

# TWP Conference



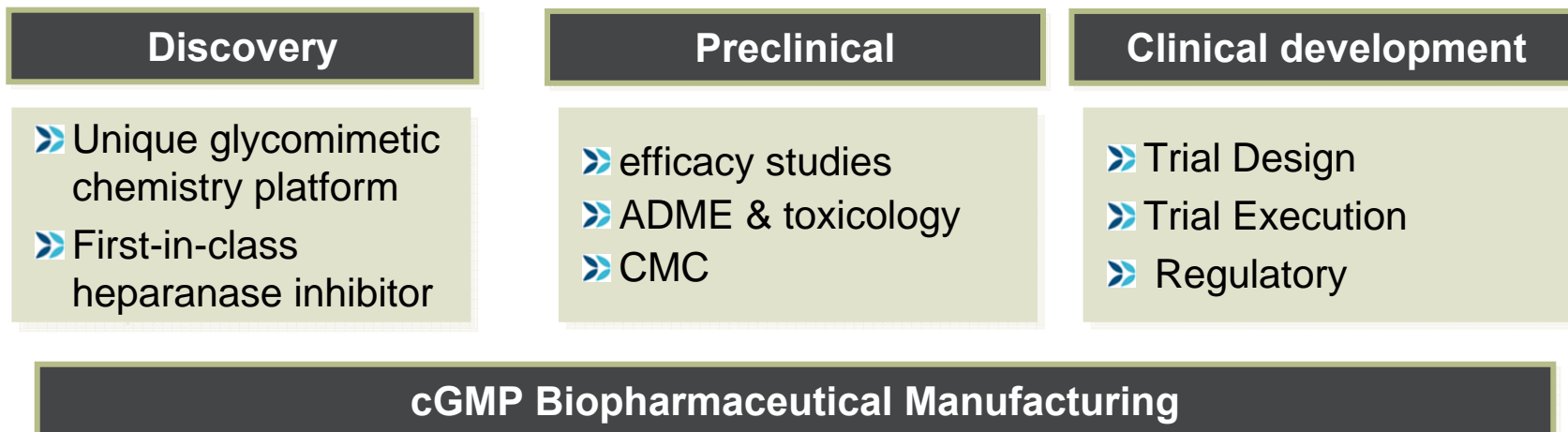
Sept 2007

# 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.*

# About Progen

- Progen Pharmaceuticals Limited, (NASDAQ: PGLA; ASX: PGL), is a globally-focused biotechnology company committed to improving patient outcomes through discovery and development of small molecule-based therapeutics for especially cancer
- We have several clinical development programs with a primary focus on our lead drug candidate, PI-88, which is currently in advanced stages of clinical development for a range of cancers



# Our Vision

- To improve cancer patients' lives – bring them improved oncology solutions
- Create long term shareholder value - discovery and development of novel cancer therapeutics



- Drive development and commercialization of PI-88
- Build on discovery pipeline
- Expand development pipeline



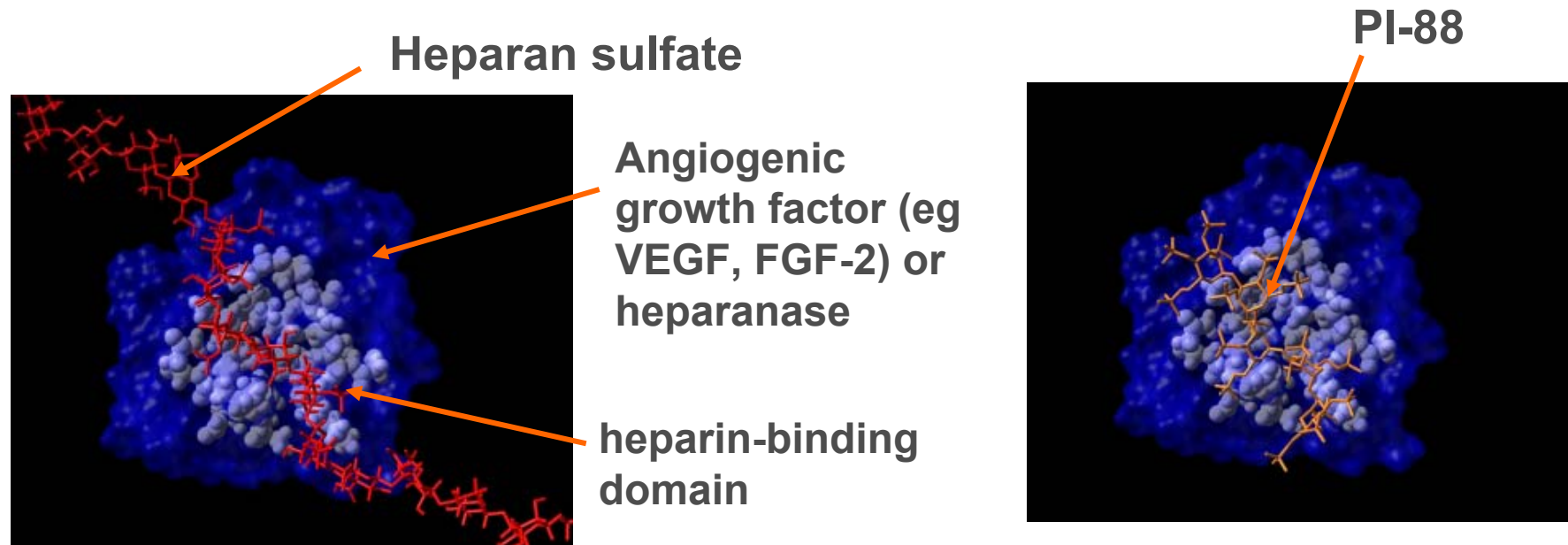
**Leading global  
biotech with a long-  
term sustainable  
pipeline of products**

