



NEWS & ASX RELEASE

CHAIRMAN'S ADDRESS TO THE 2003 ANNUAL GENERAL MEETING

Peplin Biotech Ltd (ASX: PEP) – Brisbane, Australia, 21 October 2003.

Welcome to this the fourth Annual General Meeting of Peplin Biotech Ltd.

2003 has been another hugely exciting year for Peplin with significant progress being made towards its long-term goals. We have entitled this year's Annual Report "Delivering Results" to stress the overall outcome of the year's work and efforts.

When we take a three year perspective, 2003 can readily be viewed as demonstrating continuing, controlled and very strong progress along the trajectory we set ourselves at listing. It gives me great satisfaction to see this persistent achieving of our goals, many of which have surpassed industry benchmarks - time from identification of lead compound to anticipated IND submission, and an increasing share issue price with each capital raising are but two examples. However, as we grow, the Board and executive believe that every advance must be consolidated to build sound foundations for continued development.

In a few minutes the executive team will present a picture of our overall progress to date and detail the achievements of 2003. I will list certain highlights and leave the detail to them.

First, highlights in our research and development:

- Smooth progress with pre-clinical development of PEP005 topical for non-melanotic skin cancers as part of the Allergan licensing deal;
- Continuing progress in the production of PEP005 under GMP conditions to allow formulation of topical PEP005 for the clinical trials;
- Steady research work to advance the development of PEP005 for other cancers and diseases, with some early promising results in its use against Acute Myelogenous Leukaemia; and
- Continuing consideration of opportunities for strategic development. We recently announced advanced negotiations to secure IP from Biolipids Pty Ltd and are currently completing due diligence.

Second, several successful capital raisings:

- A shareholder rights issue in September 2002 raising \$4.3million;
- Two placements to institutional investors, one in June 2003 which raised \$3.5 million and a further placement in October 2003 raising \$5.7 million; and
- Yesterday, we announced a Share Purchase Plan at the same price as the most recent placement, in order to provide existing shareholders with an opportunity to purchase further shares.

Whilst these points represent evidence of strong progress towards delivering our results, perhaps the most significant achievement for 2003 is the change of our CEO, which we announced on 22nd September. Garry Redlich has very capably led Peplin Biotech from 1999 (prior to listing) and I want to pay tribute to his contribution. He has shown enormous dedication and total commitment in the way he has pursued the duties and responsibilities of CEO and his leadership has resulted in Peplin's strong pattern of success. I am sure that it has been clear to everyone that Garry has given his all to Peplin and part of that totality was his recognition that the time had come for a change in leadership. The Board and Garry successfully negotiated a smooth transition process which, although he has resigned as CEO and Managing Director, enables Garry to continue with Peplin in a business development role. The Board has appointed Michael Aldridge to succeed Garry as CEO and Managing Director and he commenced his duties with Peplin Biotech just last week, Monday 13th October. I am very pleased indeed to be able to introduce Michael to

you and explain why we believe he is “right” to take over Peplin’s executive leadership. I will ask him to speak shortly and will introduce him at that time.

The spotlight has been on corporate governance in recent months and your Board has followed the debate concerning governance best practice closely. We have considered in detail the ASX “Principles of Good Corporate Governance and Best Practice Recommendations” (March 2003) and included a response in the Annual Report. There is further work for us to do as a governing body to achieve best practice but it is important that we consider the precise implications of all recommendations for emerging companies such as Peplin Biotech Ltd.

Board composition is one important aspect of corporate governance. It must be kept under review to ensure a relevant mix of skills and experience as a company changes in different ways over time. The Board and executive are of the view that Peplin would benefit from the presence of an additional Board member with relevant business/industry (especially commercialisation) experience. Clearly we must seek the best possible person to fill this role and we are actively engaged in this process at present.

All of us at Peplin are very aware of the importance of shareholder support in achieving our goals. Thank you for your continued active interest and support.

