



ASX ANNOUNCEMENT

Starpharma completes A\$32 million placement; SPP to follow

Melbourne, Australia; 16 November 2011 – Starpharma Holdings Limited (ASX:SPL; OTCQX:SPHRY) is pleased to announce it has successfully raised A\$32 million via a placement to international and domestic institutional, sophisticated and professional investors (“**Placement**”). It is intended to offer eligible existing shareholders the opportunity to also participate via a Share Purchase Plan to raise up to a further A\$3 million.

The Placement was conducted at the last closing price prior to Trading Halt (A\$1.075 per share), and was significantly oversubscribed. There was strong participation in the Placement from existing institutions including large global funds and local investors. The Company is also pleased to welcome to the register a major new international institution which will become a significant shareholder via the Placement.

Funds raised will be used to accelerate and complete both VivaGel[®] Bacterial Vaginosis Phase 3 Programs (Treatment, and Prevention of Recurrence) supporting an NDA filing and commercial licence, as well as allowing the company to advance multiple product opportunities across its drug delivery and agrochemical programs.

Starpharma Chief Executive Officer Dr Jackie Fairley said: “2011 has seen major advances in all three of Starpharma’s key strategic focus areas – VivaGel[®], drug delivery and agrochemicals. This capital raising changes the course of the company in terms of our ability to advance these more rapidly in parallel to optimise commercial outcomes.”

“We see the outstanding response to this Placement as validation of the significant value of our dendrimer platform, the growing maturity of Starpharma’s business, and the increasing commercial momentum across multiple product applications.”

Bell Potter Securities Limited and Shaw Corporate Finance Pty Limited acted as Joint Lead Managers to the Placement.

Share Purchase Plan

Starpharma is also pleased to announce that it will offer all eligible shareholders the opportunity to participate in a Share Purchase Plan (“**SPP**”) by subscribing up to a maximum of \$15,000 at the same Placement price of \$1.075 per share. The amount to be raised under the SPP will be capped at \$3 million.

The record date for participation in the SPP is 15 November 2011, and the opening date will be Wednesday 23 November 2011. Full details will be sent to investors in the next week.

Use of funds

The \$35 million being raised will significantly strengthen Starpharma's cash balance to over \$50 million, allowing the company to accelerate its three key business areas. The projected use of funds is summarised in the following table:

Activity	
1. Accelerate two VivaGel[®] Bacterial Vaginosis Phase 3 Programs, File NDA and Negotiate late stage Licence	A\$ 16.0M
<ul style="list-style-type: none"> ➤ Accelerate and complete Phase 3 Program for Bacterial Vaginosis Treatment & Prepare & File NDA Submission; negotiate commercial licence ➤ Complete Phase 3 Program for Prevention of Bacterial Vaginosis 	
2. Advance Internal Drug Delivery Program into Clinical Development	A\$ 8.5M
<ul style="list-style-type: none"> ➤ Complete docetaxel-dendrimer formulation preclinical program; file IND ➤ Complete Phase 1 for docetaxel-dendrimer formulation and Licence ➤ Advance one other drug delivery candidate to proof of concept ➤ Accelerate drug delivery partnerships to key commercial milestones 	
3. Accelerate Agrochemical & Other Programs	A\$ 5.0M
<ul style="list-style-type: none"> ➤ Accelerate Improved Glyphosate formulation development to support advanced partnership ➤ Accelerate solvent reduced/free agrochemical formulation and 1-2 other selected Ag. programs ➤ Accelerate agrochemical partnerships to key commercial milestones 	
4. Working Capital	A\$ 5.5M
<ul style="list-style-type: none"> ➤ Additional chemistry and development resources to support and accelerate above programs ➤ Strengthen balance sheet for optimal BV Licence, pre-launch condom activities and partnership deals 	
Total*	A\$ 35.0M

* Assumes SPP subscription of \$3 million

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, genital herpes and bacterial vaginosis. Starpharma has a licence agreement with Ansell Limited to develop a VivaGel[®]-coated condom, and a licence agreement with Okamoto Industries Inc in relation to the VivaGel[®]-coated condom for the Japanese market. Okamoto is the market leader for condoms sold in Japan, the world's second largest condom market.

Starpharma also has agreements in place with Lilly, Elanco, Stiefel Laboratories (a GSK Company), and Siemens Healthcare as well as many research collaborations with some of the world's leading organisations in the fields of pharmaceuticals, drug delivery, cosmetics and agrochemicals.

A dendrimer is a type of precisely-defined, branched nanoparticle. 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). Starpharma's ADRs are listed on International OTCQX, a premium market tier in the U.S. for international exchange-listed companies.

FOR FURTHER INFORMATION

Media:

Buchan Consulting

Rebecca Wilson

Mob: +61 417 382 391

rwilson@buchanwe.com.au

Haley Price

Mob: +61 423 139 163

hprice@buchanwe.com.au

Starpharma:

Dr Jackie Fairley, Chief Executive Officer

+61 3 8532 2704

Ben Rogers, Company Secretary

+61 3 8532 2702

ben.rogers@starpharma.com

www.starpharma.com

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.