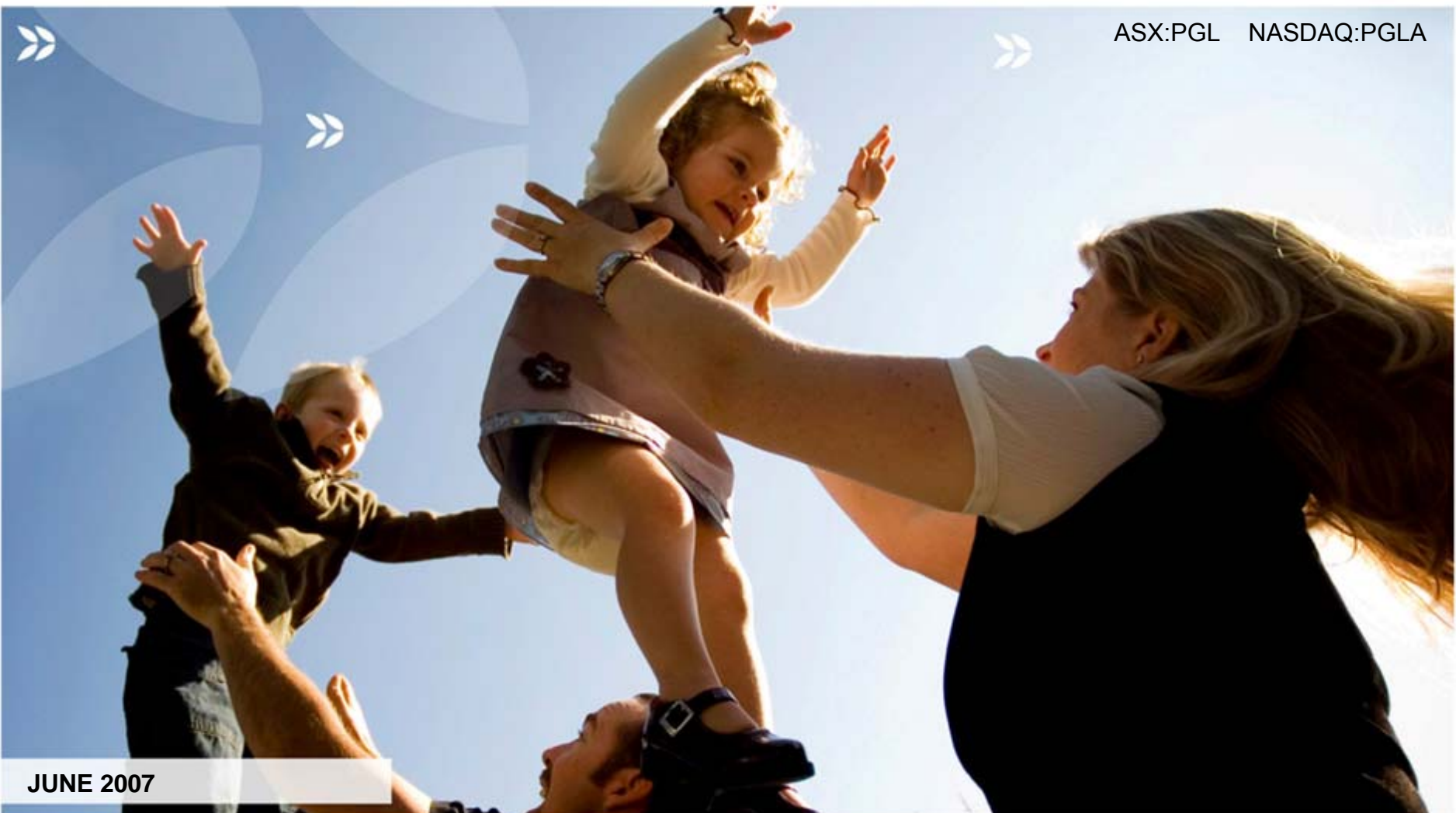


BELL POTTER EMERGING COMPANIES



ASX:PGL NASDAQ:PGLA



JUNE 2007

Safe Harbour Statement

This presentation 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.



Our Vision

Now

Leading Australian biotech with strong clinical development expertise moving to Phase 3