I would like to express my thanks to my fellow Directors who have continued to work hard with great commitment during this year and also to every one of our very capable staff, each of whom have put a huge effort into this year’s achievements. Peplin is fortunate to have such a team and I am proud to be part of it.

We look forward together to another great year in 2004.

Cherrell Hirst AO

Chairman

ABOUT PEPLIN BIOTECH

Peplin Biotech Ltd is a biotechnology company based in Brisbane, Australia, discovering and developing drugs for the treatment of cancer and other diseases. Its strategy is to leverage its pipeline of in-licensed and novel proprietary products through collaborative development arrangements with international pharmaceutical companies. Peplin’s product pipeline comprises small molecule drug candidates addressing major cancer targets including breast, colorectal, pancreatic and prostate cancer, leukaemia and melanoma, using topical, intralesional and systemic routes of administration.

Further information:

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ANNUAL GENERAL MEETING 2003



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DEVELOPMENT PROGRAM

Dr Peter Welburn



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ALLERGAN LICENCE AGREEMENT

Development responsibilities

Peplin

- All pre-clinical studies
- PEP005 & formulation manufacture / supply for clinical trials
- PEP005 manufacture / supply for marketing

Allergan

- All clinical studies
- Filing of all data with FDA
- Formulation manufacture & packaging for marketing



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PEP005 – 2003 DEVELOPMENT HIGHLIGHTS

- **IND toxicology studies for PEP005**
 - completed before end 2003
 - > 30 individual studies
- **Plant cultivation**
 - expanded to 4 international sites
 - 3 agricultural research centers
- **Manufacturing of PEP005**
 - output increased to > 5 grams/month (~ 25,000 doses)
 - goal of 50 gram batches
- **PEP005 topical formulations**
 - 1 kg batches
 - gel stable for at least 9 months (> Phase I/II trial length)
 - also cream & ointment



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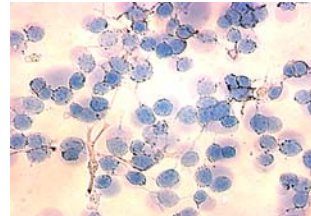
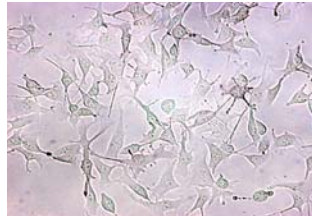
PEP005 – 2004 DEVELOPMENT PLANS

Leukaemia (AML)

- Most difficult leukaemia to treat
- Successful in vitro studies at Birmingham University UK
 - Under contract to Peplin
- Development of new formulations
 - IV infusion
 - oral formulation (low concentration needed)
- New series of toxicology studies
 - to support systemic use of PEP005 infusion and oral treatment
- CTX file for UK regulatory authorities
 - for clinical trial against refractory AML
 - Leverage off Allergan IND data



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RESEARCH PROGRAM

Dr Jim Aylward



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OTHER CANCER TARGETS FOR PEP005

- **Cell lines very sensitive to PEP005 from NCI 60 cell line screen**
 - Leukaemia
 - Breast cancer
 - Colon cancer
 - Lung cancer
 - Renal cancer
- **Preferred delivery modes**
 - Intravenous
 - Oral



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TOPICAL & INTRALESIONAL DELIVERY OF PEP005

- **Long-term efficacy in laboratory animal models for:**
 - Squamous cell carcinoma (SCC)
 - Prostate cancer
 - Pancreatic cancer
 - Melanoma
 - Cervical cancer
- **Potential human clinical applications**
 - Head & neck cancer (SCC)
 - Esophageal & colorectal cancer

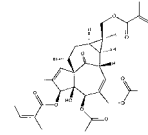


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POTENTIAL NEW PRODUCTS

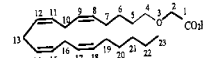
- **New compounds related to PEP005**

- Synthetic derivatives
- Novel natural compounds



- **Biolipids**

- Synthetic polyunsaturated fatty acids
- Increased potency & selectivity over natural Omega 3 & Omega 6 fatty acids
- Protein kinase C modulators (like PEP005)
- Predicted to be orally available
- Still subject to final due diligence



OMEGA-3 OIL
FISH OIL PILLS?