# About PI-88

- ✓ Lead compound from our proprietary heparin sulfate platform moving to Phase 3 in post resection primary liver cancer later this year
- ✓ First in class heparanase inhibitor with cytostatic action: Anti-angiogenic and anti-metastatic
- ✓ Protected by patents in all key markets
- ✓ Conducted under a company-sponsored IND with the US FDA
- ✓ API manufactured at our Brisbane manufacturing facility with very competitive cost of goods

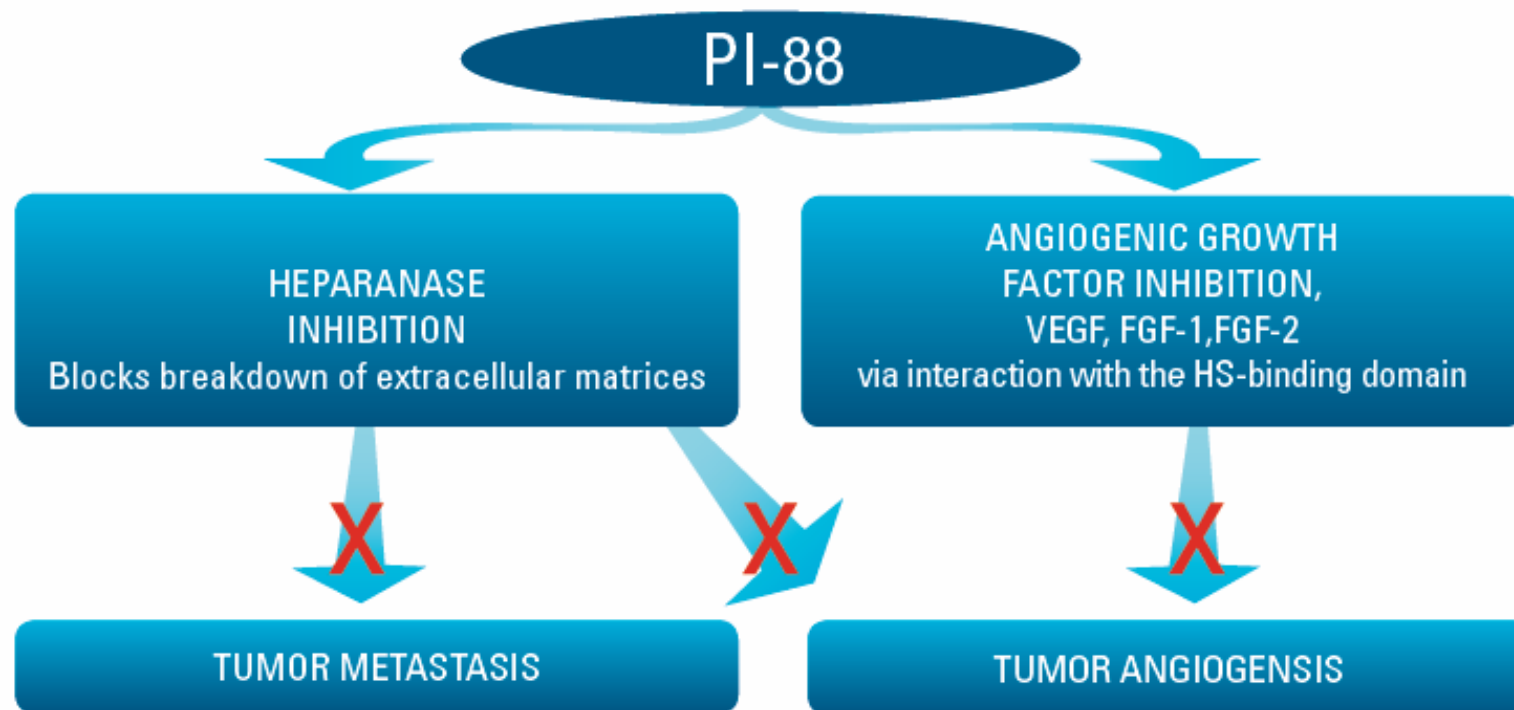


# PI-88 is a Heparan Sulfate Mimetic

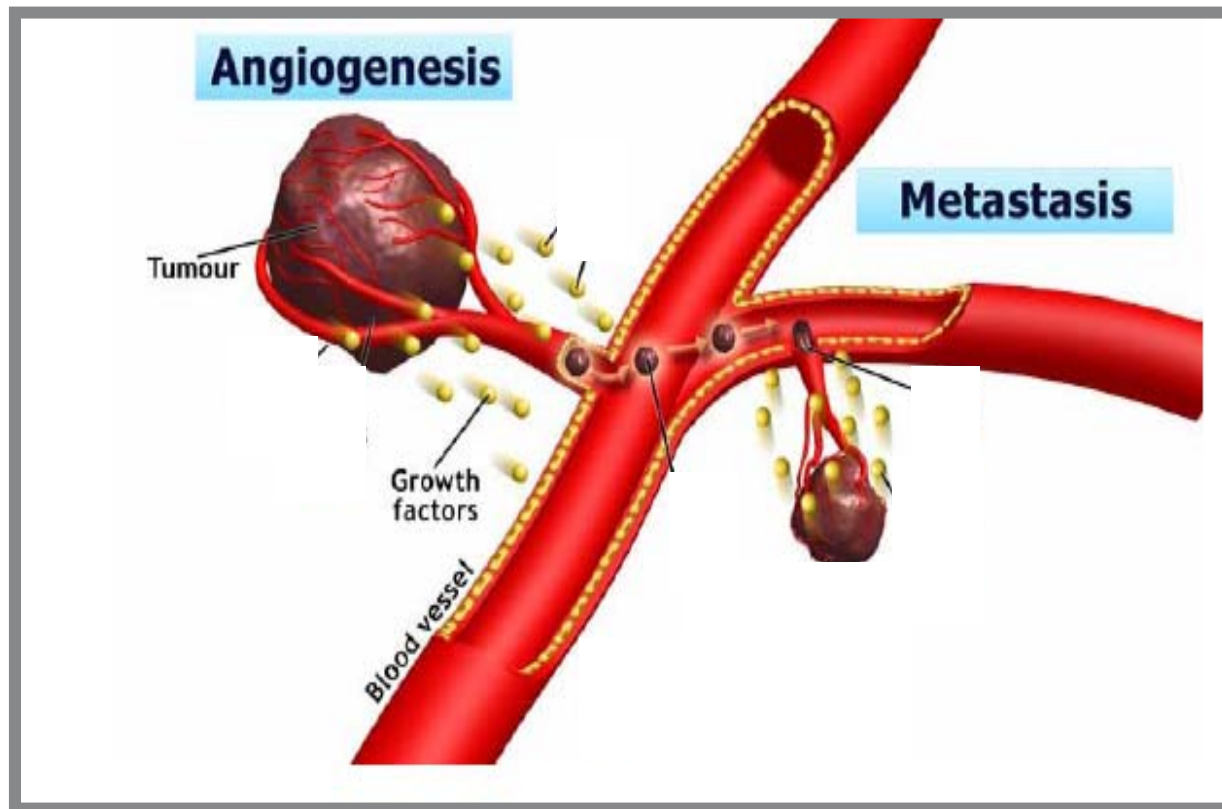


- HS is a cell-surface macromolecule which binds to GFs and receptors simultaneously
- Heparanase cleaves HS side chains and liberates HS-binding proteins
- PI-88 competes with Heparan Sulfate for heparin-binding domain

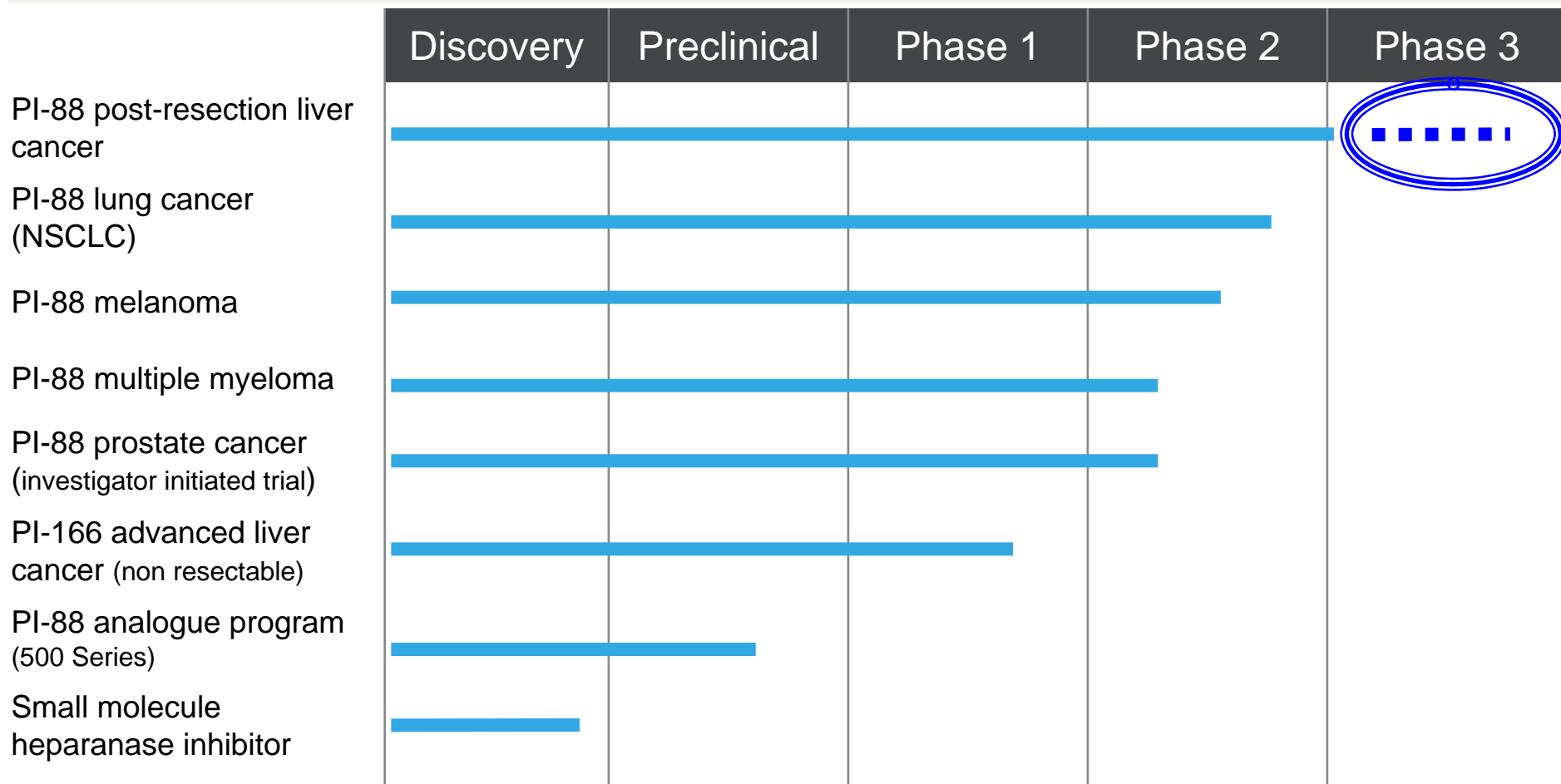
# PI-88's Unique Dual Mechanism of Action



