

Starpharma raises additional capital via institutional placement

Melbourne; 7 April 2009: Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) today announced a successful capital raising of at least A\$4.3 million and up to A\$4.6 million, through a private placement to existing and new institutional and sophisticated investors.

This placement will boost the company's cash reserves to over A\$10 million. The additional funds raised will provide sufficient operating capital for development activities to commercialise the VivaGel® coated condom with Starpharma's partner SSL International Plc (LSE:SSL), and to supplement grant funding to further advance the stand-alone VivaGel® development program. The funds will also support further partnering and commercialization of Starpharma's dendrimer applications, and strengthen the company's balance sheet by providing additional working capital.

The placement was led by Acorn Capital, one of Australia's few specialist funds to invest solely in Australian microcap and small cap stocks. In addition, one of Australia's largest and best known investment managers was among a number of other new institutions to participate in the placement.

Dr Jackie Fairley, CEO of Starpharma said: "We are delighted with the support of existing shareholders and new institutional shareholders in this placement. This reflects a growing confidence in the commercial prospects for the VivaGel® condom coating deal with SSL, the VivaGel® stand-alone product, and our broader product pipeline. We also appreciate the continued support of all shareholders, and will provide an opportunity for wider participation in the capital raising via a share purchase plan."

"Over the past twelve months Starpharma has worked hard to reduce its cash burn, and these initiatives, together with this new capital and our increasing commercial revenue streams, position Starpharma extremely well as we advance the VivaGel® coated condom and other products to market," Dr Fairley added.

The placement involves a first close of A\$3.1 million with the immediate issue of approximately 11.8 million ordinary shares at A\$0.26 per share. To enable a major institutional participant to take up its maximum allocation, a second tranche of shares will be issued in May raising a further A\$1.2 to A\$1.5 million. This second tranche of shares will be priced at the lesser of A\$0.26 per share and the volume weighted average price per share over the five trading days immediately prior to the settlement of the second tranche. Given these two tranches of shares will be under 15% of issued capital, shareholder approval is not required.

The Company will also conduct a share purchase plan (SPP) priced at A\$0.26. Participation in the SPP is open to eligible shareholders at 7.00pm (AEST) on Tuesday 7 April 2009 (the relevant record date). The SPP will provide the opportunity for eligible shareholders to participate in the financing, without incurring brokerage or transaction costs.

A written offer document for the SPP will be mailed to all eligible shareholders in due course.

About Starpharma

Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) is a world leader in the development of dendrimer nanotechnology 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 KgA.

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 nanoparticle. Dendrimers have applications in the medical, electronics, chemicals and materials industries.

American Depository 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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