



30 June 2005

Mr Simon O'Brien  
Companies Adviser  
Australian Stock Exchange Limited  
Level 6, Riverside Centre  
123 Eagle Street  
BRISBANE QLD 4000

**By fax: (07) 3832 4114**

Dear Simon

**Re: price query**

In response to your letter of 29 June 2005 regarding the change in Peplin's share price from 32 cents on 28 June to 28 cents on 29 June and an increase in the volume of trading in Peplin shares over these days, I provide the following answers to your specific questions:

1. Peplin is not aware of any information concerning it that has not been announced, which, if known, could be an explanation for recent trading in the securities of the company.
2. Not applicable.
3. Peplin does expect the operating loss before tax to exceed the previous financial year's loss of \$5.1 million by more than 15%. In its prospectus dated 8 November 2005 for its rights issue, Peplin projected net outlays of \$12.1 million to complete its program of three phase IIa clinical trials during the 14 month period ending 31 December 2005. This equates to a forecast average expenditure of approximately \$0.9 million per month. Peplin announced on 8 February 2005 an operating loss before tax of \$4.1 million and net operating cash outflow of \$3.9 million for the six months ending 31 December 2004. Peplin also announced on 12 April 2005 net operating cash outflow of \$6.0 million for the nine months and \$2.0 million for the three months to 31 March 2005. In its March quarterly report to shareholders released on 12 April 2005 Peplin outlined its plans for the June quarter, including continued expenditure to progress its three phase IIa clinical trials.

**PEPLIN LIMITED**

ABN 55 090 819 275

Level Two, Brisbane Portal, 1 Breakfast Creek Road, Newstead, Queensland, 4006, Australia

Tel: +61-7 3250 1200

Fax: +61-7 3250 1299

[www.peplin.com](http://www.peplin.com)

4. Peplin does not expect to record any material abnormal or extraordinary loss for the financial year ended 30 June 2005.
5. Peplin announced in its March quarterly report to shareholders (released on 12 April 2005) that it expected enrolment of all 60 subjects for the actinic keratosis (AK) trial should be completed in the June quarter. This timeline was met yesterday after the close of share trading. Peplin is today announcing before the start of trading that it has now reached this important milestone. The sixty enrolled patients, each with five AK lesions, undergo treatment, follow-up and exit visits over a three month period at clinical centres in major metropolitan cities around Australia. Peplin expects to announce the results of this AK trial in the fourth quarter of 2005. Peplin also confirms that its two basal cell carcinoma trials are on schedule to report results in the first quarter of 2006 and that the three phase IIa trials are running well within budget.
6. Peplin confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Peplin is also announcing today its plans to conduct a US based phase IIa clinical trial to study escalating doses of PEP005 Topical on an area of skin with AK. This trial is designed to evaluate both treatment area skin responses and the effect of the drug on AK lesions to seek to maximise the market opportunity for PEP005 Topical in the treatment of AK and facilitate planning for more advanced clinical studies to start in the first half of 2006. Peplin expects to initiate this open label study in August and intends to fund it from cash-on-hand and within the original budget for its program of phase IIa trials. Peplin has today approximately \$9.2 million in cash.

Please let me know if you require any further explanation or comments.

Yours sincerely,



**Phil Baker**  
**CFO and Company Secretary**



**ASX**

AUSTRALIAN STOCK EXCHANGE

Australian Stock Exchange Limited  
ABN 98 008 624 691  
Level 6  
Riverside Centre  
123 Eagle Street  
Brisbane QLD 4000

PO Box 7055  
Riverside Centre  
Brisbane QLD 4001

Telephone 61 (07) 3835 4004  
Facsimile 61 (07) 3832 4114  
Internet <http://www.asx.com.au>

29 June 2005

Mr Phil Baker  
Company Secretary  
Peplin Limited  
Level 2, Brisbane Portal  
1 Breakfast Creek Road  
NEWSTEAD QLD 4006

By Email: [phil.baker@peplin.com](mailto:phil.baker@peplin.com)

Dear Mr Baker

**Peplin Limited (the "Company")**

**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from 32 cents on 28 June 2005 to 28 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating loss before abnormal items and income tax so that the figure for the financial year ended 30 June 2005 would vary from the previous financial year by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary loss for the financial year year ended 30 June 2005? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at [simon.obrien@asx.com.au](mailto:simon.obrien@asx.com.au) or by facsimile on **facsimile number (07) 3832 4114**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **1.00 p.m. E.S.T.) on Thursday, 30 June 2005**).

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Simon O'Brien", with a small flourish at the end.

Simon O'Brien  
**Companies Adviser**