# PI-88's Unique Dual Mechanism of Action



# Product Pipeline

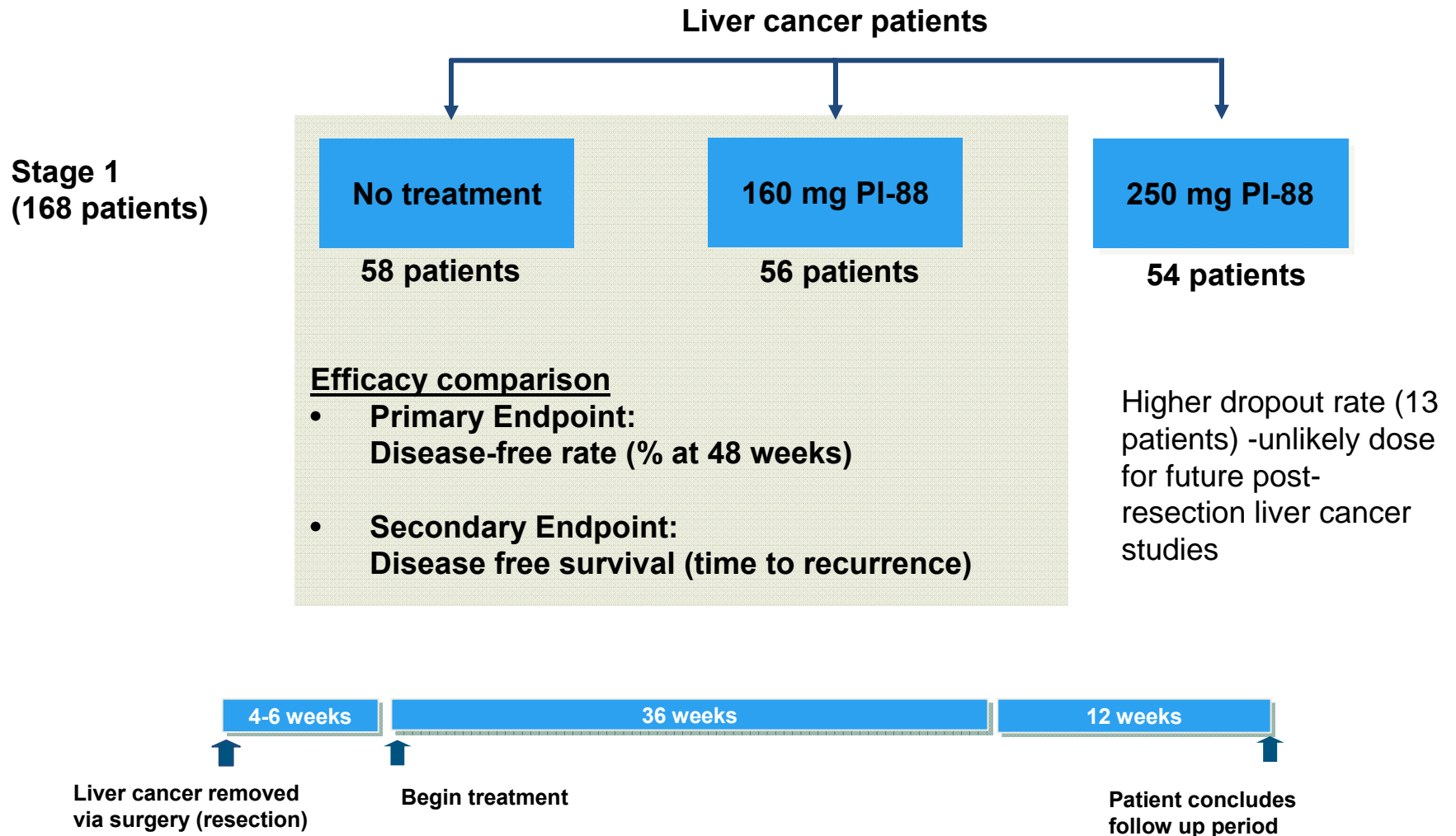


Over 18,000 Doses of PI-88 Have Been Administered to over 500 People So Far

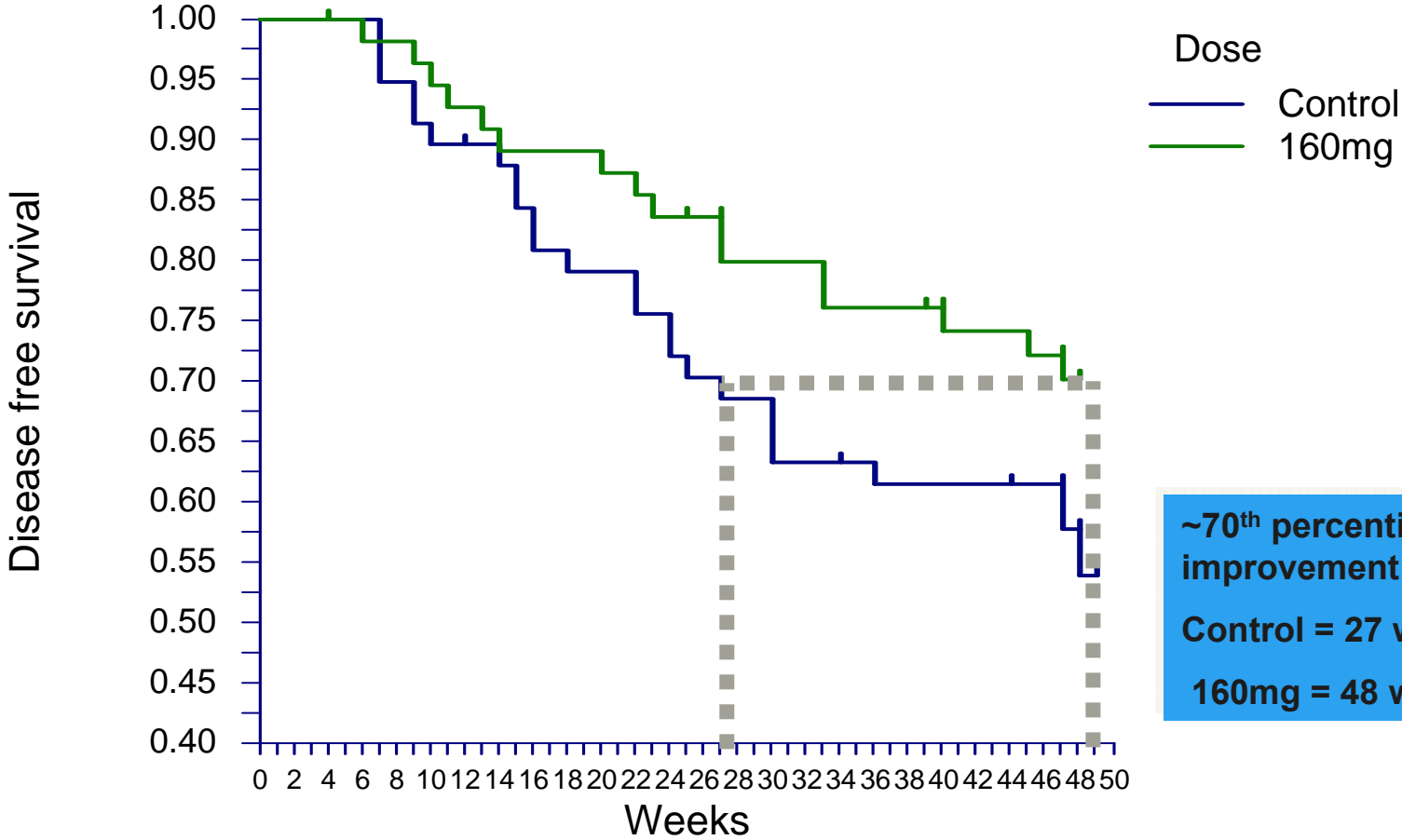
# PI-88 in Liver Cancer

- In April of this year, we announced the results of our Phase 2 trial of PI-88 in patients who had previously undergone surgical removal of primary liver cancer (hepatocellular carcinoma)
- These strong results demonstrated that PI-88 has the ability to slow the recurrence of liver cancer
- These results, combined with positive feedback from the FDA, provide us with confidence in the potential of PI-88 for this indication and we are therefore aggressively pursuing its development towards registration and commercialization

# Phase 2 Post Resection Liver Cancer



# Phase 2 HCC Trial – Disease-free Survival



**~70<sup>th</sup> percentile: 78% improvement**  
**Control = 27 weeks**  
**160mg = 48 weeks**

# PI-88 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

- Liver cancer (hepatocellular carcinoma) represents the third most common cause of cancer death worldwide
