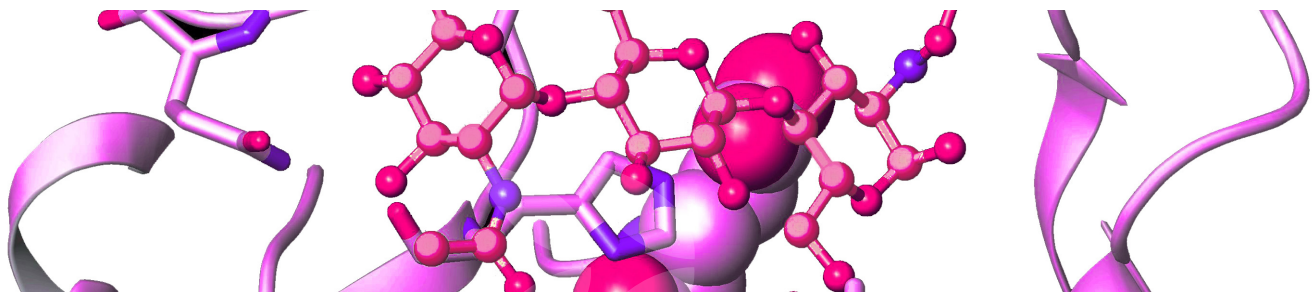


PG545 - Phase 1 FACTSHEET

Improving cancer patients' lives

PG545 Factsheet:

- Company Summary
- Competitive Advantages
- Partnering Opportunity
- Dual Mechanism of Action
- Features
- Clinical Programme
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COMPANY SUMMARY

Progen Pharmaceuticals Limited is a publicly listed (ASX:PGL OTC:PGLA) clinical stage oncology drug development company.

Cancer is the second leading cause of death with a rising incidence due to increasing life expectancies.

Our core focus is the development of anti-angiogenesis and anti-metastatic products. Simultaneous dual inhibition of these mechanisms provides a therapeutic approach to control tumour growth and spread.

COMPETITIVE ADVANTAGES

Multiple oncology indications are possible.

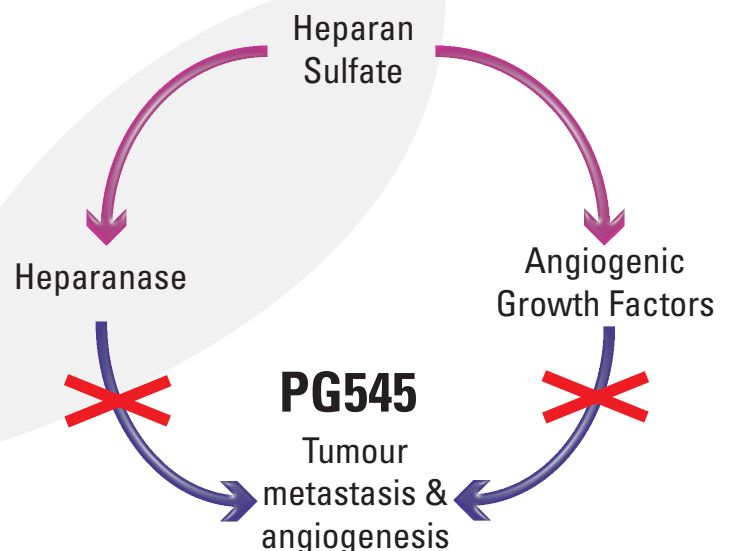
Extending cancer patients' lives. In a preclinical setting we have shown that PG545 prevents cancer metastasis that other anti-angiogenesis drugs may not.

PARTNERING OPPORTUNITY

Progen intends to bring PG545 to market through strategic alliances and partnerships with experienced oncology biotechnology and pharmaceutical companies.

DUAL MECHANISM OF ACTION

- PG545 is a heparan sulfate mimetic and its efficacy as an anti-tumour agent is based on a dual mechanism critical to the growth and progression of solid tumours, namely angiogenesis and metastasis.
- A common feature of these two processes is the involvement of heparan sulfate, an important structural component of the extracellular matrix. Degradation of the extracellular matrix and vascular basement membrane by heparanase is an important step in the movement of tumour cells from the primary tumour into the vasculature and into distant tissues to form metastases. Heparan sulfate is also involved in the binding of growth factors that stimulate the generation and growth of new blood vessels into solid tumours (angiogenesis). PG545 was developed as a dual inhibitor of these processes due to its interactions with angiogenic growth factors and inhibition of heparan sulfate cleavage by heparanase.



FEATURES

- PG545 is potentially the best-in-class heparanase inhibitor with superior drug-like properties.
- Route of administration: parenteral.
- Convenient once-weekly dosing schedule administered in an out-patient setting.
- PG545 is a single molecular entity, unlike similar classes of agents such as PI-88 (Progen) and M-402 (Momenta Pharmaceuticals, US), with fully synthetic manufacture.
- Low cost of goods.

