



ASX AND MEDIA RELEASE

Peplin offered \$5.6 million Government grant

BRISBANE, Australia, 31 March 2005: Peplin Limited (ASX:PEP) announced today that it had been offered a grant under the Australian Federal Government's Pharmaceuticals Partnerships Program (P3) of up to \$5.6 million over four years.

The P3 is a competitive and merit based allocation of up to \$150 million over five years. P3 is intended to support increased Australian research and development over an historic base level. The Government would make cash payments of 30 cents for each dollar spent over the agreed base level as a taxable grant, quarterly and in arrears.

Peplin's Managing Director and CEO, Michael Aldridge said he welcomed the Australian Government's continued support and its recognition of the significant progress Peplin had demonstrated in developing PEP005 Topical for the treatment of actinic keratosis and non-melanoma skin cancer.

"This is a merit based grant and the key criteria are track record and capabilities, partnerships and linkages, technical merit and level of benefit to the Australian economy," he said

Mr Aldridge said the P3 grant would be used predominantly to support the ongoing clinical program developing PEP005 Topical for actinic keratosis and non-melanoma skin cancer.

"To put the size of this grant in context, \$5.6 million is approximately the anticipated direct costs for our three phase IIa clinical trials which we have initiated in Australia this year," he said.

Mr Aldridge added that this was Peplin's third merit based government grant in six years.

"Our first in 1999 supported PEP005 discovery efforts, where the milestone was the purification and characterisation of our lead compound. The second in 2001 supported our pre-clinical development activities where the milestone was initiation of clinical trials."

"Peplin's expenditure levels in Australia will accelerate mainly as a consequence of conducting our skin cancer clinical trials here. Australia is a very attractive location to conduct a global skin cancer development program - the quality of clinical research is excellent," he said.

ABOUT PEPLIN

Peplin is focused on the development and commercialisation of prescription human therapeutic products for the treatment of cancer.

Peplin's lead product is PEP005 Topical which is in phase IIa clinical trials. Peplin is developing PEP005 Topical for the treatment of actinic keratosis and non-melanoma skin cancer. Peplin's product development activities are supported by the Australian Federal Government under its R&D Start program and P3.

Peplin's earlier stage pipeline is targeted at bladder cancer using PEP005 in an intracavitary or intravesical formulation (PEP005 IC) and leukaemia (a blood borne cancer) using an intravenous formulation (PEP005 IV). Peplin holds global proprietary rights for PEP005 Topical and all rights worldwide to other oncology applications of PEP005. Its research portfolio of EPUFA compounds opens additional potential opportunities in cancer and adds candidates for cardiovascular disease, pain, inflammation and diabetic complications.

Market opportunity

Actinic keratosis is the most common pre-cancerous skin lesion; actinic keratosis lesions typically occur on sun damaged skin of older Caucasians. Non-melanoma skin cancer is the most common form of cancer worldwide. Peplin is developing PEP005 Topical to address the highly attractive and significant market opportunity for non-surgical approaches to the treatment of actinic keratosis and non-melanoma skin cancer.

Further information:

Michael Aldridge
Managing Director & CEO
Tel: 07-3250 1200
michael.aldrige@peplin.com

Media enquiries:

Stephanie Paul
PhillipsGroup
Tel: 07-3230 5000
spaul@phillipsgroup.com.au