- In 2005, the American Cancer Society estimates that there were over 650,000 cases diagnosed worldwide with eighty percent of new cases estimated to occur in developing countries
- Encouraging data from Nexavar in non operable liver cancer further validates the role of angiogenesis in liver cancer
- Opportunity to expand position of PI-88 in the future with clinical development in other oncology indications

\* Note: Wall Street research.

# Strategic Focus

- **Driving PI-88 towards registration & value optimization:**
  - **Maximize PI-88 platform value**
  - **Drive PI-88 commercialization**
    - PI-88 in HCC Phase 3
    - PI-88 manufacturing
    - PI-88 registration
- **Expanding the platform:**
  - **Enabling Progen's strong capital position**
  - **Develop PI-88 and PI-88 analogue program indications platform**
  - **Expand Progen's heparanase target technology portfolio**

# PI-88 Phase 3 Trial

- Currently over 150 people are working world-wide on the preparation to implement this trial before the end of 2007
- When fully operational, more than 1,000 people will be involved in the execution of this trial

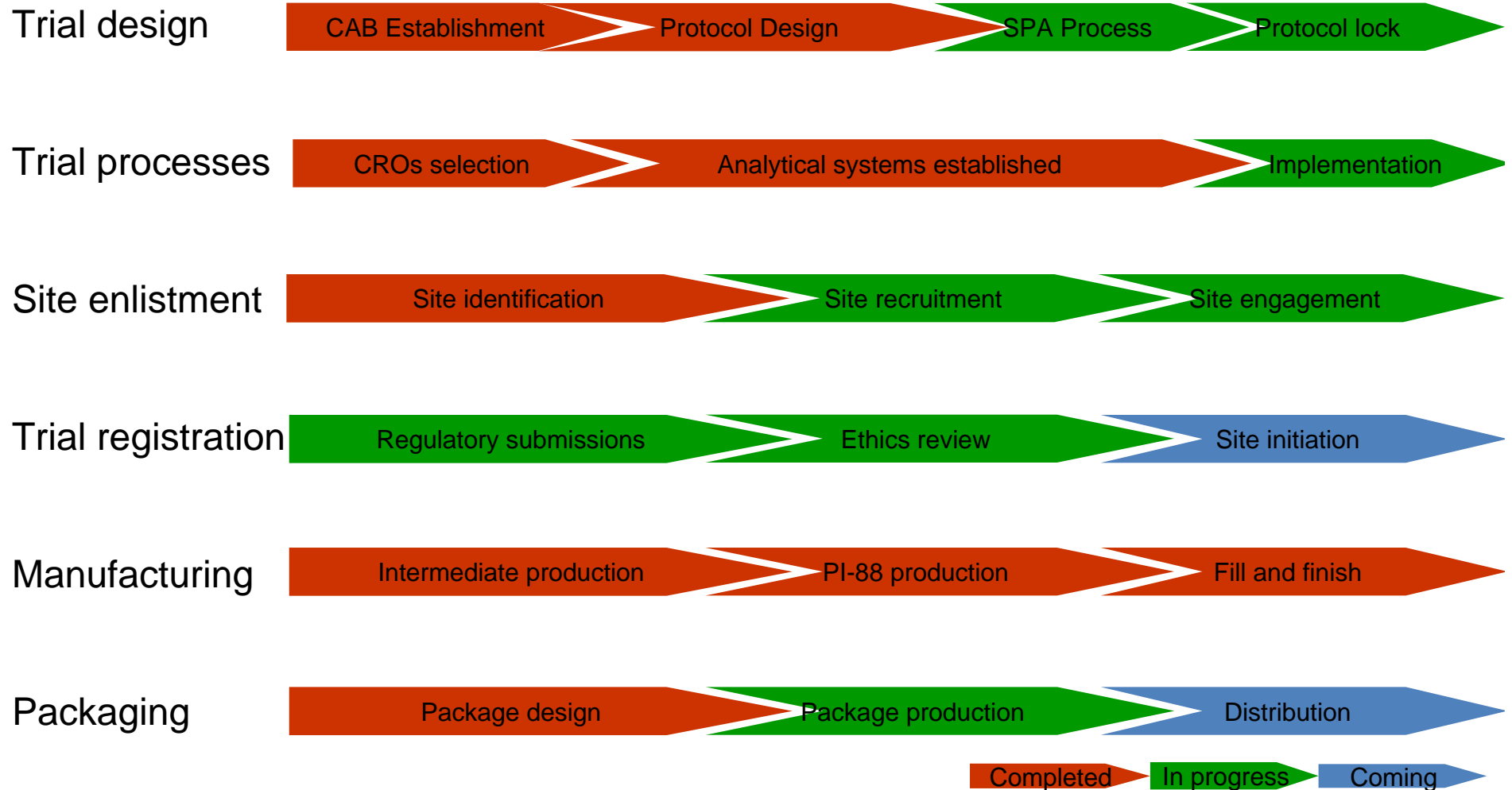
## **When this trial is completed, Progen will have:**

