

19 February 2007

SPL Delivers First Deal From DNT Acquisition

SPL have announced an exclusive license and supply agreement with EMD Biosciences (part of Merck KGaA) for the Priofect siRNA transfection reagent.

The terms of the deal have not been disclosed but this represents the first commercialisation of intellectual property acquired as a result of the DNT acquisition last year.

The Priofect transfection agent is initially being used in the laboratory reagents market which currently generates approximately \$200m in sales for nucleic acid (DNA and RNA) transfection agents.

Priofect, which is based on DNT's dendrimer technology, has a number of advantages over existing agents including lower cell toxicities and greater control and optimisation of delivery.

This deal is significant in that it highlights the near term commercial opportunities that DNT's dendrimer technology provides beyond therapeutic applications.

Furthermore, the establishment of a strong research market for this transfection agent will provide a strong foothold into the development of therapeutic applications based on siRNA. This is a very active area of therapeutic development and was the basis for the Nobel Prize for Physiology and Medicine in 2006.

DNT's dendrimer technology, which generates highly regular multivalent polymers, has potential applications in a variety of both industrial and fine chemical settings as well as the therapeutic applications such as VivaGel that SPL is developing.

As the commercialisation of these applications does not require the same level of development as therapeutic applications, we expect that this will be the first of a number of commercial opportunities that SPL will be able to secure as a result of acquiring DNT.

In combination with the announcement last week that SPL had secured further funding from the NIH for its VivaGel trials, we believe that SPL has established a strong position with a dominant IP position in a key area of nanotechnology that will result in ongoing support for the stock from both offshore and locally.

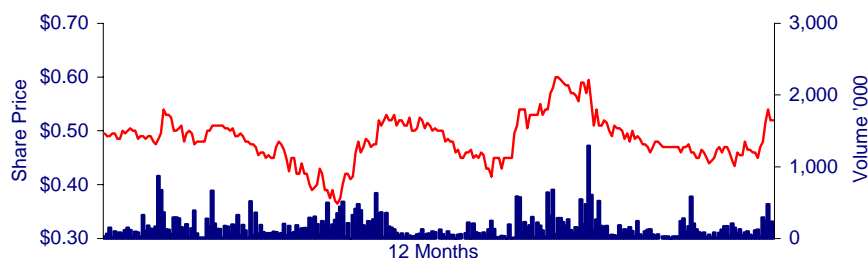
Company	
Stock code:	SPL
Share price:	\$0.53
Recommendation:	Speculative Buy

S&P/ASX 300 = 5983

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Starpharma (SPL) – Company Performance & Summary

Shares (m)	167.8
Market Cap (\$m)	\$78.0
Year Low - High	\$0.35 - \$0.64
Daily Volume	172,000
Cash (\$m)	\$12.3
Cash Burn (\$m)	\$8.5



Source: IRESS

Patersons Securities Limited acted as Lead Manager to a Share Placement that raised \$12m at \$0.51c per share, and as Underwriter to a Share Purchase Plan that raised \$3m at \$0.51c per share for Starpharma Holdings Limited in November 2005. It received fees for these services.

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