

ASX RELEASE

Initiation of standard safety study Peplin takes next step in regulatory process

BRISBANE, Australia, 11 May 2006: Peplin Limited (ASX:PEP) announced today that it will initiate the first in a series of dermal safety clinical studies of PEP005 Topical, its lead investigational agent being developed to treat actinic keratosis (AK) and non-melanoma skin cancer. The first of these studies is a trial (PEP005-005) to evaluate any skin sensitising potential.

This series of dermal safety studies is a pre-requisite of regulatory agencies worldwide including FDA for all new skin products. Skin sensitisation is a term used to refer to the potential of a chemical to cause allergic contact dermatitis.

PEP005-005 is an open label study using a modified form of a standard occluded patch test. It will be conducted at a single centre in the US.

Approximately 220 healthy volunteers will be recruited and dosed in an induction phase with a low concentration of PEP005 Topical. Following a two week rest subjects will receive a single challenge dose and be evaluated for any evidence of skin sensitisation. Peplin expects to report results in October 2006; the contracted cost of the study is approximately A\$300,000.

Peplin Managing Director and CEO Michael Aldridge said that this series of studies was the next sensible step following recent positive results of phase II AK and skin cancer trials.

“With positive results behind us, our confidence in the potential of PEP005 Topical is now significantly higher and it is thus an appropriate time in our regulatory program to conduct these safety studies.

“Some products such as shampoos and fragrances have the potential to cause skin sensitisation and an assessment always needs to be made of the risk represented by that potential, if any. As a component of Peplin’s well developed risk management processes we will evaluate any skin sensitising potential of PEP005,” he said.

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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 phase IIa 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 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 intra-cavitary 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.