CLINICAL PROGRAMME

- Initiate PG545 Phase 1 clinical trial in advanced cancer patients in Q4 2010.
- Investigate and optimise the preclinical utility of PG545 with approved anti-cancer drugs by Q3 2011.
- Identify preclinical proof-of-concept in specific cancer types in preparation for Phase 2 clinical studies.
- Prepare PG545 Investigational New Drug (IND) filing to the US FDA by Q3 2011.
- Initiate PG545 Phase 2 trial in selected cancer indication in 2012.

INTELLECTUAL PROPERTY

PG545 is a proprietary compound developed from an in-house drug discovery programme which is protected by patent applications (composition of matter and use) in all key markets with a potential expiry of 2028.

PRECLINICAL STUDIES

PHARMACOKINETICS

Pharmacokinetic studies support weekly dosing and have illustrated that pharmacologically relevant levels can be detected in blood and inside tumour tissue.

TOXICOLOGY

Toxicity of PG545 has been assessed in animal studies to support first in human (FIH) oncology clinical trials.

PROOF OF CONCEPT OF DUAL MECHANISM OF ACTION

PG545 has been shown to potently inhibit angiogenesis *in vivo* in the AngioSponge™ model and solid tumour progression in breast, lung, colon, head and neck, prostate, pancreatic and liver cancers.

The anti-metastatic activity of PG545 was demonstrated using a model of experimental metastasis using melanoma cells and in models of spontaneous metastasis using lung and breast tumour cells. Interestingly, in these models the tyrosine kinase inhibitor sorafenib either failed to inhibit metastasis or actually induced a pro-metastatic effect in a 4T1 breast cancer model.

Drug combinations with other cancer drugs are now being tested.

Fig 1: PG545 Inhibits Angiogenesis *in vivo* in the AngioSponge™ model following twice-weekly doses similar to tyrosine kinase inhibitor Sorafenib (Nexavar®)

Fig 2: PG545 inhibits spontaneous metastasis in breast cancer models (4T1) in which Sorafenib (Nexavar®) is not effective

Fig 3: PG545 inhibits spontaneous metastasis in Lewis lung carcinoma models in which Sorafenib (Nexavar®) is not effective

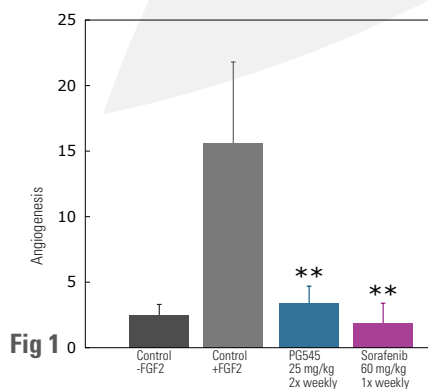


Fig 1

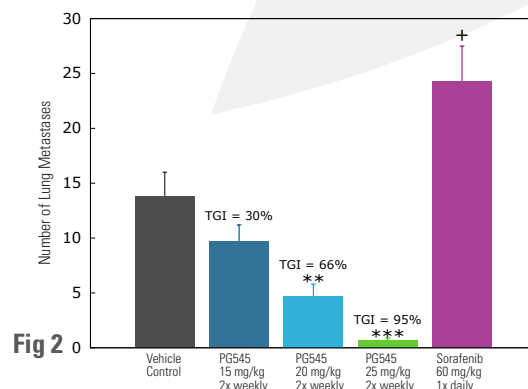


Fig 2

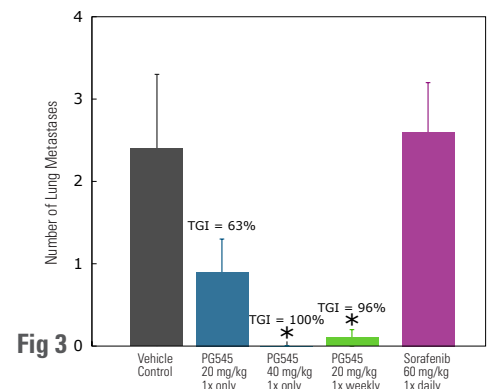


Fig 3

PUBLICATIONS

Dredge K *et al* "The PG500 series: novel heparan sulfate mimetics as potent angiogenesis and heparanase inhibitors for cancer therapy." Invest New Drugs. 2010, 28, 276-283

FOR MORE INFORMATION CONTACT

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SAFE HARBOUR STATEMENT

This fact sheet 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 associated with drug development and manufacture, risks inherent in the extensive regulatory approval process mandated by the United States Food and Drug Administration and the Australian Therapeutic Goods Administration, delays in obtaining the necessary approvals for clinical testing, patient recruitment, delays in the conduct of clinical trials, market acceptance of PG545 and other drugs, future capital needs, general economic conditions, and other risks and uncertainties detailed from time to time in the Company's filings with the Australian Securities 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.