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PROGEN CLOSES ACQUISITION OF CELLGATE, INC

Brisbane, Australia. 7 February 2008. Progen Pharmaceuticals Limited (ASX: PGL; NASDAQ: PGLA) announced today that it has closed the acquisition of Cellgate, Inc in accordance with the Agreement and Plan of Merger announced on 4 February 2008 and through the issuance to Cellgate, Inc of 604,959 ordinary Progen shares.

Effective at closing, Cellgate will operate as Progen Pharmaceuticals, Inc, a wholly owned subsidiary of Progen Pharmaceuticals Limited.

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