

Progen Pharmaceuticals Completes Share Placement

Brisbane, Australia. 9 May 2007: Progen Pharmaceuticals Limited (ASX: PGL; NASDAQ: PGLA) today announced that it has completed the sale of 6.9 million shares of common stock (ordinary shares) at US\$4.75 (A\$5.74) per share for an aggregate purchase price of US\$32.8 million (A\$39.7 million) to institutional and other investors, which was announced on 3 May 2007. The shares were offered under the Company's effective shelf registration statement previously filed with the Securities and Exchange Commission. The shares represent new ordinary shares which were issued by Progen on the settlement date.

Thomas Weisel Partners LLC served as sole placement agent in connection with the U.S. registered direct transaction. Copies of the final prospectus relating to this offering may be obtained from Thomas Weisel Partners LLC, One Montgomery Street, San Francisco, California 94104.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company in the USA, nor will there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful under US laws prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Progen: Progen Pharmaceuticals (formerly Progen Industries Limited) is an Australian-based globally focused biotechnology company committed to the discovery, development and commercialisation of small molecule therapeutics primarily for the treatment of cancer.

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This press release contains forward-looking statements that are based on current management expectations. These statements may differ materially from actual future events or results due to certain risks and uncertainties, including without limitation, risks inherent in the extensive regulatory approval process mandated by the United States Food and Drug Administration and the Australian Therapeutic Goods Administration prior to the commercialization of any of our product candidates, including PI-88, the risk that the Phase 2 study results described herein are not predictive of the Phase 3 studies which we intend to initiate, risks attendant to delays in obtaining the necessary approvals for clinical testing of our product candidates, risks associated with delays in patient recruitment for our planned Phase 3 clinical and other trials, delays in the conduct and completion of our clinical trials, in particular our planned phase 3 clinical trials for PI-88, risks associated with our failure to demonstrate adequate efficacy and safety data in our planned phase 3 clinical trials to advance the development of PI-88, risks associated with our inability or failure to meet applicable regulatory standards and receive regulatory approval for commercialization of PI-88, risks associated with the market acceptance of PI-88, PI-166 and any of our other product candidates, if approved for commercialization, risks associated with our inability to manufacture or otherwise obtain adequate supplies of PI-88, our future capitals needs, general economic conditions, and other risks and uncertainties detailed from time to time in our filings with the Australian Stock Exchange and the United States Securities and Exchange Commission. Moreover, there can be no assurance that others will not independently develop similar products or processes or design around patents owned or licensed by the Company, or that patents owned or licensed by the Company will provide meaningful protection or competitive advantages.