

New Preclinical Data confirms PG545 as a promising clinical candidate for cancer

Brisbane, Australia, 14 October 2009: Progen Pharmaceuticals Limited (ASX:PGL; NASDAQ: PGLA) today announced that new preclinical data on PG545, a dual anti-angiogenic and anti-heparanase inhibitor, will be presented at an international cancer therapeutics conference.

Progen's Director of Preclinical Development Dr. Keith Dredge said that the first of two presentations at the conference focuses on the ability of PG545 to inhibit both solid tumour and metastasis in a range of different cancer models.

"Our findings are timely as scientific groups have recently reported that approved angiogenesis inhibitors can actually promote metastasis. We believe that PG545's unique anti-heparanase activity can significantly limit the spread of cancer."

"In our second presentation, we will discuss advancements in treatment schedules and provide more examples of how PG545 induces significant anti-tumour activity."

"Measurement of drug levels both in blood and within the actual tumour has been used to support our current dosing schedule which should lead to greater patient compliance."

In conjunction with PharmaSynth, a wholly-owned subsidiary of Progen, larger scale, clinical grade quantities of PG545 have been successfully manufactured for use in various safety studies. PG545 is currently undergoing later stage preclinical testing for safety and human clinical trials are planned for 2010

Progen CEO Justus Homburg said the continuing development of PG545 was an outstanding achievement for the R&D team and the company was excited about the next stage of PG545's progression.

"The results achieved indicate that PG545 is a very promising commercial opportunity."

"The ability of PG545 to inhibit both solid tumor growth and metastases appears to set PG545 apart from other angiogenesis inhibitors and as we move towards the clinic, we look forward to updating our shareholders about the progress of this exciting new cancer therapeutic agent".

Progen will present these new preclinical data on PG545, its dual anti-angiogenic and anti-heparanase inhibitor at the 2009 AACR-NCI-EORTC *Molecular Targets and Cancer Therapeutics* Conference in Boston on 16th November 2009.¹

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About PG545

PG545, Progen's lead oncology candidate, is a dual angiogenesis and heparanase inhibitor developed by Progen scientists. This dual action is achieved by PG545's ability to mimic heparan sulfate, a critical component closely associated with the cell membrane and the extracellular matrix. Heparan sulfate influences biological processes by binding to angiogenic growth factors, extracellular matrix molecules, cytokines and enzymes such as heparanase. PG545 acts by blocking these interactions, thereby inhibiting processes such as angiogenesis and metastasis critical to tumour development and progression.

About Progen

Progen Pharmaceuticals Limited is a biotechnology company committed to the discovery, development and commercialization of small molecule pharmaceuticals primarily for the treatment of cancer. Progen has built a focus and strength in anti-cancer drug discovery and development. Progen targets the multiple mechanisms of cancer across its three technology platforms of angiogenesis, epigenetics and cell proliferation. Progen has operations in Australia and the United States of America. www.progen-pharma.com

¹Each year, the American Association of cancer Research (ACCR), jointly with the National Cancer Institute (NCI) and the European Organisation for Research and Treatment of Cancer (EORTC), brings together scientists and other professionals from around the world seeking to share the latest information in this field, with a strong focus on new cancer therapeutics.

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This 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, amongst others, 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, PG11047, PG545, PG562, PG11122, PG11144 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.