Starpharma's DNT and EMD Biosciences sign siRNA and DNA reagent license and supply agreement

Melbourne; 19 February 2007: Starpharma (ASX:SPL, USOTC:SPHRY), through its US subsidiary company Dendritic Nanotechnologies Inc (DNT), has entered into a worldwide exclusive license and supply agreement with EMD Biosciences, part of Merck KGaA's Performance and Life Science Chemicals division.

Under the terms of this agreement, DNT will supply EMD Biosciences with Priofect™ transfection reagents based on Priostar™ proprietary dendrimers for the DNA and siRNA transfection research markets. Terms of the agreement which includes royalties and milestone payments were not disclosed.

DNT's PrioFect™ transfection reagents are part of the US$200 million-market for nucleic acid, DNA and small interfering RNA (siRNA) research. PrioFect™ transfection reagents are the only transfection reagents with nanometer-size control, enabling EMD to offer researchers siRNA transfection reagents with sizes optimized for individual cell lines.

Under this commercial arrangement DNT retains full rights to all *in vivo* aspects of transfecting nucleic acids with Priostar technology, a market segment that experienced significant deal-making activity 2006.

"The license and supply agreement with EMD Biosciences, the first since Starpharma acquired DNT, is significant because it will lead to the first commercial application of Priostar dendrimers. We are delighted to be working with such an innovative company," said Dr Jackie Fairley, CEO of Starpharma.

"And importantly, the agreement introduces Starpharma as a player in siRNA research, an area that is undergoing rapid growth and seems poised to become a major source of new medicines for many human diseases," Dr Fairley added.

"We are pleased to be working with DNT, a leader in nanotechnology, to develop unique and highly efficient transfection reagents that will be marketed through the Novagen brand of products," stated Lisa Johnson, Vice President of Corporate Development for EMD Biosciences. "Through our collaboration with DNT, we will provide leading edge technology for a rapidly growing transfection reagent market segment and will utilize the technology as a foundation for future product platforms."

Small interfering RNA is a crucial component of a cellular process called RNA interference (RNAi) that causes degradation of specific RNA molecules and, as a result, prevents expression of the corresponding genes. The technology has the potential to provide highly specific medicines for existing and new disease targets. The researchers who first reported the biological process of RNAi were awarded the Nobel Prize for Physiology or Medicine.

About Starpharma:

Starpharma Holdings Limited (ASX:SPL, USOTC:SPHRY) is a world leader in the development of dendrimer nanotechnology for pharmaceutical, life-science and other applications. SPL is principally composed of two operating companies, Starpharma Pty Ltd in Melbourne, Australia and **Dendritic Nanotechnologies, Inc** in Michigan, USA. Products based on SPL's dendrimer technology are already on the market in the form of diagnostic elements and laboratory reagents.

The Company's lead pharmaceutical development product is VivaGel™ (SPL7013 Gel), a vaginal microbicide designed to prevent the transmission of STIs, including HIV and genital herpes.

Starpharma's proprietary dendrimer platform, which includes Priostar, also has potential in targeted diagnostics and in drug delivery for a wide variety of drugs. Improvements including enhanced solubility, targeting and reduced toxicity have been demonstrated for a number of existing drugs. More broadly the company, via DNT is actively exploring dendrimer opportunities in materials science with applications as diverse as adhesives, lubricants and water remediation. SPL has a comprehensive IP portfolio that comprises more than 180 patents/applications issued and pending across 32 patent families - a unique level of IP concentration among nanotechnology companies.

About Dendritic Nanotechnologies Inc. (DNT)

Starpharma's wholly owned U.S. based operating subsidiary – Dendritic Nanotechnologies, Inc. located in Mount Pleasant, Michigan - provides innovative dendrimer technologies and commercialization services with its new proprietary Priostar dendrimer technologies. DNT's proprietary Priostar dendrimer platform serves as a targeted diagnostic and therapeutic delivery system for a wide variety of drugs to cancer cells and other diseases. Improved efficacy, enhanced solubility, and lower toxicity have been demonstrated for a number of existing drugs. Priostar dendrimers are the newest generation of dendrimers and were engineered to be commercially viable (reduced manufacturing complexity and costs). The company has patents pending on its Priostar family of dendrimers. Priofect, Priostar and STARBURST are trademarks of Dendritic Nanotechnologies, Inc. All other trademarks mentioned herein are held by their respective owners.

About EMD Biosciences, Inc.:

EMD Biosciences, Inc. provides a broad range of innovative life science research products used world-wide in disease-related life science research at universities as well as in the pharmaceutical and biotech industries. The company is part of the Performance and Life Science Chemicals (PLS) division of Merck KGaA, Darmstadt, Germany and operates as EMD Biosciences, Inc. in North America and Merck Biosciences outside North America. Globally, EMD Biosciences is known in the scientific community through its product brands Calbiochem®, Novabiochem®, and Novagen®.

About Merck KGaA, Darmstadt, Germany:

Merck KGaA is a global pharmaceutical and chemical enterprise with sales of € 6.3 billion in 2006, a history that began in 1668, and a future shaped by 35,000 employees (including Merck Serono) in 56 countries. In 1917 the U.S. subsidiary Merck & Co. was expropriated and has been an independent company ever since.

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

About SiRNA

SiRNA (small interfering RNA) activates the natural cellular process that cause degradation of specific RNA molecules and, as a result, prevents expression of the corresponding genes. The technology has the potential to provide highly specific medicines for existing and new disease targets. The first step in using RNAi as a research tool to interfere with gene expression is the introduction of nucleic acids into cells – a technique known as transfection. The PrioFect™ reagent represents a new generation of transfection reagent.

For further information:

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