



## AVEXA AND PROGEN SHAREHOLDER FORUMS TO BE HELD WEEK COMMENCING 23 FEBRUARY 2009

**Melbourne, Australia, 11 February 2009:** Biotechnology companies Avexa Limited ("Avexa") (ASX: AVX) and Progen Pharmaceuticals Limited ("Progen") (ASX:PGL) (NASDAQ:PGLA) today announced the companies will be hosting a second series of shareholder forums in Australia. The forums will provide an opportunity to discuss the strategic rationale for the merger, present the upcoming milestones for the new company, and address shareholder questions.

On 22 December, 2008, the companies announced their intention to merge with the signing of an exclusive and binding Merger Implementation Agreement ("MIA") that has been unanimously recommended by the Boards of Directors of both Progen and Avexa. In association with the proposed merger, Progen shareholders will have the option to participate in a Share Buy Back at \$A1.10 per share<sup>1</sup>.

As referenced in the Independent Expert Report on the proposed Share Buy Back, the merger proposal with Avexa has the potential to deliver value of \$A2.03 to \$A3.18 per share<sup>2</sup> to Progen shareholders, based on a discounted cash flow valuation of ATC alone. In addition, a separate Independent Expert has valued ATC at \$A151.4m to \$A225.8m<sup>3</sup> per annum. Further upside in this valuation is possible when the early stage programs from both companies are considered in the analysis. These reports will be discussed in the shareholder forums.

The forums will be held in Sydney, Brisbane and Melbourne, during which and Dr Julian Chick, CEO of the post merged entity and Dr Jonathan Coates, CSO of Avexa, will present the strategic plan moving forward. Justus Homburg, CEO of Progen and a non-executive Director of the post-merged entity and Nathan Drona, Chairman of the post merged entity will also be available to answer questions.

### Shareholder forum details (afternoon tea will be served at each meeting)

**SYDNEY**            **Monday 23 February, 2009**  
2.00pm            Level 29, ABN AMRO Tower, Cnr Phillip & Bent Streets, Sydney

**BRISBANE**        **Tuesday 24 February, 2009**  
2.00pm            Level 29, Riverside Centre, 123 Eagle Street, Brisbane

**MELBOURNE**    **Wednesday 25 February, 2009**  
2.00pm            Level 27, Optus Building, 367 Collins Street, Melbourne

### Transaction timetable

Merger Implementation Agreement (MIA) signed	22 December 2008
Explanatory notice of merger and share buyback sent to Progen shareholders	w/c 9 February 2009
Scheme Booklet to be sent to Avexa shareholders	w/c 16 February 2009
Progen shareholder meeting to approve the merger and share buyback	11 March 2009
Avexa scheme meeting to approve the merger	20 March 2009
Progen share buyback conducted	Late March 2009
Merger implementation date	Early April 2009

<sup>1</sup> The Buy Back is subject to shareholder approval and a cap of \$20 million, representing 18,181,818 shares or approximately 30% of Progen Shares on issue. If the cap is exceeded shareholders will be scaled back on a pro-rata basis. The Merger may proceed if it is approved by Progen Shareholders even if the Buy Back is not approved.

<sup>2</sup> Based on BDO Kendalls Corporate Finance (QLD) Limited ("BDO Kendalls") discounted cash flow valuation of ATC. BDO Kendalls is the independent expert appointed to report on the Buy Back. BDO Kendalls expresses no opinion on the merger

<sup>3</sup> Valuation provided by independent expert Lonergan Edwards and Associates. Valuation is prior to taking into account finance risks and the dilution likely to arise in order to raise the additional equity capital required to fund future development costs



### Key outcomes of the merger

- Creates one of Australia's leading biotechnology companies
- Brings together a diverse portfolio of assets across oncology and infectious disease at various stages of development with both near and long term milestones and significant market potential
- Merged group will have a strong balance sheet, with a projected cash balance of over \$60 million (post buyback and transaction costs)
- A key focus will be continued development of apricitabine (ATC). ATC is one of only two new HIV therapies in Phase III clinical trials anywhere in the world and, whilst there can be no assurance, it is Avexa management's belief that every HIV therapy that has commenced Phase III testing has successfully completed these trials and been approved in major markets
- Sufficient cash expected to fund the clinical trials of ATC through to the week 24 milestone of the first Phase III study, a key value inflection point
- With the proposed share buyback, Progen shareholders will have flexibility to receive a partial cash return, while still retaining exposure to the significant upside of a late stage drug in clinical Phase III trials and their portfolio of oncology and other infectious disease drugs
- Well positioned to realize the significant benefits of progressing a combined oncology and anti-viral focus, including research synergies, clinical development, and regulatory pathways
- Provides flexibility to license and partner programs

### About Avexa

Avexa Limited is a Melbourne-based biotechnology company with a focus on discovery, development and commercialisation of small molecules for the treatment of infectious diseases. Avexa has dedicated resources and funding for key projects including apricitabine (ATC), its HIV integrase program and an antibiotic program for antibiotic-resistant bacterial infections. The Company's lead program is ATC, an anti-HIV drug that has successfully completed the 48 week dosing of its Phase IIb trial and is currently in Phase III trials worldwide. [www.avexa.com.au](http://www.avexa.com.au)

### About Progen

Progen Pharmaceuticals Limited is a globally focused 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. Progen targets the multiple mechanisms of cancer across its three technology platforms, angiogenesis, epigenetics and cell proliferation. Progen has operations in Australia and the United States of America. [www.progen-pharma.com](http://www.progen-pharma.com)

### For more information:

Avexa  
Dr. Julian Chick  
Chief Executive Officer  
+61 3 9208 4300

Progen  
T Justus Homburg  
Chief Executive Officer  
+61 7 3842 3333

AU: Investor Relations  
Sabrina Antoniou  
Blueprint Life Science Group  
+ 61 2 9519 5537

US: Investor Relations  
Remy Bernarda  
Blueprint Life Science Group  
+ 1 415 375 3340 x2022