



14 September 2004
Insider Share Trading Policy

1 INTRODUCTION

1.1 The Progen Group of Companies ("the Company") Share Trading Policy regulates dealings by the Company's directors, officers, consultants, members of senior management and employees in shares, options and other securities issued by the Company. Hereinafter referred to as "insiders".

2 PURPOSE

2.1 The purpose of this policy is to ensure that the Company's insiders are aware of the legal restrictions on trading shares, options and other securities while such a person is in possession of unpublished price-sensitive information concerning the Company. Unpublished information means that information which has not yet been released to the securities exchange(s) on which the Company's securities are listed at that time.

2.2 Additionally, the policy is intended to minimize the chance that misunderstandings or suspicions arise that the Company's insiders are trading while in possession of unpublished price-sensitive information.

2.3 The policy recognizes it is illegal for a person to trade in the Company's securities when he or she possesses unpublished price-sensitive information concerning the Company. This is regardless of whether the terms of this policy have been complied with.

3 RESTRICTIONS ON TRADING

3.1 Consistent with the legal prohibitions on insider trading, all of the Company's insiders are prohibited from trading in the Company's shares, options or other securities while in possession of unpublished Progen price-sensitive information concerning the Company.

3.2 The Company's price-sensitive information is information, which a reasonable person would expect to have a material effect on the price or value of securities in the Company.

3.3 Insiders may not deal in the Company's securities on a short term basis, or for a short term gain, at any time.

3.4 Insiders are prohibited from dealing in the securities of outside companies about which they may gain price-sensitive information by virtue of their position with the Company.

3.5 In addition, the Company requires that:

3.5.1 Directors must advise the Chairman of a proposed trade in the Company's shares, options or other securities prior to any trade and confirm that they are not in possession of any unpublished price-sensitive information;

3.5.2 Officers, consultants and members of senior management must advise the Company Secretary or, in his absence, the Managing Director, of a proposed trade in the Company's shares, options or other securities, prior to any trade and confirm they are not in possession of any unpublished price-sensitive Information.

3.5.3 Employees consult with the Company Secretary or, in his absence, the Managing Director, if they are in doubt as to whether they possess unpublished Progen price sensitive information at the time they are considering a proposed trade in the Company's shares, options or other securities.

3.6 The above restrictions on trading do not restrict participation in the Company's employee share and option plans in accordance with the Terms of the relevant Plan, but apply in respect of the trading of the Company's shares, options or other securities to which participants become entitled under those plans.

3.7 Directors, officers, consultants, members of senior management are required to notify the Company Secretary in writing of any dealings in the Company's shares, options or other securities within three business days of the trading.

3.8 Insiders should not directly, or indirectly, communicate price-sensitive information or cause that information to be communicated to another person, including relatives, if they know or should know that the other person would be likely to buy or sell the Company's shares, options or other securities or to communicate information to another party.

4 INSIDER TRADING

4.1 The requirements imposed by this policy are separate from and additional to, the legal prohibitions in the Corporations Act on insider trading.

4.2 The Corporations Act prohibits an insider from trading in the securities of a company, or procures another person to trade in the securities of a company when the insider knows, or reasonable ought to know, that:

- (a) the information is not generally available; and
- (b) if the information were generally available, it might have a material effect on the price or value of those securities.

5 DISSEMINATION

5.1 It is important that all Progen employees and directors are aware of this policy, for this reason it is to be disseminated as follows:

- (a) initially brought to the attention of all current Progen employees;
- (b) included within the Company's employee manual, a copy or access to which is given to all new employees; and
- (c) included on the Company's web site.

5.2 Employees are also required to certify that they are not in possession of price sensitive information when exercising employee options. Whilst it is acknowledged that exercising options in itself is not share trading it is recognized that in most instances that the sale of corresponding shares follows the exercising of options.