Drive development and commercialisation of PI-88

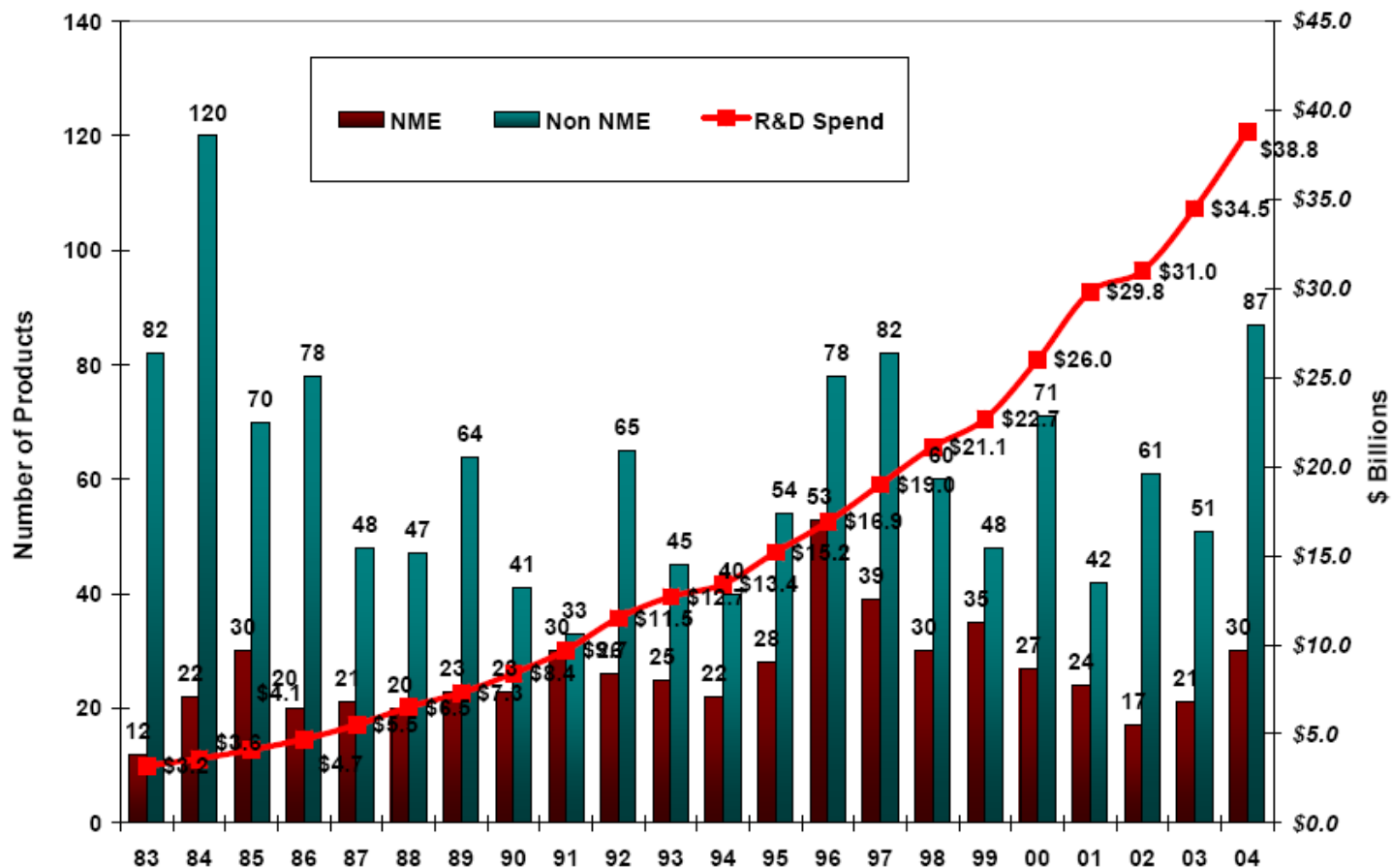
Build on discovery pipeline

Expand development pipeline

FUTURE

Leading global biotech with a long-term sustainable pipeline of products

Big Pharma spiralling R&D expense and decreasing output – provides the opportunity for nimble biotech



Parexel's Pharmaceutical R&D Statistical Sourcebook 2005/2006; DH analysis.

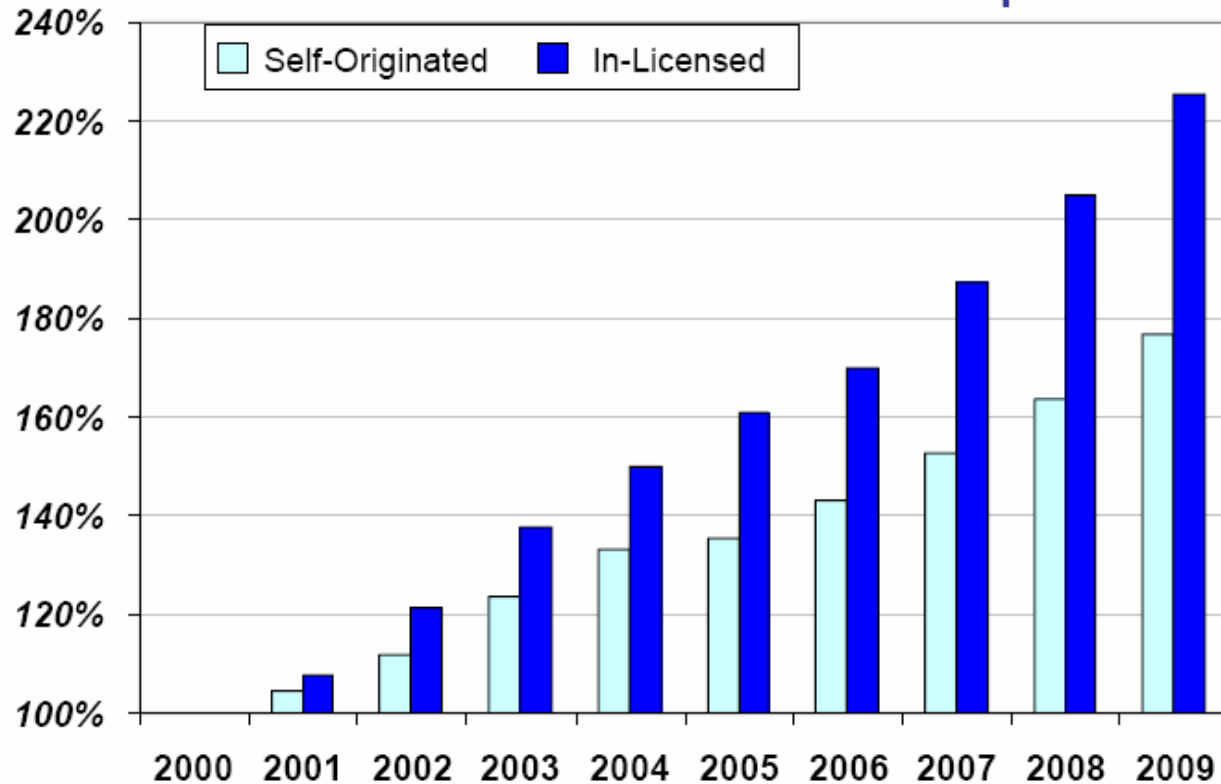
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Without externally Sourced Products, Big Pharma would be in much worse shape today...

