



## ASX AND MEDIA RELEASE

### Capital raising to advance leukemia program

**BRISBANE, Australia, 2 August 2005: Peplin Limited (ASX:PEP)** today announced it will raise \$4 million through a placement of shares to institutional and sophisticated investors to fund final pre-clinical studies of PEP005 IV and a phase I/II clinical trial in leukemia patients. The company is to issue 11.4 million ordinary shares at \$0.35 per share, Peplin's last closing share price.

Peplin also announced a share purchase plan will be offered to all Peplin shareholders who hold shares on Wednesday 10 August 2005. Under the share purchase plan, shareholders will be able to purchase up to \$5,000 worth of ordinary shares at the placement price of \$0.35 per share without paying brokerage fees or transaction costs. This offer opens on Monday 15 August 2005 and closes on Friday 26 August 2005.

Peplin Managing Director & CEO Michael Aldridge said the placement was well supported by existing shareholders and the strong demand allows the shares to be placed at a zero discount to market.

"We signalled our clear intent during the 2004 rights issue to advance our leukemia plans as soon as management and capital resources allowed. These are now in place," he said.

Mr Aldridge said advancing PEP005 IV into clinical development would put Peplin in the strong position of having two highly differentiated products in development which address large and highly attractive market opportunities.

"We have achieved major milestones in our PEP005 Topical program, announcing positive results from our phase I trial, initiating three phase IIa clinical trials in Australia for actinic keratosis and basal cell carcinoma and completing plans to start a dose escalation study in the US later this month. We have completed enrolment in our AK clinical trial and with the BCC clinical trials progressing according to schedule we can now devote the necessary resources to our leukemia program," he said.

Mr Aldridge said Peplin's decision to reactivate the leukemia program was timely given recent international interest in PEP005 and its potential against leukemia.

"We have benefited from the publication of research results in the international peer-reviewed journal *Blood* of the American Society of Hematology, a recent

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review in the international research magazine *New Scientist* and most recently coverage by UK Channel 4 News,” he said.

“The heightened international interest in our proprietary drug PEP005 has facilitated access to leading international institutions to undertake clinical trials.”

### **Placement of ordinary shares**

Peplin is to place 11.4 million fully paid ordinary shares at \$0.35 per share with institutional and sophisticated investors. These shares rank equally with existing ordinary shares of Peplin and take the number of shares on issue to 108.7 million shares. Placement proceeds are \$4.0 million before expenses. The proceeds will fund the completion of pre-clinical studies of the anti-leukemia drug candidate PEP005 IV and a phase I/II clinical trial in leukemia patients. Wilson HTM arranged the placement.

### **Share purchase plan**

Peplin will offer all shareholders the opportunity to buy shares at the same price as the placement through a share purchase plan (SPP). This offer will be made to all registered shareholders as at the close of business on the record date of Wednesday 10 August 2005. The SPP will open on Monday 15 August 2005 and close on Friday 26 August 2005. Documentation relating to the SPP together with the acceptance form will be mailed to shareholders on 15 August 2005. The SPP offer will enable each shareholder to acquire up to \$5,000 of ordinary shares at the placement price of \$0.35 per share. Proceeds will be used for general corporate purposes.

### **Benefits of the capital raising**

Advancing PEP005 IV into clinical development is an important strategic initiative for Peplin. It will leverage the significant investments Peplin has made in the manufacturing technology to produce PEP005 and Peplin’s pre-clinical and clinical development capabilities. Peplin can now quickly complete a pre-clinical program, file an Investigational New Drug (IND) application with the US Food and Drug Administration (FDA) and conduct a phase I/II clinical trial in leukemia for approximately \$3 million as a result of this significant leverage.

Peplin expects to complete the relevant pre-clinical studies and file an IND application with FDA in the first quarter of 2006 prior to then commencing a phase I/II clinical trial of PEP005 IV in leukemia.

### **Market update**

*PEP005 Topical for AK:* Peplin has completed treatment of all patients in its phase IIa clinical trial of PEP005 Topical for actinic keratosis. Patients complete follow-up and exit visits over a three month period. Peplin expects to announce the results of this trial by December 2005.

*PEP005 Topical for BCC:* Enrolment of the two phase IIa clinical studies of PEP005 Topical for superficial and nodular forms of BCC is continuing. Based on current enrolment rates, Peplin expects to complete enrolment in the first of these BCC studies by October 2005 and announce results in the first quarter of 2006.

*PEP005 Topical US phase IIa dose escalation clinical trial:* As previously announced Peplin plans to initiate this clinical trial in August 2005.

*Omnicare Clinical Research:* Peplin has retained US based contract research organisation Omnicare Clinical Research to provide clinical research services for Peplin's US phase IIa dose escalation clinical trial. In addition, to take advantage of Omnicare's global capabilities, Peplin will transfer to Omnicare data management, analysis and reporting tasks in its Australian phase IIa clinical trials program previously contracted with Cvitkovic & Associates SA. The transfer of responsibilities has no impact on either the timetable for the announcement of clinical trial results or on the overall budget for the program of phase IIa clinical trials. CAC is to receive a share based payment of 196,134 shares for the June 2005 quarter in August.

*Annual general meeting:* Peplin intends to hold its 2005 annual general meeting at 10:00 am on Friday 14 October 2005 at Level 4, 1 Breakfast Creek Road, Newstead, Brisbane. A formal notice of meeting will be sent to shareholders in due course together with the annual report for the 2004/05 financial year.

## **ENDS**

### **ABOUT PEPLIN**

Peplin is focused on the development and commercialisation of prescription human therapeutic products for the treatment of cancer. Its lead compound PEP005 is the first in a new class of investigational agents targeting various forms of cancer. Peplin's lead product is PEP005 Topical, which is being studied in phase IIa clinical trials for the treatment of actinic keratosis (a pre-cancerous lesion) and non-melanoma skin cancer. 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 actinic keratosis and non-melanoma skin cancer. 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 particularly in cancer and pain.

#### **Further information:**

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