



Investee Company DNT Announces National Cancer Institute Contract

Melbourne, Australia: 29 September 2006: Starpharma Holdings Limited (ASX:SPL, USOTC:SPHY) today released the attached announcement by investee company Dendritic Nanotechnologies Inc. ("DNT") regarding the award of a US\$850,000 (A\$1.1million) contract from the National Cancer Institute (NCI), part of the US National Institutes of Health. The contract is directed towards using DNT's Priostar™ dendrimers to develop a new generation of targeted diagnostic and therapeutic delivery technology for the early detection and treatment of epithelial ovarian cancer.

About Starpharma:

Starpharma Holdings Limited (**ASX:SPL, USOTC:SPHY**) leads the world in the application of nanotechnology to pharmaceuticals. The Company's lead development product is VivaGel™ (SPL7013 Gel), 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 a 33% equity interest in the US company, **Dendritic Nanotechnologies, Inc. (DNT)**, which it founded with the pioneer of dendrimer nanotechnology Dr Donald A. Tomalia. In 2005 the Dow Chemical Company assigned its entire dendrimer intellectual property portfolio into DNT and also holds a 30% equity stake in the company. DNT, a nano-materials company, has existing revenue streams from deals with leading organisations including Pfizer Inc, Sigma Aldrich; General Dynamics Corp., Qiagen, Dade Behring and the US Dept. Defense. Starpharma also holds equity in Dimerix Bioscience Pty Ltd – a drug development company specialising in G-Protein coupled receptors ("GPCRs").

American Depositary Receipts (ADRs): Starpharma's ADRs trade under the code **SPHY** (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. As at September 2006, 9.7% of Starpharma's issued capital was held via ADRs.

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.

For further information:

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FOR IMMEDIATE RELEASE

Dendritic Nanotechnologies Receives National Cancer Institute Contract to Develop Dendrimer-Based Diagnostic and Therapeutic Delivery System for Ovarian Cancer

Mount Pleasant, MI—Sept. 29, 2006—Dendritic Nanotechnologies Inc. (DNT) and the National Cancer Institute (NCI) have entered into a Small Business Innovation Research (SBIR) contract valued at \$850,000. The project will use DNT's Priostar™ dendrimers to develop a new generation of targeted diagnostic and therapeutic delivery technology for the early detection and treatment of epithelial ovarian cancer. Annual U.S. expenditures for medical treatment of ovarian cancer are approximately \$1.5 billion.

This marks the first time that dendrimer nanostructures will be used as both a diagnostic tool and a vehicle to deliver higher concentrations of therapeutic agents to cancerous cells. Current chemotherapy methods are often toxic to normal healthy cells and cause serious side effects as they perform their life-saving function of destroying diseased tissue. It is anticipated that dendrimers will be able to deliver therapies with precision and at a lower toxicity that minimizes damage to adjacent healthy cells.

DNT's Priostar™ dendrimer delivery system will be combined with a magnetic resonance imaging agent to create an improved product for detecting and monitoring cancerous tissue. A second product will be developed by combining the Priostar™ dendrimer with approved cancer-fighting drugs to improve and deliver the therapy for ovarian epithelial cancer. DNT expects this project will result in the filing of an Investigational New Drug (IND) application for the diagnostic imaging technology, and a subsequent IND for the therapeutic technology.

Starpharma Holdings Limited (ASX:SPL, USOTC:SPHRY), a major equity holder in DNT, has already conducted a successful safety trial in humans for a separate dendrimer product, VivaGel™, a vaginal microbicide currently in development for the prevention of HIV and genital herpes. This trial was conducted under a U.S. Food and Drug Administration IND application. Starpharma is a leader in the application of dendrimers to human medicine and will provide nano-pharmaceutical development and regulatory expertise to DNT for the new anti-cancer product.

Epithelial ovarian cancer is the most lethal gynecologic cancer accounting for more deaths than endometrial and cervical cancers combined. Ovarian cancer is especially difficult to diagnose as it is not associated with any specific signs or symptoms; the vast majority of women are diagnosed in an advanced stage. The American Cancer Society estimated that 22,220 new ovarian cancer cases would occur in 2005 (equivalent to 1 new case every 23 minutes) with an overall mortality rate of 6 percent. The 5-year survival rate for women who are diagnosed with an advanced stage ovarian cancer is only 15 to 20 percent, whereas the 5-year survival rate for women who are diagnosed in an early stage of the disease approaches 90 percent.

"Research shows that early diagnosis and treatment of this cancer are critical determinants of whether the patient will survive this disease," said Dr. Robert Berry, CEO of DNT. "DNT's goal is to provide the oncologist with a sensitive, non-invasive diagnostic tool for the early detection and monitoring of patients. This approach should significantly improve the diagnostic imaging of early stage ovarian cancer tumors and the monitoring of therapeutic efficacy."

DNT's Priostar™ Dendrimer Technology

DNT announced its Priostar™ family of dendrimers (patents pending) in May 2005. The Priostar™ dendrimer technology is scalable and precise, and produces nanostructures with unprecedented functionality for carrying, attaching, and encapsulating diagnostic and therapeutic products. The Priostar™ dendrimer synthesis processes allow DNT to easily move from the laboratory to large-scale manufacturing with acceptable purity tolerances and at a price point that is sustainable.

Frost & Sullivan, a New York-based growth consulting company, recently awarded "Advanced Medical Applications Technology Innovation of the Year" to DNT. The analyst firm stated that: "DNT was awarded for its work in developing and commercializing the Priostar™ family. While nanotechnology in general has promised great advances, there are relatively few tangible products with clear and present applications. Moreover, many of these products cannot be cost-effectively produced in large enough volumes. DNT's dendritic nanostructures appear to serve as effective delivery vehicles *in vitro* and *in vivo* due to their specific, precise and predictable architecture."

Dendrimers

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

Acknowledgement

This project has been funded in whole or in part with federal funds from the National Cancer Institute, National Institutes of Health, and the Department of Health and Human Services, under Contract No. HHSN261200622013C. The successful completion of this project may lead to the establishment of a new treatment option for ovarian cancer and may become an integral part of oncologists' standard treatment therapy for ovarian and other types of cancer.

About Starpharma

Starpharma Holdings Limited (ASX:SPL, USOTC:SPHRY) leads the world in the application of dendrimer-based nanotechnology to pharmaceuticals. The company's lead development product is VivaGel™ (SPL7013 Gel), a vaginal microbicide designed to prevent the transmission of sexually transmitted infections, 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). See www.starpharma.com

About DNT

Dendritic Nanotechnologies Inc. (DNT) is committed to the innovation, development and commercialization of its proprietary Priostar™ dendrimer technology to create new commercial products with business partners. DNT was incorporated in 2003, is a U.S. company with 16 employees, and is located in Mount Pleasant, Michigan. DNT's chief scientific officer, Donald A. Tomalia, Ph.D., is the inventor of dendrimers and led numerous commercial developments during a 25-year management and senior scientist career with The Dow Chemical Company. DNT has a broad and comprehensive IP portfolio that comprises more than 173 patents and 33 patent families—a unique level of IP concentration among nanotechnology companies—and has existing licensing agreements with established revenue streams for dendrimer technology. See <http://www.dnanotech.com>.

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