

The Depository Trust Company

IMPORTANT

B#: 1586-07

DATE: May 22, 2007

TO: All Participants

CATEGORY: Dividends

FROM: Morris Richards, Supervisor, Stock Dividend Department

ATTENTION: Dividend Managers, Cashiers, and Reorganization Managers

SUBJECT: Rights: Progen Pharmaceuticals Limited. Common Stock CUSIP: Q7759R100 Rights Contra CUSIP: Q7759R993 R/D: 5/21/07
Expires: 6/18/07 5:00 p.m. New York City Time Rate 1 Right for 9 share of common stock held

*****WARNING TIME CRITICAL*****

Progen Pharmaceuticals. is issuing non- transferable rights (“Rights”) to its holders of common stock as of the close of business on May 21, 2007 (the “Record Date”). Each holder is entitled one Right for every Nine share of common stock of the Fund owned on the Record Date.

DTC anticipates allocating the Rights to participants’ account on June 1, 2007.

All fraction entitlements will be rounded-up to the next full right. Participants may instruct DTC as to the aggregate number of additional Rights required to round up Rights on behalf of their beneficial owners. Participants must use DTC’s PTS function Elective Dividend System (EDS) Option #5 CASH IN LIEU/ROUND UP to request additional roundup Rights on behalf of their beneficial owners.

The round up election instruction through EDS must be made no later than 8:00 p.m. New York City time, on May 30, 2007.

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DTC will be crediting additional round up Rights to participants' accounts on May 29, 2007.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) MENU OPTION OF THE PTSDIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA) SHOULD BE USED TO CONFIRM YOUR POSITION HISTORY AND PAYMENT INFORMATION. **IT IS IMPORTANT THAT PARTICIPANTS REFER TO THE DTC REORGANIZATION INQUIRY FOR PARTICIPANTS (RIPS), FUNCTION CODE 59, FOR INFORMATION REGARDING THE SUBSCRIPTION PRIVILEGE, SALE OF RIGHTS, AND ANY EXTENSIONS TO THE EXPIRATION DATE.**

If participants have any questions regarding this Important Notice, they may contact DTC's Customer Help Center at (888) 382-2721.

If participants have any questions regarding the Rights Offering, they may contact the Computershare (The Transfer Agent) 303 293-2265.