

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Starpharma Holdings Limited

ACN/ARSN 078 532 180

This notice is given by Starpharma Holdings Limited on behalf of itself.

1. Details of substantial holder (1)

Name Starpharma Holdings Limited

ACN/ARSN (if applicable) 078 532 180

The holder became a substantial holder on 19/10/2006

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary	14,406,827	14,406,827	Approximately 8.6%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Starpharma Holdings Limited	Power to control disposal pursuant to Voluntary Escrow Deed of 5 pages dated 19 October 2006 a copy of which accompanies this notice and is marked A .	14,406,827 Ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Starpharma Holdings Limited	The Dow Chemical Company	The Dow Chemical Company	14,406,827 Ordinary

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Starpharma Holdings Limited	19 October 2006	Nil		14,406,827 Ordinary

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Starpharma Holdings Limited	Baker Building, 75 Commercial Road, Melbourne
The Dow Chemical Company	2030 Dow Center, Midland MI 48674, USA

Signature

print name Bernard Patrick Rogers

capacity Secretary

sign here

date 24/10/2006

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

THIS IS ANNEXURE A of 5 PAGES
REFERRED TO IN FORM 603 DATED 24.10.06.



Voluntary escrow agreement

We, the persons in:

- Item 1 of the schedule (“entity”);
- Item 2 of the schedule (“holder”),

agree as follows.

Introduction

The entity intends to issue the escrow securities to the holder. The holder will hold the escrow securities as set out in this agreement.

Agreement

Escrow restrictions

1. Subject to clause 2, during the relevant escrow period, the holder will not do any of the following without the entity’s prior written consent:
 - (a) Sell, assign, transfer, or otherwise dispose of, or agree or offer to sell, assign, transfer or otherwise dispose of, the relevant escrow securities.
 - (b) Create, or agree or offer to create, any security interest in the relevant escrow securities.
 - (c) Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the relevant escrow securities.
2. Despite clause 1, the holder may during any escrow period deal with any escrow securities in any manner specified in clause 1(a) or (b) to the extent the dealing occurs as a result of or in connection with:
 - (a) a takeover offer for any class of shares in the entity;
 - (b) a scheme of arrangement of the entities, members or creditors under Part 5.1 of the Corporations Act 2001;
 - (c) a share buy-back, capital reduction or other capital restructure or reorganisation of the entity;
 - (d) a distribution in specie, including without limitation, a winding up or a transmission of the escrow shares;
 - (e) a requirement of law, including without limitation, under a compulsory acquisition;

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- (f) a transfer of the escrow securities to a related body corporate of the holder, provided that the holder's related body corporate agrees to be bound by the terms of this agreement;
 - (g) a security interest arising through the operation of law; or
 - (h) any other circumstances agreed between the entity and the holder from time to time.
 3. Subject to the terms of this agreement, the holder irrevocably agrees in writing to the application of a holding lock to the relevant escrow securities for the relevant escrow period. To avoid doubt, the entity must arrange for the immediate release of the holding lock over the escrow securities in any of the circumstances contemplated in clause 2 and, in any event, at the end of the relevant escrow period.
 4. Except as expressly provided for in clause 1, nothing in this agreement restricts the holder from dealing with the relevant escrow securities or exercising rights otherwise attaching to, or afforded to the holder of, the relevant escrow securities, including without limitation by:
 - (a) exercising any voting rights attaching to the escrow securities;
 - (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the escrow securities; and
 - (c) receiving or participating in any right or bonus issue in connection with the escrow securities.
 5. When the escrow period expires, there will be no restrictions on any dealing in the escrow shares by the holder under this agreement.

Warranty

6. The holder warrants to the entity that before the escrow period begins, the holder has not done, or omitted to do, any act which would breach clause 1 if done or omitted during the escrow period.
7. A breach of this warranty is a breach of this agreement.

Consequences of breaching this agreement

8. If the holder breaches this agreement, the entity may take the steps reasonably necessary to prevent the breach, or to enforce the agreement.
9. If the holder breaches this agreement each of the following applies.
 - (a) The entity may take the steps necessary to enforce the agreement, or to rectify the breach.

- (b) The entity may refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of the escrow securities.

Jurisdiction

10. The law in force in Victoria governs this agreement. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

Definitions and interpretation

In this agreement:

escrow period means the first escrow period, the second escrow period and the third escrow period, as the case requires.

escrow securities means, in respect of any escrow period, the securities set out in item 3 of the schedule corresponding to that escrow period.

first escrow period means the period commencing on October ^{19th}, 2006 and expiring 12 months later.

related body corporate has the meaning given to that term in the *Corporations Act 2001* (Cwlth).

second escrow period means the period commencing on the day after the expiration of the first escrow period and ending 12 months later.

Shares means the 14,406,827 Starpharma Holdings Limited Ordinary Shares issued to holder in exchange for its shares in Dendritic Nanotechnologies, Inc.

third escrow period means the period commencing on the day after the expiration of the second escrow period and ending 12 months later.

The singular includes the plural and vice versa.

A reference to a party includes its successors, personal representatives and transferees.

Every warranty or agreement (expressed or implied) in which more than one person joins, binds them individually and any combination of them as a group.

Schedule

1.	Entity's name and address:	Starpharma Holdings Limited - ACN 078 532 180 of Level 6, Baker Heart Research Building, Commercial Road, Melbourne, Victoria, Australia
2.	Holder's name and address:	<i>The Dow Chemical Company</i> <i>2030 Dow Center</i> <i>Midland, MI 48674 USA</i>
3.	Particulars of escrow securities:	In respect of: (i) the first escrow period, 100% of the Shares; (ii) the second escrow period, 75% of the Shares; and (iii) the third escrow period, 50% of the Shares.

Dated: October 19, 2006

THE COMMON SEAL of)
Starpharma Holdings Limited ACN 078)
532 180 is affixed in accordance with)
its constitution in the presence of:)



Jarvis Jamley

▲ Director

[Signature]

▲ Secretary

SIGNED, SEALED & DELIVERED by
[] in the presence of:

The Dow Chemical Company

Elisabeth T. Jozwiak
▲ Signature of Witness

[Signature]
Signature of [insert]
By James H. Plonka
Vice President, Venture Capital

Elisabeth T. Jozwiak

▲ Name of Witness (Print)