From 2000 – 2009, Revenues From In-Licensed Drugs will Grow 1.6X Faster Than for Internal Compounds



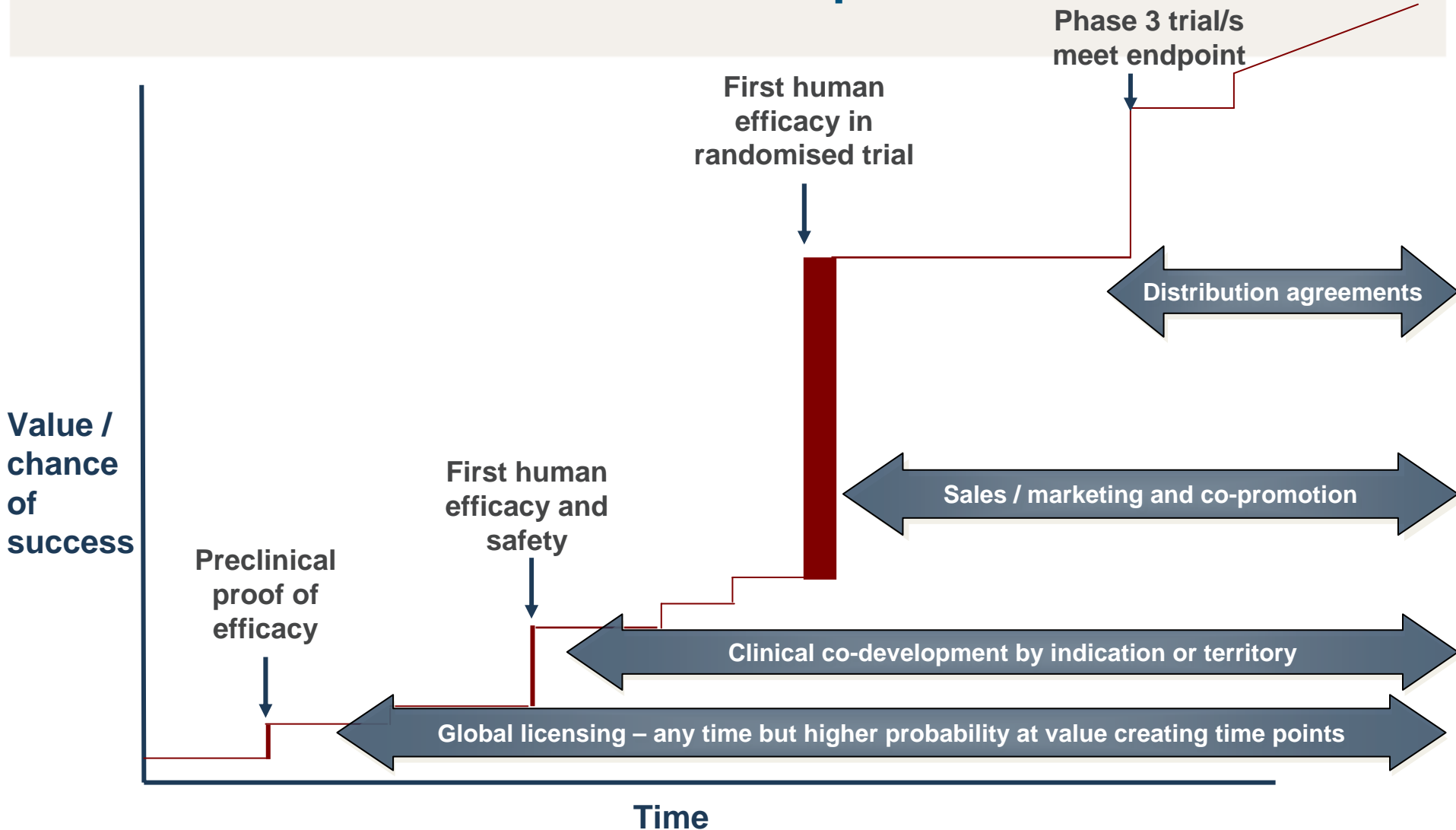
EvaluatePharma; DH analysis.

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Valuation and commercialisation options



The Strategy – Focus on Speed to Market

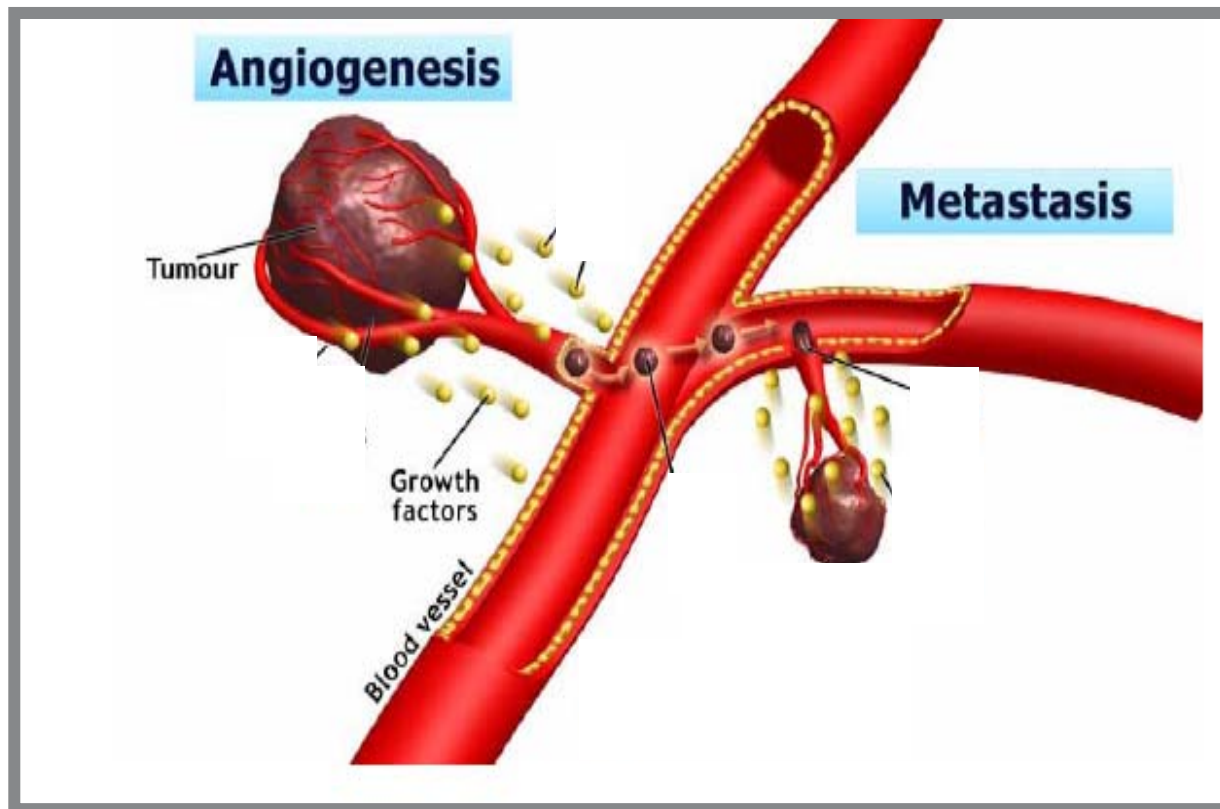
- » Post PI-88 Phase 2 results
 - Phase 3 clinical program planned
 - Path to registration planned
 - Focus on speed to market and pursue product launch
- » Maintain PI-88's commercial flexibility
 - Licensing
 - Co-marketing/co-development
 - Distribution agreements
 - Market in some territories
- » Expand the pipeline by moving drug discovery compounds into clinical development



