



ASX RELEASE

Entitlement offer closes

BRISBANE, Australia, 4 July 2006: Peplin Limited (ASX:PEP) announced today it had completed the allotment of 19.6 million shares and 5.9 million options on 3 July 2006 under its non-renounceable Entitlement Offer. The Entitlement Offer to raise \$13.9 million was fully underwritten by ABN AMRO Morgans and Wilson HTM. The closing date for acceptances was 26 June 2006.

At 30 June 2006, proceeds received from shareholder applications under the Entitlement Offer were held on trust by Peplin pending allotment and issue of shares. Proceeds from the underwriters of the Entitlement Offer were received on 3 July 2006. All shares under the Entitlement Offer were allotted and issued on 3 July 2006.

The Entitlement Offer was conducted in conjunction with the International Offer announced on 24 May 2006. The International Offer is a placement to certain international institutional investors, led by MPM Capital, to raise approximately \$26.6 million in two equal tranches. The first tranche of the International Offer completed on 26 June 2006, raising \$13.3 million before costs. The second tranche is subject to certain performance conditions and Peplin expects closing at or around the end of October 2006.

As of 4 July 2006 Peplin has approximately 165.9 million ordinary shares outstanding. Following the closing of the second tranche Peplin expects to have approximately 184.5 million ordinary shares outstanding.

Allotment advice's for new shares and options issued in the Entitlement Offer were dispatched on 3 July 2006. Trading of the new shares commenced on a deferred settlement basis on 27 June (under the ASX code PEPN) and trading and settlement will revert to the normal T+3 days basis from 5 July 2006. Trading of the new options will commence on 5 July 2006 (under the ASX code PEPO).

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ABOUT PEPLIN

Peplin is focused on the development and commercialisation of prescription human therapeutic products for the treatment of cancer. Its lead compound is PEP005, the first in a new class of investigational agents. Peplin's lead product is PEP005 Topical, which is being studied in clinical trials for the treatment of actinic keratosis (AK) (a pre-cancerous lesion) and non-melanoma skin cancer (NMSC). PEP005 Topical works by a powerful mode of action, directly killing most cancer cells and then recruiting and activating the local immune system to clean-up these dead cancer cells and kill any remaining cancer cells. PEP005 Topical is potentially a rapidly acting and cosmetically attractive non-surgical topical treatment for AK and NMSC. Peplin's product development activities are supported by the Australian Federal Government under its Pharmaceuticals Partnerships Program.

Peplin's earlier stage pipeline is targeted at leukemia (a blood borne cancer) using its lead compound PEP005 in an intravenous formulation (PEP005 IV) and bladder cancer using an intracavitary or intravesical formulation (PEP005 IC). PEP005 has demonstrated selective and potent anti-leukemia activity in pre-clinical disease models. PEP005 induces apoptosis in leukemia cells via the activation of PKC delta. Peplin holds global proprietary rights for PEP005 Topical and other oncology applications of PEP005. Its research portfolio of EPUFA compounds opens additional potential opportunities in cancer and pain.