



STARPHARMA RAISES A\$15M THROUGH INSTITUTIONAL PLACEMENT AND SHARE PURCHASE PLAN

Melbourne, Australia – 14 November 2005. Starpharma Holdings Limited (ASX: SPL, USOTC:SPHRY) today announced a successful A\$15 million capital raising, positioning the company for further significant growth.

The structure of the capital raising included a \$12 million institutional placement at \$0.51 and an underwritten Share Purchase Plan (SPP) to raise an additional \$3 million. The institutional placement, which closed on Friday 11 November, was over subscribed. The SPP, also priced at \$0.51, is expected to be well supported by Starpharma's more than 2000 shareholders. The SPP is expected to run from 22 November to December 15 2005.

Patersons Securities, the lead manager of the Placement and underwriter of the SPP, has confirmed more than 70% of the Placement was raised through new and existing institutional investors.

Last month Starpharma also received US\$20.3m (A\$26m) of non-dilutive funding from one of the most significant health organisations in the world, the National Institutes of Health (NIH), to develop VivaGel™, a topical vaginal microbicide to protect women from HIV.

The new capital will be used to fund the development of line extensions of VivaGel™ including the prevention of Genital Herpes, to further build the company's product pipeline, and to increase collaborative activities with its investee company, US based Dendritic NanoTechnologies, Inc (DNT).

Dr John Raff, CEO of Starpharma said "We are very pleased to have received support from our existing institutional investors as well as attracting a number of new institutional investors to our share register through this capital raising."

"The support of some of Australia's leading financial institutions is validation of the commercial opportunities for VivaGel™, and recognition of the future value of our dendrimer nanotechnology pipeline and of our 33% equity stake in DNT," said Dr Raff.

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-signalling 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 Depository 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 depository bank.

For further information:

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