ASX ANNOUNCEMENT

Starpharma to recoup $6 million cash for overseas R&D

Melbourne, Australia; Thursday 22 November 2012: Starpharma (ASX:SPL; OTCQX:SPHRY) today announced that following a submission to AusIndustry, it is eligible to receive approximately $6 million cash in R&D tax incentive for overseas R&D activities.

Starpharma made a submission for an advance finding in relation to VivaGel® activities in June 2012, and AusIndustry has today notified the Company that its overseas R&D activities satisfy the required criteria under the 45% R&D Tax Incentive Program.

The submission supports the VivaGel® bacterial vaginosis clinical and regulatory program. The finding covers certain overseas activities over a 3 year period from 1 July 2011. It is estimated that $3.3 million of the total $6 million cash refund relates to the 2011/12 financial year.

In addition to the cash refund for eligible overseas expenditure, Starpharma estimates that it will also receive a further $2.0 million of R&D tax incentive from eligible Australian R&D activities and expenditure.

It is therefore anticipated that following submission of the company's 2011/12 tax return, $5.3 million cash refund will be received in the current financial year.

Starpharma had previously reported in the 2012 Annual Report, an estimated R&D tax incentive of $1.3 million for the 2011/12 financial year.

Starpharma CEO Dr Jackie Fairley said: "I think we all agree on the critical importance of innovation to the growth and diversification of the Australian economy. This cash refund program is an excellent example of how Government initiatives can support the development of successful companies like Starpharma in innovation based sectors such as biotechnology."

The R&D Incentive Program is jointly administered by AusIndustry (on behalf of Innovation Australia) and the Australian Taxation Office.

ABOUT STARPHARMA

Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY), located in Melbourne Australia, is an ASX 300 company and is a world leader in the development of dendrimer products for pharmaceutical, life science and other applications. Starpharma's underlying technology is built around dendrimers – a type of synthetic nanoscale polymer that is highly regular in size and structure and well suited to pharmaceutical uses. Starpharma has three core development programs: VivaGel® portfolio, drug delivery, and agrochemicals with the Company developing a number of products internally and others via commercial partnerships.

Starpharma's lead product is VivaGel® (SPL7013 Gel), a gel-based formulation of a proprietary dendrimer. VivaGel® is under clinical development for the treatment and prevention of bacterial vaginosis (BV) and also as a vaginal microbicide to prevent the transmission of sexually transmitted infections including HIV and genital herpes. Starpharma has also signed separate licence agreements with Ansell Limited (ASX:ANN) and Okamoto Industries Inc (Tokyo Stock Exchange) to market a value-added, VivaGel®-coated condom. Ansell manufactures and sells leading condom brands worldwide, including Lifestyles®, ZERO® and SKYN®. Okamoto is the market leader for condoms sold in Japan, the world's second largest condom market.

In the wider pharmaceutical and life science fields, Starpharma has both partnered and internal programs in Drug Delivery. Partners include GSK, Lilly and AstraZeneca. In its internal program Starpharma recently announced significant tumour-targeting results in its docetaxel (Taxotere®) program, with animal studies resulting in levels of the cancer drug in tumour tissue more than 40 times greater than seen with the convention formulation. The company is also exploring dendrimer opportunities in agrochemicals in a series of industry partnerships with leading industry players including Nufarm (ASX:NUF) as well as with internal programs including an enhanced version of glyphosate (the active ingredient in Roundup®).

FOR FURTHER INFORMATION

Media:
Buchan Consulting
Rebecca Wilson
Mob: +61 417 382 391
rwilson@buchanwe.com.au

Haley Price
Mob: +61 423 139 163
hprice@buchanwe.com.au

Starpharma:
Dr Jackie Fairley, Chief Executive Officer
+61 3 8532 2704

Ben Rogers, Company Secretary
ben.rogers@starpharma.com

www.starpharma.com

Forward Looking Statements

This document contains certain forward-looking statements, relating to Starpharma's business, which can be identified by the use of forward-looking terminology such as "promising", "plans", "anticipated", "will", "project", "believe", "forecast", "expected", "estimated", "targeting", "aiming", "set to", "potential", "seeking to", "goal", "could provide", "intends", "is being developed", "could be", "on track", or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Starpharma is providing this information as of the date of this document and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.