- A package to register PI-88 in over a dozen countries
- Prepared production capacity adequate to make PI-88 for the first several years of commercialization, expandable upon commercialization
- Add to the PI-88 and PI-88 analogue program indications platform for further clinical development and commercialization
- Built a clinician foundation for rapid market development

# Phase 3 Trial Characteristics

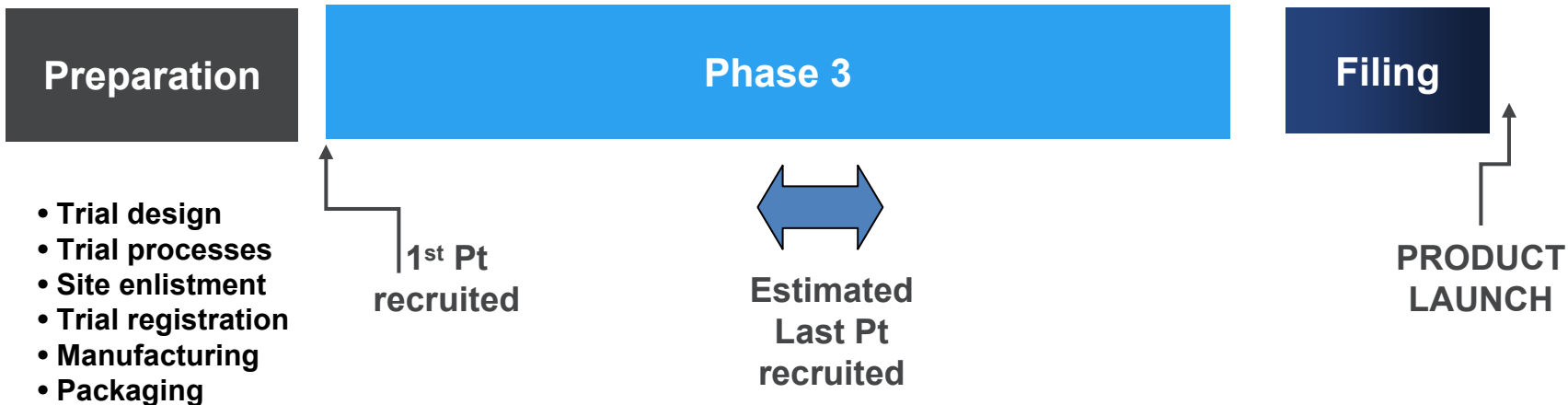
Feature	Phase 2	Phase 3	Impact
Design	Time based	Event based	Faster, FDA support
Statistics (alpha – Type 1 error)	unspecified	.05	FDA Standard
Statistics (Beta – Type 2 error)	.80	.85	Normal Phase 3 range .80 to .90
DFS improvement	78%	~40%	Higher chance of success
Control median recurrence rate	12.4 months	15 months	Higher chance of success
Control arm	Open-label, un-blinded	Double-blinded placebo control	More rigorous statistical design
Treatment time	36 weeks	Until recurrence or trial completion	Improved expected efficacy
Sample Size	114 (two arms)	600	Increased power
Number of Sites	6	60-70	Broader recruitment & geographic coverage
Number of countries	1	14 (plus Japan)	Driver to registration strategy

# Current Efforts – Trial launch Q4 2007



# Potential Timeline to First PI-88 Registration

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		



# Current Focus - Status

- SPA – on-going and very helpful process in final stages of review
  - Previous FDA feedback supports key trial characteristics
    - Agreement on key protocol characteristics
      - Primary endpoint
      - Sampling procedures and sample size
      - Key protocol characteristics
    - Remaining questions
      - Finalization of Statistical Analysis Plan
      - Finalization of independent CT scan assessment procedures
- Engaged Quintiles as CRO for Phase 3 trial execution
- Foundation Registration Strategy
  - Primary registration in USA, EU, Australia
  - Followed by China and Southeast Asia
  - Japan through bioequivalence study executed concurrently

