



Starpharma Secures Full Ownership of Core Technology

Melbourne, Australia – 10 October 2005 – Starpharma Holdings Limited and the Biomolecular Research Institute Limited (BRI) today announced an important change to the technology licence arrangements that were executed when Starpharma was spun-out of the BRI in 1996.

Under the new agreement Starpharma has acquired outright ownership of this core technology, which includes three key patent families. The 25% royalty that was payable to BRI under the original licence has been cancelled. This technology, in part, forms the original underlying technology of Starpharma's VivaGel™ family of products. In return Starpharma has issued 7.112 million ordinary fully paid shares in the company (representing a 6.39% holding) to the BRI.

The shares issued to BRI will be held in voluntary escrow for a period of 12 months. Starpharma can however consent to the release of these shares for transfer to an independent third party during the escrow period.

Dr John Raff, Starpharma's CEO, commented: "This is the right deal at the right time and it is very much in the interests of our shareholders. By having complete ownership of the underlying technology, Starpharma will have greater freedom and control over the process of commercialising the VivaGel™ family of products. As a result, the commercial value of the technology and of VivaGel™ have been significantly enhanced for the benefit of all shareholders."

About Starpharma:

Starpharma Holdings Limited (ASX:SPL, USOTC:SPHRY) leads the world in the application of nanotechnology to pharmaceuticals. The Company's lead development product is VivaGel™, a vaginal microbicide designed to prevent the transmission of STIs, including HIV and genital herpes.

VivaGel™ is the first example of a product to come from Starpharma's dendrimer-based discovery pipeline, which also includes specific programs in the fields of ADME Engineering™ (using dendrimers to control where and when drugs go when introduced to the body), Polyvalency (using the fact that dendrimers can activate multiple receptors simultaneously) and Targeted Diagnostics (using dendrimers as a scaffold to which both location-signaling and targeting groups are added to allow location of specific cell type, such as cancer cells).

Starpharma also has equity interests in two companies:

- *Dendritic NanoTechnologies, Inc. (DNT)* – established with the pioneer of dendrimer nanotechnology Dr Donald A. Tomalia and based in Michigan, USA; and
- *Dimerix Bioscience Pty Ltd* – a specialist drug development company established to commercialise unique technology developed at the Western Australian Institute for Medical Research in the new field of receptor coupling, specifically G-Protein coupled receptors ("GPCRs").

Dendrimers: A type of precisely-defined, branched nanoparticle. Dendrimers have applications in the medical, electronics, chemicals and materials industries.

Microbicides: A microbicide inactivates, kills or destroys microbes such as viruses and bacteria. Microbicides may be formulated as gels, creams, sponges, suppositories or films with the purpose of reducing significantly the incidence of STIs. They are intended for vaginal or rectal use to afford protection for varying periods, from several hours up to days. Microbicides may also be designed to have a contraceptive function.

American Depositary Receipts (ADRs): Starpharma's ADRs trade under the code **SPHRY** (CUSIP number 855563102). Each Starpharma ADR is equivalent to 10 ordinary shares of Starpharma as traded on the Australian Stock Exchange. The Bank of New York is the depositary bank.

For further information:

Media	Starpharma www.starpharma.com	
Rebecca Wilson Buchan Tel: +61 2 9237 2800 Mob: +61 417 382 391 rwilson@bcg.com.au	Dr John Raff Chief Executive Officer +61 3 8532 2701 john.raff@starpharma.com	Ben Rogers Company Secretary +61 3 8532 2702 ben.rogers@starpharma.com