About PI-88



PI-88's Unique Dual Mechanism of Action



Target Product Label

Product Description:

Lyophilized PI-88 for subcutaneous administration

Target Label (Primary):

For the adjuvant treatment of hepatocellular carcinoma to prevent early recurrence of disease and extend survival in patients following curative surgery.

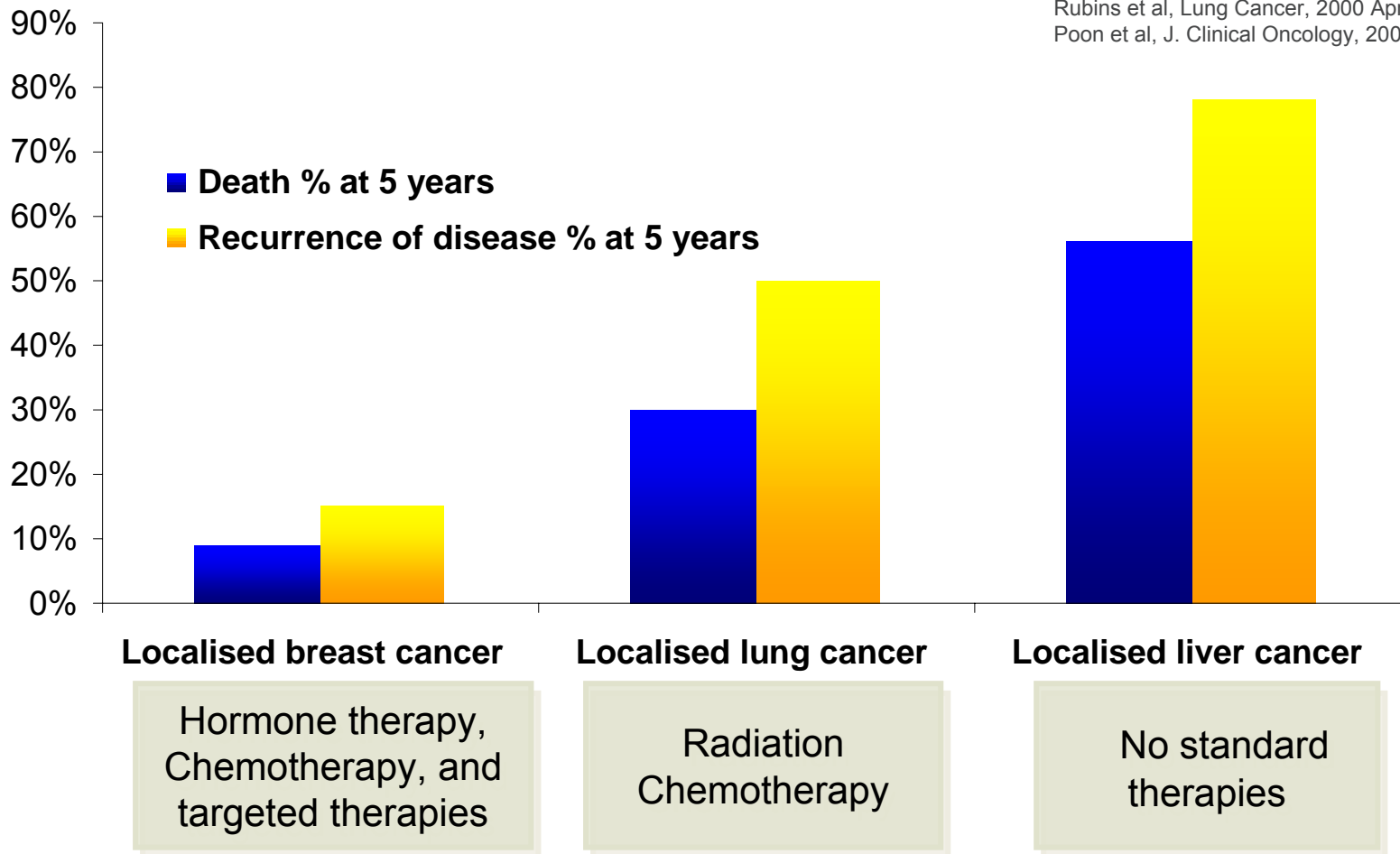
Future Supplementary Claims:

- Metastatic Melanoma
 - » 1st Line Combination with Dacarbazine (DTIC)
 - » Monotherapy
- Androgen-Independent Prostate Cancer
 - » Combination with Docetaxel
- Multiple Myeloma
 - » Combination with Revlimid
- NSCLC
 - » 2nd line in combination with docetaxel
 - » 3rd line monotherapy



Why Post-resection Liver Cancer?

