

PROGEN RESUMES PHASE 1 DEVELOPMENT OF ANTI-CANCER AGENT, PG11047, IN COMBINATION

Brisbane, Australia. 14 August 2008. Progen Pharmaceuticals Limited (ASX:PGL; NASDAQ:PGLA) today announced that the Company has resumed patient enrolment in the phase 1 dose-escalation study of its polyamine analogue PG11047 in combination with other marketed drugs for patients with advanced cancer.

This follows the recent announcement that Progen had re-initiated a phase 1 mono-therapy trial of PG11047, the lead clinical compound in the Company's polyamine program. Both phase 1 trials were initiated by Cellgate, Inc but were subsequently temporarily suspended prior to Progen acquiring the business.

While the monotherapy study is designed to establish the safety and tolerability of PG11047 as a single agent, this trial explores the potential of PG11047 in combination with a range of other marketed anti-cancer drugs including Taxotere[®], Gemzar[®], Avastin[®], Tarceva[®], cisplatin, Sutent[®] and 5-fluorouracil, and is designed to assess the agent's maximum tolerated dose in these combinations. This approach will provide a broad range of clinical data in combination which will be used to inform the further clinical development of PG11047. The trial is currently open for recruitment at 10 US sites, with a further 2 expected to participate.

Justus Homburg, Progen's CEO, said, "We look forward to seeing results of this trial within the coming 12 months, when we also expect to have further information of specific oncology indications where PG11047 is most likely to fit best. The innovative design of the PG11047 trial should save a considerable amount of time in phase 2 development efforts."

About Progen: Progen Pharmaceuticals 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 US.

About PG11047: PG11047 is a polyamine analogue which modifies the production of natural polyamines. Polyamines are a class of chemical which are involved in regulation of cell growth. They are overproduced in many cancers, and PG11047 is believed to restore polyamine reduction to natural levels. Polyamines have been the focus of scientific interest for years, but PG11047's mechanism of action is unique, and if successful PG11047 could become a first-in-class oncology product. To date, PG11047 has been shown to have anti-tumor activity in animal models and is combined with a good safety profile.

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