



STARPHARMA ANNOUNCES INSTITUTIONAL SHARE PLACEMENT

Starpharma Pooled Development Limited (ASX:SPL) today announced the placement of 13,335,000 new shares at \$0.52 to Australian institutional and sophisticated investors. \$6.9 million was raised before expenses associated with the issue. The shares were issued at a price equivalent to the one month volume weighted average price for Starpharma prior to the close of trading on Friday September 5, 2003.

The funds raised will be used to accelerate the company's development of its VivaGel™ product and other existing pipeline products in the respiratory, oncology and exotic disease areas.

Starpharma Chief Executive Officer Dr John Raff, said "It is extremely encouraging to see the company now in a position to attract high calibre Australian institutional investors with the ability and mindset to support the company well into the future."

"Starpharma has matured considerably as a company since our listing in late 2000. Our strategy has been to transform from a virtual biotech firm to one with established in house capabilities in areas such as chemistry, regulatory and quality assurance. These capabilities have been demonstrated by our recent successful IND submission. This significant achievement marks us as the first company in the world to gain US regulatory approval to take a dendrimer-based pharmaceutical to human trials."

"Five years ago the idea of polyvalent drug development was not on the radar screens of any major global investors let alone multi-national pharmaceutical companies. Recent deals, especially the lucrative February 2003 polyvalent agreement between Glaxo Smith Kline and Theravance, have resulted in increasing interest in our core area of polyvalent expertise. We believe we are placed in a unique position within Australian biotechnology. Institutional awareness of our company's position has been enhanced via our recent road show and subsequent capital raising." Dr Raff said.

Starpharma's US based investee company (49.9% equity) – Dendritic Nanotechnologies Inc. (DNT) – continues to make significant progress with the appointment of a new CEO, Charles Burke and various other key appointments. Additional appointments include Gifford Brown as CFO and Richard Hazelton as a director. Dr Raff, said "To attract the ex CEO and CFO of a world leading organization like Dow Corning as well as Charles to a company that is still less than 2 years old sends a clear signal of DNT's future prospects. To be able to surround Dr Donald Tomalia, the US pioneer of dendrimer nanotechnology, with the calibre of commercially focused business people we now have on board is exciting to say the least. DNT will explore various spin off and licensing opportunities in the coming 6 to 12 months and we remain very confident of the strength of its world class people and relationships."



“It has been a very busy 12 months for Starpharma and we remain cognizant of our long term supporters as well as our new institutional shareholders. We will continue to keep focussed on the job ahead to ensure that we actively pursue the many available opportunities within polyvalence.”

The shares were placed with Australian institutional clients of J.T. Campbell & Company and XL Capital which acted as joint placement agents.

Starpharma Pooled Development Limited (ASX:SPL) is a registered pooled development fund with investments in wholly owned subsidiary biopharmaceutical companies focused on the development and application of dendrimer nanotechnologies as drugs against major diseases. SPL also has a 49.9% equity in a US based company – Dendritic Nanotechnologies Inc. (DNT) – established with the US pioneer of dendrimer nanotechnology Dr Donald Tomalia.

CONTACTS:

Dr John Raff
Chief Executive Officer
+61 3 8532 2701
www.starpharma.com

Mr Ben Rogers
Company Secretary
+61 3 8532 2702

Richard Hannebery,
Director
J.T. Campbell & Co
+61 3 9654 8881

Michael Glenane
XL Capital
+61 2 9362 5856
Institutional only