



18 March 2004

STARPHARMA ANNOUNCES INSTITUTIONAL SHARE PLACEMENT

Starpharma Holdings Limited (ASX:SPL) announced that it has completed a share placement of 9,000,000 new shares to leading Australian and international institutional investors including Biotech Capital Limited (ASX:BTC), a leading specialist biotechnology investment fund. The issue price for the funding round was \$0.84 with participating investors also receiving a March 31, 2005 variable priced option on a 1:2 basis. Gross proceeds from the issue are \$7,560,000.

The funds raised in this placement are expected to be directed towards corporate opportunities arising out of the US investee company Dendritic Nanotechnologies, Inc. and related entities. "DNT is an increasingly important strategic partner for Starpharma because of its leading international position in the area of dendrimer nanotechnology" Starpharma CEO Dr John Raff said.

DNT continues to make significant progress with the appointment of Richard Hazelton (the ex CEO of Dow Corning) as Chairman and Prof Jean Fréchet as a director of the company. Prof Fréchet is an advisor to a number of world leading technology and chemical companies, an international leader in the area of nanotechnology and is a general partner on a number of high profile US venture funds specializing in nanotechnology. Dr Raff said "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 we believe bodes well for the future. We remain excited at the commercial opportunities that lie before DNT in both the short and longer term and look forward to maintaining our investment in DNT for the foreseeable future.

Since our successful capital raising last year we have seen the composition of ownership of Starpharma change significantly with many leading Australian and international institutional investors coming on to our share register. We are pleased that the major institutional investors have again supported Starpharma and we also welcome some additional domestic and international institutional investors to the register including Biotech Capital."

The investment by Biotech Capital marks its ninth investment and is the second only in a listed company. Biotech Capital's only other primary listed investment is tissue engineering company Clinical Cell Culture.

"We are very pleased to have qualified third party validation of our dendrimer based technology and also our US based investee company Dendritic Nanotechnologies, Inc. and we extend a particular welcome to Biotech Capital, Dr Raff said.

Harry Karelis, Managing Director of Biotech Capital stated "We have been tracking Starpharma for several years and have enjoyed a very good relationship with the company in that time. We have been impressed with the calibre of its people in developing the company into a leading player in the exploitation of the unique characteristics of dendrimers. In particular, we have spent considerable time in the past looking at various aspects of Starpharma's portfolio, including Dendritic Nanotechnologies, so we have a strong level of knowledge of the potential of these assets."

Dr Raff went on to say, "After this latest capital raising, institutional ownership of our company now stands at over one third of our share register which, when taken in context of



ownership of the wider biotech market in Australia really does serve to reinforce how much the company has matured since our listing in late 2000.”

The shares were placed with Australian and international institutional clients of J.T. Campbell & Company which acted as lead manager and placement agent.

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Institutional only