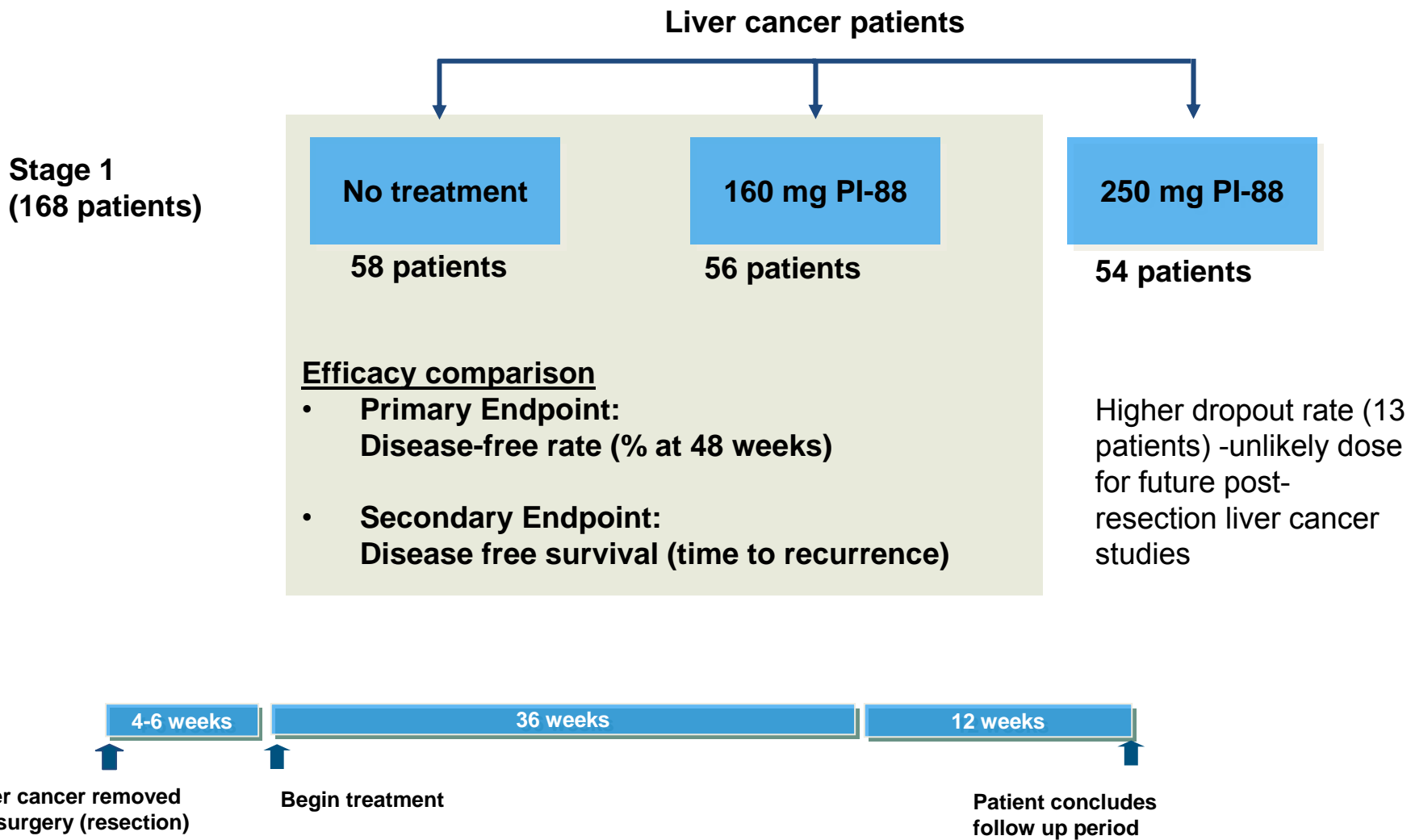
Clarke et al, Lancet. 2005 Dec 17;366(9503): 2087-106
Rubins et al, Lung Cancer, 2000 Apr 28 (1): 21-27
Poon et al, J. Clinical Oncology, 2000: 1094-1101



