

PROGEN RESUMES PHASE 1 DEVELOPMENT OF ANTI-CANCER AGENT, PG-11047

Brisbane, Australia. 15 May 2008. Progen Pharmaceuticals Limited (ASX:PGL; NASDAQ:PGLA) today announced that the Company has resumed patient enrolment in the phase 1 dose-escalation study of its recently acquired polyamine analogue, PG-11047 (formerly CGC-11047) for patients with advanced cancer.

Progen has commenced development of PG-11047 – the lead clinical compound in the Company’s polyamine program - following its acquisition of Cellgate, Inc earlier this year. The first patient to be recruited into the trial re-initiation has been enrolled at the University of Chicago.

The trial is exploring the potential of PG-11047 as a single anti-cancer agent and is designed to assess the agent’s maximum tolerated dose. Under CellGate, the trial had recruited 31 patients and had shown little evidence of toxicity, while using significantly higher doses than most previous studies of polyamine compounds.

Justus Homburg, Progen’s CEO, said, “Since the acquisition of CellGate, we have been assessing our portfolio of clinical and pre-clinical compounds in order to determine which to drive forward. Our re-initiation of PG-11047 in phase 1 clinical development is the first step in driving potential value from our expanded portfolio of first-in-class oncology therapies.”

Data from the trial will be used in parallel with a separate PG-11047 study assessing the agent in combination with other marketed anti-cancer drugs as the basis for determining potential phase 2 development. Progen expects the study to produce data within the next 12 months.

About Progen: Progen Pharmaceuticals is a globally focused biotechnology company committed to the discovery, development and commercialization of small molecule pharmaceuticals primarily for the treatment of cancer. Progen has operations in Australia and the US.

About PG-11047: PG-11047 is a polyamine analogue which modifies the production of natural polyamines. Polyamines are a class of chemical which are involved in regulation of cell growth. They are overproduced in many cancers, and PG-11047 is believed to restore polyamine reduction to natural levels. Despite being the focus of scientific interest for many years, this mechanism is unique, and if successful, PG-11047 could become a first-in-class oncology product. To date, PG-11047 has been shown to have anti-tumor activity in animal models, combined with a good safety profile.

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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 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 PI-88, PI-166 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.