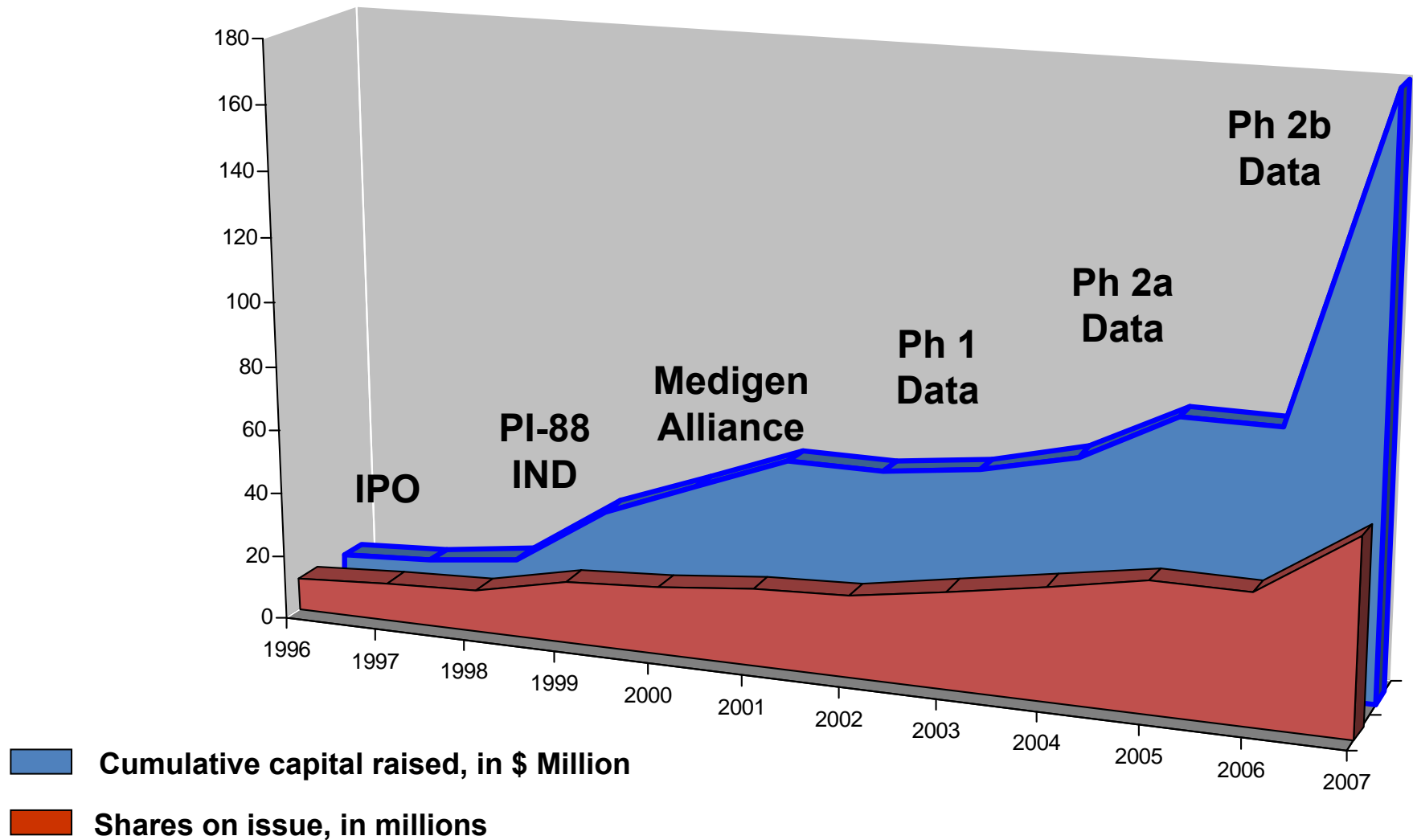
## Commercialization Strategy – Focus on Value Optimization

- Progen's base-case commercialization strategy founded on region-based distribution agreements executed as we proceed towards PI-88 registration
- Maintain flexibility and access to alternatives to drive potential value enhancement. Options:
  - Licensing / co-development
  - Co-marketing
  - Direct marketing in one or more specific territories



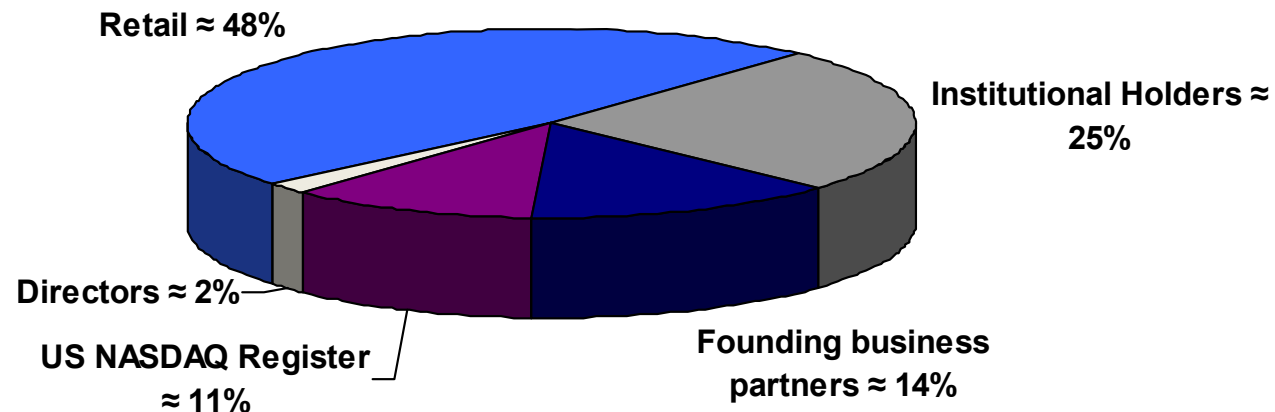
**Value maximization driven by continued focus on getting PI-88 to patients as rapidly as possible**

# Progen Capital Raising History



# Financials and Capital Structure

- Current cash position (30 June 2007) ~ A\$98.22 M
- Total shares on issue ~ 59.4 M
- Listed warrants on issue ~ 3.0 M
- Unlisted warrants on issue ~ 1.0 M