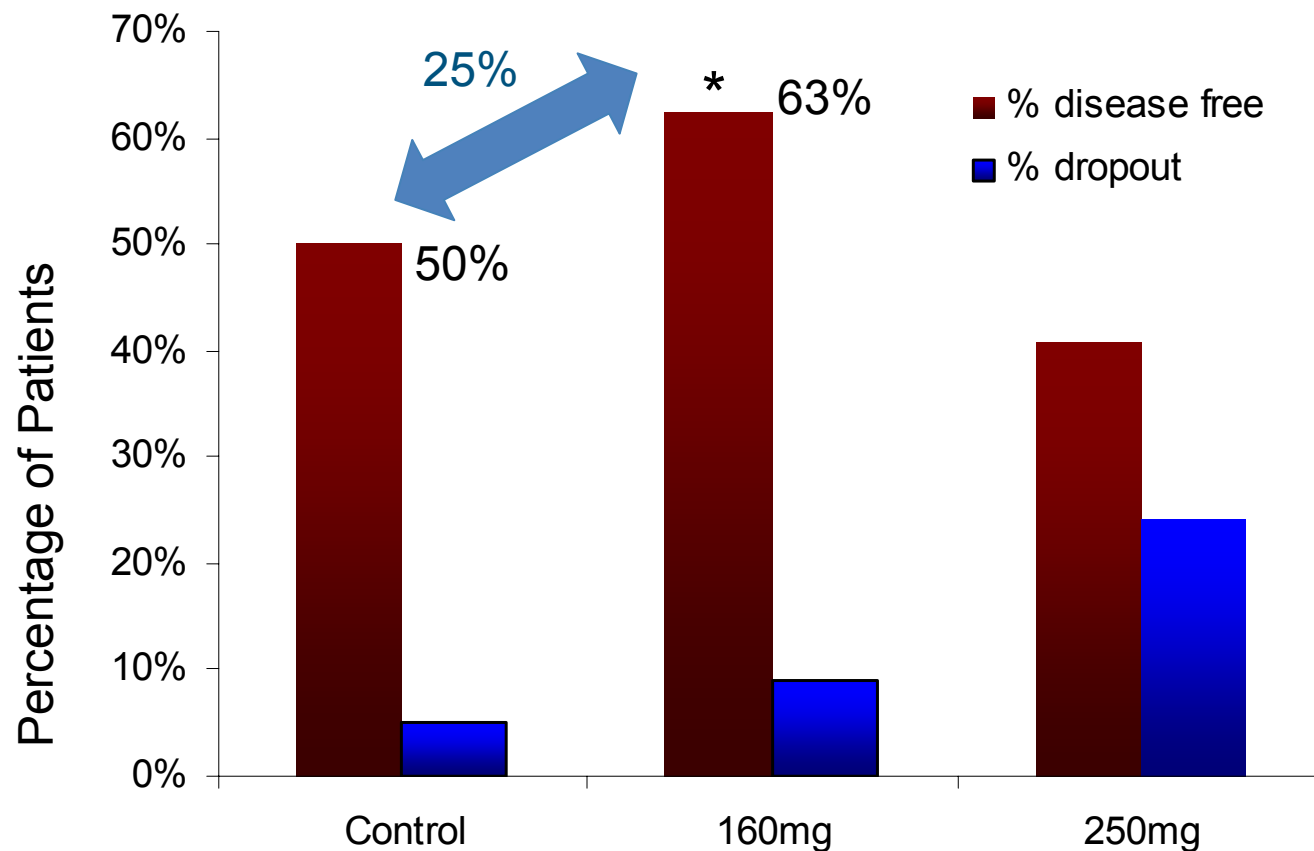
PI-88 Phase 2 Data



Phase 2 Post Resection Liver Cancer



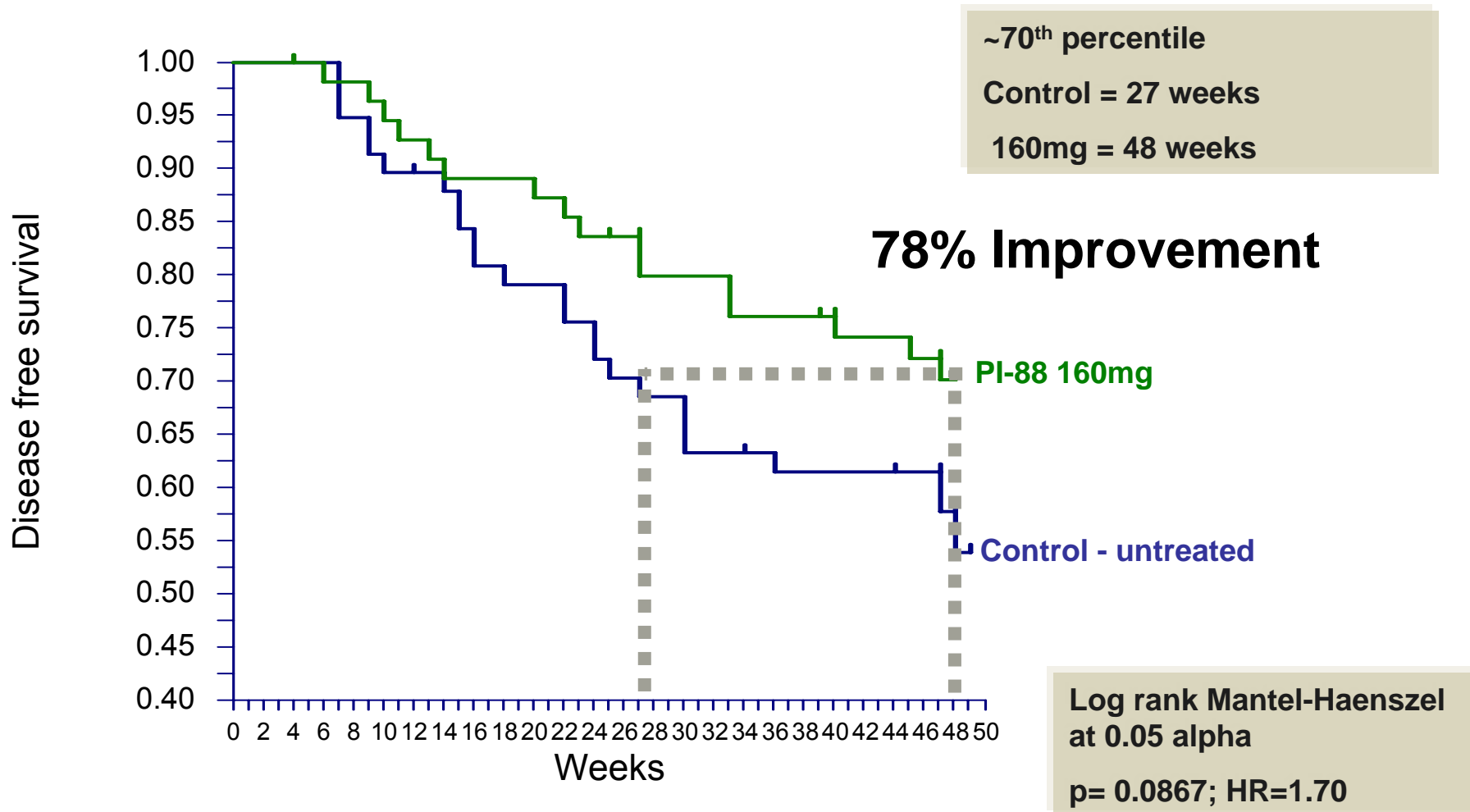
Primary Objective Met – Ph 3 Dose Selected Based on Improvement in Disease Free Rate at 48 Weeks



