

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

PEPLIN LIMITED

ABN

55 090 819 275

Quarter ended ("current quarter")

31 December 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	680	680
1.2 Payments for		
(a) staff costs	(666)	(1,062)
(b) advertising and marketing	0	0
(c) research and development	(3,799)	(7,452)
(d) leased assets	0	0
(e) other and working capital	(655)	(1,147)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	296	552
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other	0	(8)
Net operating cash flows	(4,144)	(8,437)

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(4,144)	(8,437)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(30)	(221)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
	(30)	(221)
Net investing cash flows		
1.14 Total operating and investing cash flows	(4,174)	(8,658)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	13,247	18,809
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other – share issue costs	(879)	(1,809)
Net financing cash flows	12,368	17,000
Net increase (decrease) in cash held	8,194	8,342
1.21 Cash at beginning of quarter/year to date	31,339	31,191
1.22 Exchange rate adjustments to item 1.21		
1.23 Cash at end of quarter	39,533	39,533

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	150
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL

1.26 Explanation necessary for an understanding of the transactions

<p>Payments to directors include directors fees, and for executive directors, salaries and bonuses. Directors fees and salaries are inclusive of superannuation.</p>

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	710	463
4.2	Deposits at call	38,823	30,876
4.3	Bank overdraft	NIL	NIL
4.4	Other	NIL	NIL
Total: cash at end of quarter (item 1.23)		39,533	31,339

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	NOT APPLICABLE	NOT APPLICABLE
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 31 January 2007
(Director/Company Secretary)

Print name: **David Smith**

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
4. The Proceeds from issue of shares in item 1.15 includes proceeds from the second tranche of the international offer as announced on 24 May 2006. All proceeds of the international offer have been received.

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