



ASX AND MEDIA RELEASE

Construction of new commercial scale manufacturing facility

BRISBANE, Australia, 12 October 2005: Peplin Limited (ASX:PEP) announced today that it had commenced the construction of a new commercial scale manufacturing facility for the production of GMP (Good Manufacturing Practice) grade PEP005, its lead investigational agent being developed to treat skin cancer and leukemia.

The new facility will consolidate under a single roof Peplin's current validated extraction and GMP purification technologies which Peplin has previously operated in two separate facilities. In addition Peplin will implement selected process improvements to optimise productivity. The construction of the new facility is supported in part by a grant of funds by the Queensland State Government under its QIDS grant program.

Peplin Managing Director and CEO Michael Aldridge said that the construction of this new facility is an important component of the planning for the final stage of product development and market launch. The new facility would provide Peplin with sufficient PEP005 in future to supply a global market for its product candidates.

"In the construction of this new facility we will take the opportunity to fine tune our well developed extraction and purification technology and also integrate the separate steps of extraction and GMP purification in a single efficient GMP process with commercial scale capacity," Mr Aldridge said.

Peplin expects to complete the commissioning of the facility and secure a GMP manufacturing licence in 2006. Peplin presently has adequate supplies of GMP grade PEP005 on hand to support all of its planned pre-clinical and clinical development activities until well beyond this expected completion date.

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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 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.

Market opportunity

AKs are the most common pre-cancerous skin lesions worldwide and the treatment of AKs is the most common dermatologic procedure performed in the out-patient setting.

In the US each year there are 3.7 million office visits and about 5.2 million procedures for AK. According to the American Academy of Dermatology AK affects more than 10 million Americans. The worldwide prevalence of AK is highest in Australia. AKs typically occur on sun damaged skin of Caucasians older than 40 years.

NMSC is the most common form of cancer worldwide. According to the NCI it affects more than 1 million people per year in the US. According to the Cancer Council Australia of all cancers NMSC is the biggest burden on the healthcare system accounting for \$232 million per year in treatment costs. Peplin is developing PEP005 Topical to address the highly attractive and significant global market opportunity for non-surgical approaches to the treatment of AK and NMSC.

Leukemia is a cancer of the blood and blood forming organs. According to the Leukemia & Lymphoma Foundation there will be an estimated 34,810 new cases of leukemia in the US in 2005. According to the Leukaemia Foundation in Australia there are 2,370 people diagnosed with leukemia each year.

The most common type of leukemia is acute myeloid leukemia or AML which is estimated to strike 11,960 people this year in the US. AML is both the most common and the most devastating form of leukemia with a 5 year survival rate of less than 20%.