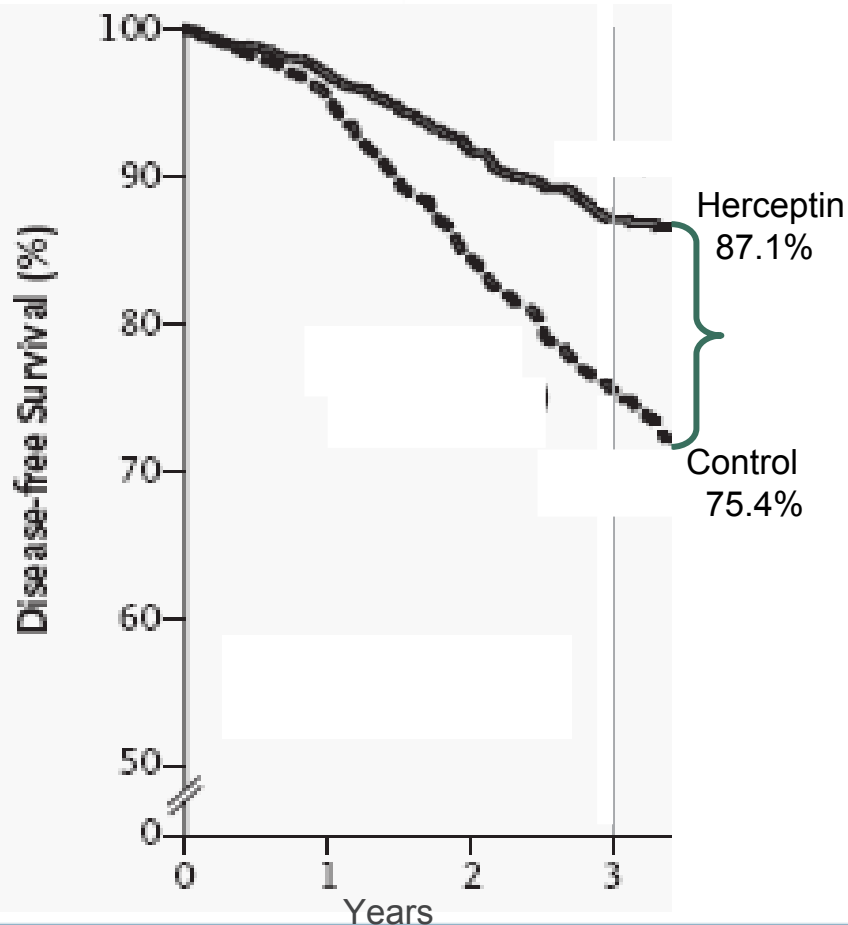
***160mg arm met the statistical threshold of a 1st stage analysis of a Simon Two-Stage Design**



Secondary Endpoint – Disease-free Survival



Analogy: Herceptin, major breakthrough in post-resection breast cancer



Herceptin plus standard post-resection chemotherapy regimen approved based on:

➤ **16%** improvement in disease-free rate

➤ Estimation of **33%** improvement in time to recurrence (DFS)

“...the most stunning results I have seen in adjuvant trial during my whole professional career”

“biology has spoken and we should listen”

Chairman of ASCO 2005, Dr George Sledge

PI-88’s Phase 2 data analysis

➤ Disease-free rate **25%** improvement

➤ time to recurrence (disease-free survival) **78%** improvement

Summary of Phase 2 Implications for Phase 3

- 160 mg of PI-88 is selected as the dose for future development:
 - 25% improvement of ITT 48 week non-recurrence
 - 78% improvement of 70th percentile disease-free survival
- Multinational Phase 3 Clinical Development
 - Plan to begin enrolment of Phase 3 in second half 2007
 - Disease-free survival and overall survival endpoints
 - SPA process with the FDA
 - Principle investigator – Prof. Ronnie Poon – Queen Mary Hospital



Potential timeline to first registration – liver cancer

Potential Timeframes																					
2006		2007				2008				2009				2010				2011			
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Phase 2

