- and bispecific human therapeutic antibodies. OmniRat® is the industry's first human monoclonal antibody technology based on rats. It has a complete immune system with a diverse antibody repertoire and generates antibodies with human idiotypes as effectively as wild-type animals make rat antibodies. OmniMouse® is a transgenic mouse that complements OmniRat and expands epitope coverage. OmniFlic® is an engineered rat with a fixed light chain for development of bispecific, fully human antibodies. The three platforms use patented technology, have broad freedom to operate and deliver fully human antibodies with high

affinity, specificity, expression, solubility and stability.

About Ligand Pharmaceuticals

Ligand is a biopharmaceutical company focused on developing or acquiring technologies that help pharmaceutical companies discover and develop medicines. Our business model creates value for stockholders by providing a diversified portfolio of biotech and pharmaceutical product revenue streams that are supported by an efficient and low corporate cost structure. Our goal is to offer investors an opportunity to participate in the promise of the biotech industry in a profitable, diversified and lower-risk business than a typical biotech company. Our business model is based on doing what we do best: drug discovery, early-stage drug development, product reformulation and partnering. We partner with other pharmaceutical companies to leverage what they do best (late-stage development, regulatory management and commercialization) to ultimately generate our revenue. Ligand's Captisol® platform technology is a patent-protected, chemically modified cyclodextrin with a structure designed to optimize the solubility and stability of drugs. OmniAb® is a patent-protected transgenic animal platform used in the discovery of fully human mono-and bispecific therapeutic antibodies. Ligand has established multiple alliances, licenses and other business relationships with the world's leading pharmaceutical companies including Novartis, Amgen, Merck, Pfizer, Celgene, Gilead, Janssen, Baxter International and Eli Lilly.

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Forward-Looking Statements

This news release contains forward-looking statements by Ligand that involve risks and uncertainties and reflect Ligand's judgment as of the date of this release. These include statements regarding Ligand's progress under our OmniAb partnerships, the possibility and timing of any future royalty or milestone payments under Ligand's license agreements with its partners, and the and anticipated total revenue for the second quarter of 2016. Actual events or results may differ from our expectations. For example, there can be no assurances that our licensees will use the OmniFlic, or any other OmniAb platform, to successfully develop drug candidates; that the sublicense will result in future development of a drug candidate; or that Ligand will achieve its revenue guidance for the second quarter of 2016 or for the full fiscal year ending December 31, 2016. The failure to meet expectations with respect to any of the foregoing matters may reduce Ligand's stock price. Additional information concerning these and other important risk factors affecting Ligand (including Ligand's current reliance on revenues based on sales of Promacta® and Kyprolis®, and various risks to which Ligand's Captisol® cyclodextrin operations are subject) can be found in Ligand's prior press releases available at www.ligand.com as well as in Ligand's public periodic filings with the Securities and Exchange Commission, available at www.sec.gov. Ligand disclaims any intent or obligation to update these forward-looking statements beyond the date of this press release, except as required by law. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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