



STARPHARMA COMPLETES A\$15 MILLION RAISING

Melbourne, Australia – 20 December 2005. Starpharma Holdings Limited (ASX: SPL, USOTC:SPHRY) today announced the successful completion of the second tranche of its institutional placement and the finalisation of its Share Purchase Plan (SPP), which together raised a total of A\$15M.

The institutional placement was oversubscribed and raised a total of A\$12 million through the issue of shares in two tranches. The first tranche of the share placement to raise A\$4.88 million was the maximum number of shares permitted under ASX Listing Rule 7.1 to be issued without shareholder approval. The second tranche of shares to raise A\$7.12 million was approved at an extraordinary general meeting of shareholders on 16 December 2005. This meeting also ratified the issue of the first tranche of shares and approved the underwriting of the SPP. The underwritten SPP closed on 15 December 2005 and raised A\$3 million.

CEO Dr John Raff said: "Starpharma is now in the fortunate position where our lead project is largely externally funded and cash reserves are sufficient to support the company's operations for more than two years."

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)* – a US company established with the pioneer of dendrimer nanotechnology Dr Donald A. Tomalia and in which the Dow Chemical Company holds 30% equity ; 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:

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