Data Release

SPA Process

Phase 3

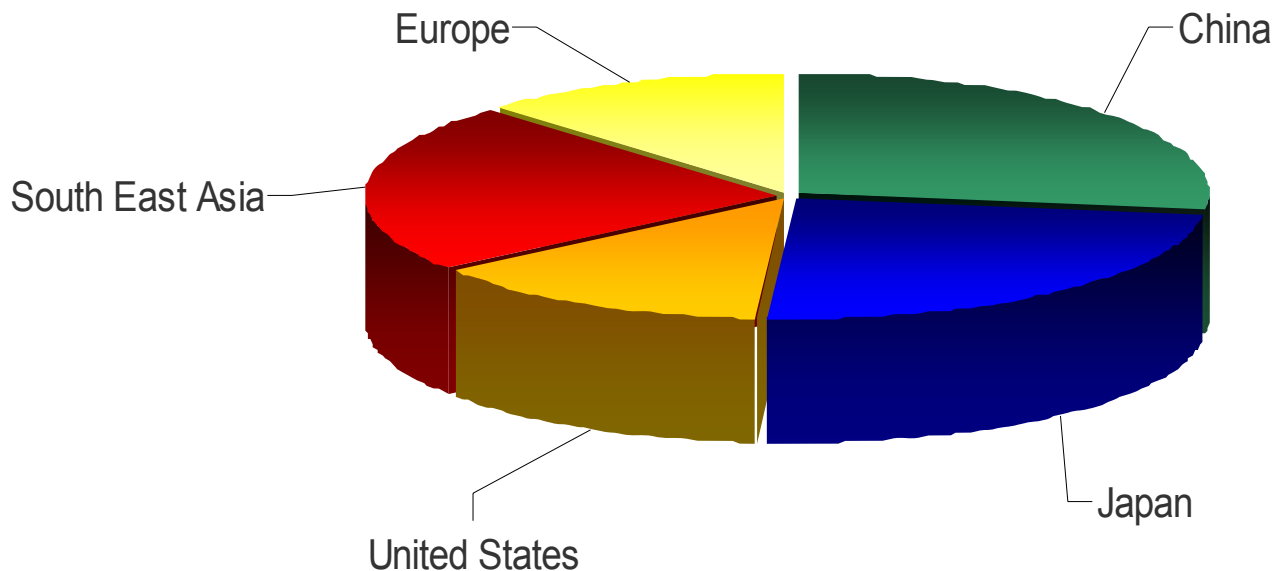
Filing

1st Pt recruited

Last Pt recruited

PRODUCT LAUNCH

Primary Liver Cancer – Global Economic Impact



Key European Countries

- Spain
- France
- Italy

Key South East Asian Countries

- Taiwan
- Hong King
- South Korea

Relative per capital GDP for primary liver cancer incidence. These countries account for over 60% for all liver cancer cases

Addressable Market

- » **Angiogenesis inhibitors such as Avastin, Sutent and Nexavar, are expected to be worth in excess of USD\$10B* by 2010**
- » **PI-88 has a novel mechanism and will be an attractive combination therapy**
- » **Composition of matter IP in key markets up to 2021**

	Liver Cancer	Melanoma	Lung Cancer (NSCL)	Prostate Cancer	Multiple Myeloma
Incidence (number of patients/year) WW – including US, EU, Japan, China and SE Asia	677,000	115,000	830,000	540,000	90,000
Target PI-88 treated patients	25%	15%	27%	30%	100%
Approx. treatment time (months)	12	9	10	12	6

* Note: Wall Street research.

2007 Key Milestones

➤ Final Phase 2 data in primary liver cancer	CY07Q2	Completed
➤ Fund raising Phase 3		
- December 06 Placement, A\$20M	CY07Q2	Completed
- January 07 Purchase Plan, A\$5.4M	CY07Q2	Completed
- April 07 NASDAQ Registered Direct, A\$39M	CY07Q2	Completed
- June 07 Entitlements Issue, A\$34M	CY07Q2	End of June
➤ International CRO selected for Phase 3	CY07Q2	
➤ Phase 2 lung cancer data	CY07Q3	
➤ Phase 3 design announced - SPA process	CY07Q3	
➤ Phase 3 trial launched	CY07H2	
➤ Lead next-gen preclinical candidate chosen	CY07H2	



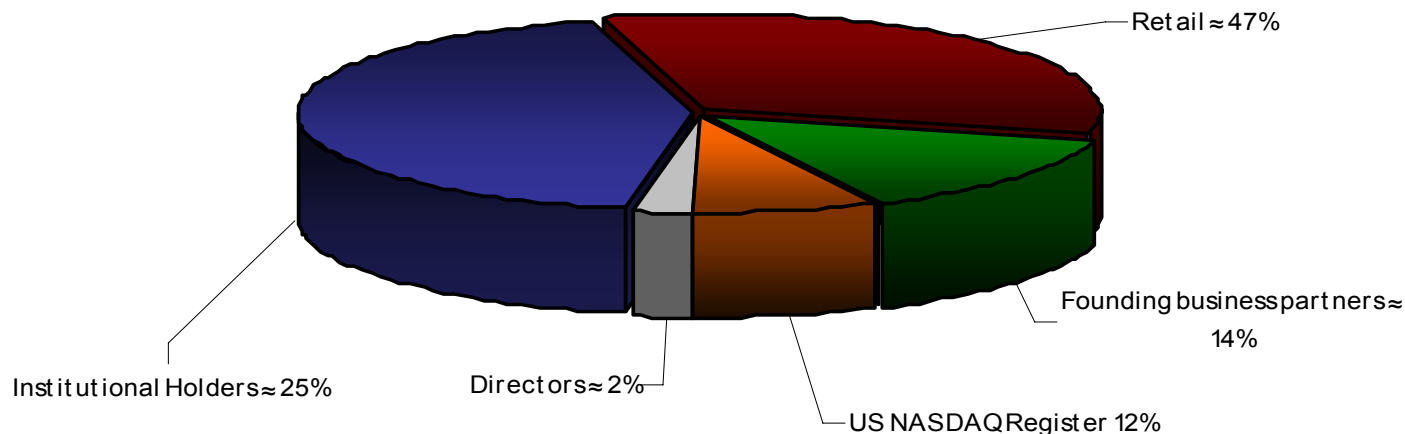
Progen Highlights

- Patented Phase 3 anti-cancer product with novel mechanism of action
 - shown to be active and well-tolerated in large Phase 2b trial
- Multiple indications addressing large markets in cancer
 - Phase 2 primary liver cancer (HCC) trial results positive
 - Phase 3 trial for post resection liver cancer planned to commence enrollment in second half 2007, earliest launch in US early 2011
 - Progen sponsored trials in NSCL and melanoma currently underway
- Capital in place to fund through to NDA in post-resection HCC
- Franchise extension program in preclinical
- Discovery pipeline of small molecule inhibitors
- Retain worldwide rights to all programs



Financials and Capital Structure

- Market capitalisation ~ A\$280M
- Dec 2006 cash position ~ A\$30M
- Cash injection this calendar year ~ A\$50M
- Total shares on issue after fundraising ~ 53.5M
- Rights entitlement offering in progress ~ A\$34M / 5.9M shares
- Unquoted employee options 640,000





*Our end goal is to help patients
Our means is aggressive & efficient drug development
.....leading to commercialisation*