

Closure of PG545 Phase 1a Clinical Trial

Brisbane, Australia, 20th September 2011. Progen Pharmaceuticals Ltd (ASX:PGL, OTC:PGLA) announced today that the current Phase 1a PG545 human clinical trial in advanced cancer patients has been put on hold due to unexpected local injection site reactions seen in patients.

These reactions appear to be a very specific side effect in humans and were not seen to this extent in the extensive preclinical animal testing of the drug.

The company has halted patient recruitment and will formally close the current PG545-101 study once the current cohort of patients is complete.

Encouragingly, no significant systemic toxicities were observed at the doses administered; with the drug being well tolerated with the exception of the injection site reactions. The company will review a potential change in the route of administration from subcutaneous to intravenous (IV) to address this issue. A further market update will be provided once the company has completed additional pharmacokinetic, safety and efficacy evaluations on the IV route of administration.

"While this is a disappointing short term outcome PG545 remains an exciting new anti-cancer drug and we believe that with further development it will re-enter clinical trials in 2012. PG545 is still potentially the best-in-class heparanase inhibitor with superior drug-like properties. We believe that it has the potential to extend and enhance the lives of cancer patients through its dual mechanism of action of stopping both tumour growth and tumour spread" said Stuart James, Chairman, Progen Pharmaceuticals Ltd.

The company will also put on hold its plan to file an Investigational New Drug Application with the US Food and Drug Administration until further data is available.

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About Progen Pharmaceuticals Ltd

Progen Pharmaceuticals Limited is a biotechnology company committed to the discovery, development and commercialization of small molecule pharmaceuticals primarily for the treatment of cancer. Progen has built a focus and strength in anti-cancer drug discovery and development. www.progen-pharma.com

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