



Starpharma announces \$15.6 million capital raising

Melbourne, Australia; 18 November 2009 - Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) is pleased to announce a successful capital raising of A\$15.6 million through a private placement to institutional and sophisticated investors, taking the company's cash reserves to approximately A\$24 million.

The lead investor in the placement was Orbis, an existing Starpharma shareholder and a highly regarded institutional fund manager. As a result of this additional investment Orbis will become a substantial shareholder in Starpharma. The company's largest shareholder Acorn Capital also participated in the raising, along with several other existing and new institutional investors.

The placement is for 30 million shares at \$0.52 per share, a 9.7% discount to the volume weighted average price of the Company's shares over the prior 20 trading days. The placement was significantly oversubscribed and was managed by Shaw Corporate Finance.

The funds raised will primarily be used to finance a clinical trial program to develop VivaGel® for the treatment of bacterial vaginosis (BV) and to further strengthen the balance sheet for future development and partnering opportunities.

Dr Jackie Fairley, CEO of Starpharma said: "We are delighted with the success of this capital raising. The level of institutional demand was particularly high, and we appreciate the strong support received from both existing and new institutional shareholders."

"These additional funds take the company to a new level by allowing us to progress VivaGel® as a BV treatment through to the completion of Phase 3 clinical trials to support licensing to a major marketing partner." Dr Fairley added.

VivaGel® as a treatment for BV represents a significant development for Starpharma, with the global market for topical BV treatments alone estimated at approximately US\$300-\$350m.

"This is an exciting extension to the development program of VivaGel®. Bacterial vaginosis is the most common vaginal infection worldwide with more than 21 million women in the US alone suffering from the infection," said Dr Fairley.

Starpharma already has a significant licensing deal with SSL (owners of Durex® brand) for use of VivaGel® as a condom coating, NIH funded development programs for VivaGel® for the prevention of viral sexually transmitted infections, programs focused on drug delivery partnered with Elanco (Eli Lilly) and Stiefel (GSK), and a program for modifying pesticides with a multi-billion dollar US agrochemical company.

As the shares issued via the private placement fall within the 15% threshold permitted by the ASX Listing Rules, shareholder approval is not required.

About Starpharma

Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) is a world leader in the development of dendrimer technology for pharmaceutical, life-science and other applications. SPL has two operating companies, Starpharma Pty Ltd in Melbourne, Australia and DNT, Inc in the USA. Products based on SPL's dendrimer technology are already on the market in the form of diagnostic elements and laboratory reagents through licence arrangements with partners including Siemens and Merck KGaA.

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. In September 2008 Starpharma signed a full licence agreement with SSL International plc (LSE:SSL) to develop a VivaGel® coated condom. SSL manufactures and sells Durex® condoms, the market-leading condom brand worldwide. Starpharma's receipts under the agreement are estimated to exceed A\$100m comprising royalties on SSL sales, further milestone payments, and development support.

In the wider pharmaceutical field Starpharma has specific programs in the areas of Drug Delivery and Drug Optimisation technologies (using dendrimers to control where and when drugs go when introduced to the body) 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). More broadly the company is exploring dendrimer opportunities in materials science applications including water remediation.

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

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 Securities Exchange (ASX). The Bank of New York Mellon is the depositary bank. Starpharma's ADRs are listed on International OTCQX (www.otcqx.com), a premium market tier in the U.S. for international exchange-listed companies, operated by Pink OTC Markets, Inc.

Forward Looking Statements

This document contains certain forward-looking statements, relating to Starpharma's business, which can be identified by the use of forward-looking terminology such as "promising", "plans", "anticipated", "will", "project", "believe", "forecast", "expected", "estimated", "targeting", "aiming", "set to", "potential", "seeking to", "goal", "could provide", "intends", "is being developed", "could be", "on track", or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Starpharma is providing this information as of the date of this document and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.

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