



**BELL POTTER SECURITIES LIMITED  
SHAREHOLDER CLASS ACTION REGARDING  
INVESTMENTS IN PROGEN PHARMACEUTICALS  
LIMITED (ASX CODE PGL) (ISIN: AU000000PGL5)**

**FREQUENTLY ASKED QUESTIONS**

**1. Who is running the litigation?**

Slater & Gordon Limited (“**Slater & Gordon**”) (ASX code: SGH). Slater & Gordon is Australia’s largest plaintiff law firm, and the first publicly-listed legal practice in the world. Slater & Gordon has considerable experience in conducting large-scale litigation, including shareholder litigation. Slater & Gordon has been investigating for a considerable period of time the alleged provision of misleading and deceptive financial advice by Bell Potter brokers based on overvaluations of PGL stock and the circumstances surrounding a PGL capital raising in May 2007. For more information, please refer to our [Online Case Analysis](#).

At the request of clients, Slater & Gordon has sought and obtained a funding offer from Litigation Lending Services Limited (“**LLS**”) to fund the litigation. LLS and Slater & Gordon are also working together to represent the shareholders involved in the OZ Minerals class action.

**2. How much is my claim?**

The size of any claim will first depend on the price that you paid when purchasing PGL stapled securities within the class period. However, the quantum methodology is still to be defined by the Court. If the legal proceedings are successful, it is most likely that you would be able to claim the difference between the price that you paid for the securities, including the inflation in the share price attributable to the alleged wrong-doing, and the price at which you sold those securities/alternatively their true value.

**3. Will I be precluded from joining the class if I sell my PGL shares?**

No. If you have sold your shares, your loss will be measured by reference to the price that you paid for the shares and the price at which you have sold them, in tandem with any inflation value that can be established.

**4. What will the claim cost?**

The costs of the legal proceedings will be funded by LLS, (subject to a minimum take-up) and Slater & Gordon pursuant to the Litigation Funding Agreement and the Legal Costs Agreement.

Until the funding agreements are signed, there is **no obligation** on the investors to pay any costs. Furthermore, once such agreements are entered into, investors will only pay legal costs if the claim is successful, and then only from the amount recovered from defendant(s).

LLS will be entitled to reimbursement of its outlays, and a competitive commission in the event that settlement or judgment is obtained.

Please otherwise see Clause 10 of the Litigation Funding Agreement.

**5. Will I ever have to pay anything, if any legal proceedings are not successful?**

LLS will provide an indemnity to you in relation to any adverse costs awarded in the litigation, and will meet any "security for costs" orders that may be made. As a class member, as opposed to being the lead applicant, you cannot be made personally liable for any costs order made in relation to the class action. This means that you do not have to pay anything in the event that your claim is unsuccessful.

**6. What will Slater & Gordon and LLS receive?**

Slater & Gordon will be paid legal costs at the commercial hourly rates that are disclosed in the Terms of Engagement, expressly provided in Legal Costs Agreement.

If the legal proceedings are successful or a settlement is otherwise obtained, LLS and Slater & Gordon will be repaid the costs that they have incurred. LLS will then receive a commission that will range from 25% to 35%. Please otherwise see Clause 10 of the Litigation Funding Agreement.

**7. How long will any legal proceedings take?**

We expect that the legal proceedings will take between twelve months and three years.

**8. Are there sufficient assets available for Bell Potter to meet such investor claims?**

As at 31 December 2008, Bell Financial Group Limited's consolidated assets is approximately AUD\$463million while its total liabilities was reported at AUD\$316million.

We believe that recovery prospects therefore would be strong.

**9. Does Bell Potter have Professional Indemnity Insurance that I can claim from?**

We understand that during the Class Period (December 2006 to December 2007), Bell Potter is/was self-insured in compliance with the prescribed regulations. However, Bell Potter is an entity with limited liability under the Profession Standards legislation.

Until we can review the extent of the self-insurance cover, we are unable to offer any more information on the extent of that cover.

**10. Can I withdraw from the class action?**

There is a 21-day cooling off period once you sign the Litigation Funding Agreement and Legal Costs Agreement.

You may also opt out of the class action by serving an Opt-Out Notice during the course of the proceedings. However, you may remain liable to pay certain costs and commission to LLS pursuant to the Litigation Funding Agreement from any recovery you receive from the Respondent(s) after you opt out.

**11. Will my contact and investment details be kept private?**

Your personal information will only be used for the purpose of the legal proceedings as required by the court, or by law. An important feature of class actions in Australia is that an investor can choose to remain anonymous as a member of the class for a considerable time and, in the usual course, with a settlement out of court, the entire period of the court action.

In all other cases, we will seek your consent before disclosing any of your personal information. We will not disclose any personal information to third parties, including other clients.

**12. Will I have to devote time and resources to the legal proceedings?**

Initially we will only require you to provide the information requested in the [Questionnaire](#). In the unlikely event that any further information is required, this will be advised in writing.

**13. What do I have to do to participate?**

Please complete, sign and return the [Questionnaire](#) to Bell Potter Class Action, Slater & Gordon, GPO Box 4864, MELBOURNE VIC 3000 or by fax to +61-3-9600 0290 or e-mail to [bellpotterclassaction@slatergordon.com.au](mailto:bellpotterclassaction@slatergordon.com.au).

You will then receive our:

1. Litigation Funding Agreement; and
2. Legal Costs Agreement and Disclosure Statement; and
3. Any email Information Bulletins regarding the class action at no cost or obligation.

If you wish to accept our funding proposal and join the class action, you will need to return to us by **no later than** 31 May 2009:

- a) a *copy* of your signed Litigation Funding Agreement and Legal Costs Agreement and Disclosure Statement by email to [bellpotterclassaction@slatergordon.com.au](mailto:bellpotterclassaction@slatergordon.com.au); and
- b) the *original* signed agreements by post to Slater & Gordon, Bell Potter Class Action, GPO Box 4864 Melbourne VIC 3000.