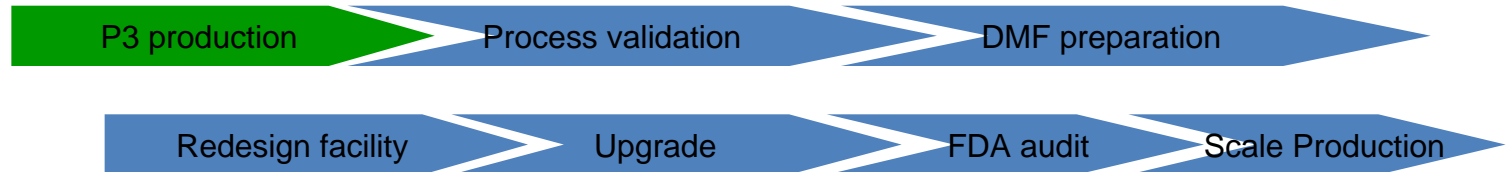


# Critical Objectives – driving to registration

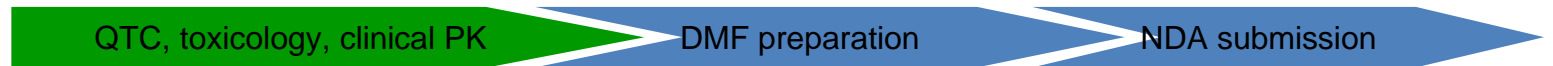
## Phase 3



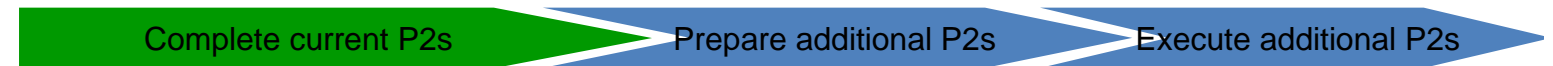
## Manufacturing



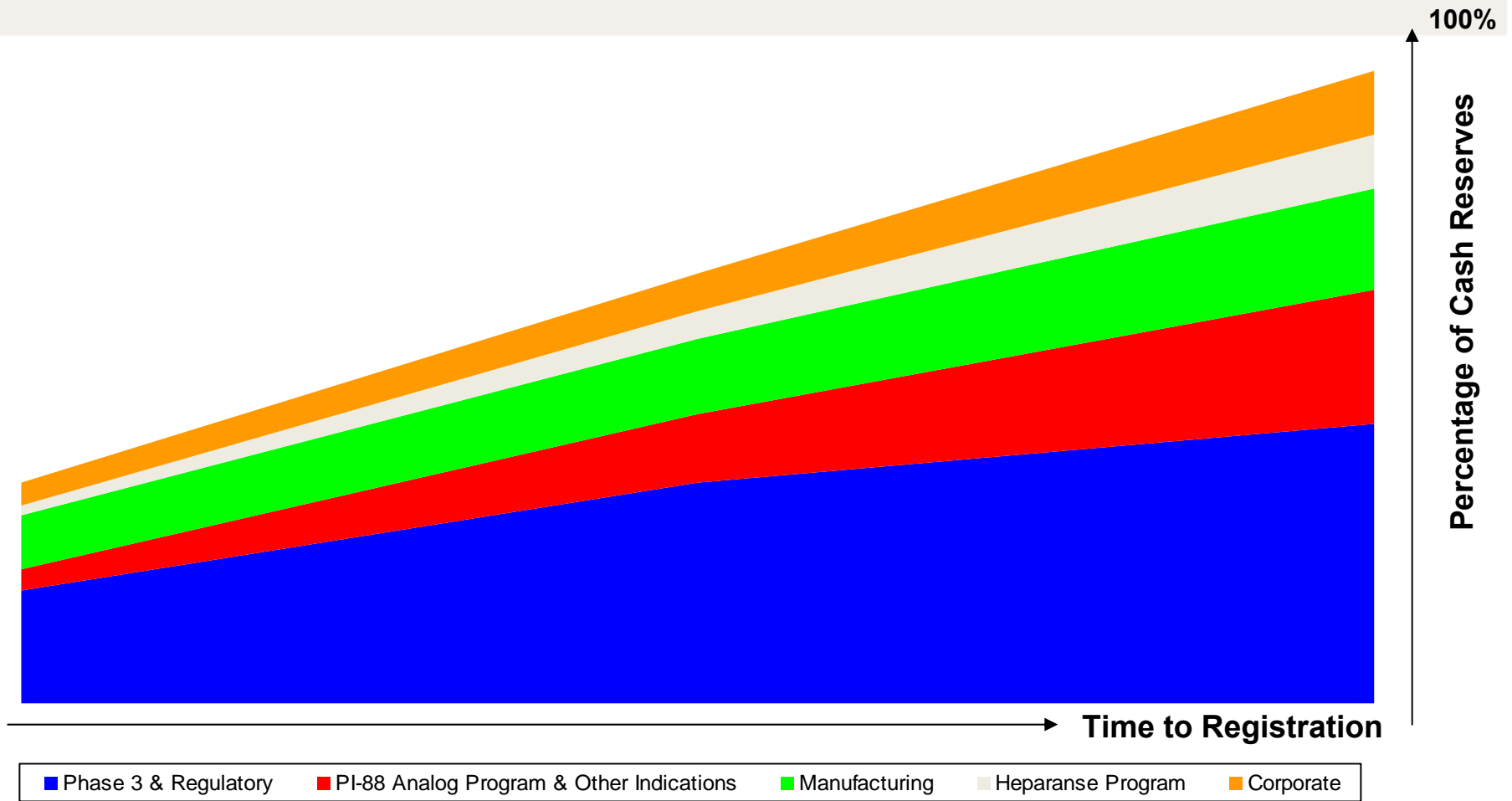
## Registration



## PI-88 indications



# Usage of Funds - Cumulative



**All activities fully funded through to completion of PI-88 Phase 3 development through cash reserves, current Australian Government grants, and revenues.**

# Progen – In the Strongest Position Ever

- Phase 3 design characteristics focused on high chance of success
- Phase 3 initiation on track for 4Q 07 start
- Critical corporate objectives planned and resourced
- AU\$4.6 million Australian Government P3 grant
- Current Phase 2 program proceeding; additional indications being assessed
  - Lung cancer results to be announced this year in Q3 07
  - Prostate and melanoma and cancer Phase II trials results anticipated in H1 and H2 08 respectively
- PI-88 analogue program in pre-clinical development and proceeding to clinical development in 2008
- Active heparanase discovery program expanding the portfolio to proceed through pre-clinical development