The Good Oil:
Omega 3
Polyunsaturated
Fatty Acids



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INTELLECTUAL PROPERTY PORTFOLIO



A strong “picket fence” around our IP

- **Peplin**

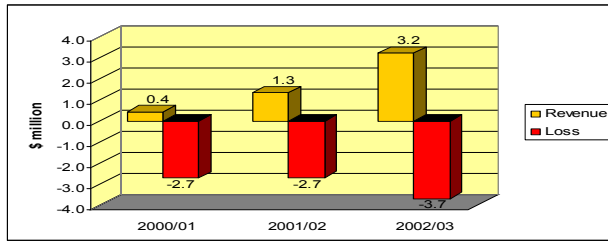
- Now 48 patent submissions
- 4 new patents granted in 2003

- **Biolipids** (subject to final due diligence)

- 41 patent submissions
- 5 granted USA patents

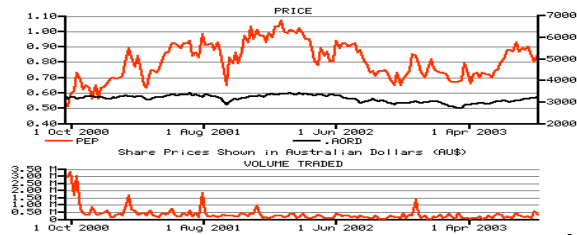


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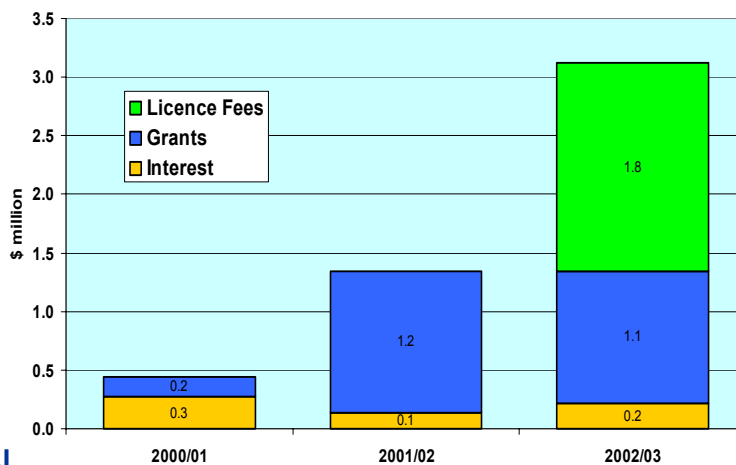
FINANCIAL HIGHLIGHTS

David Craig



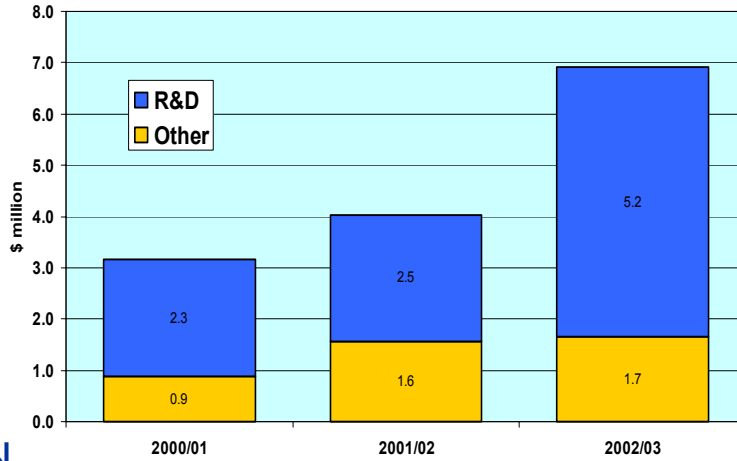
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REVENUE



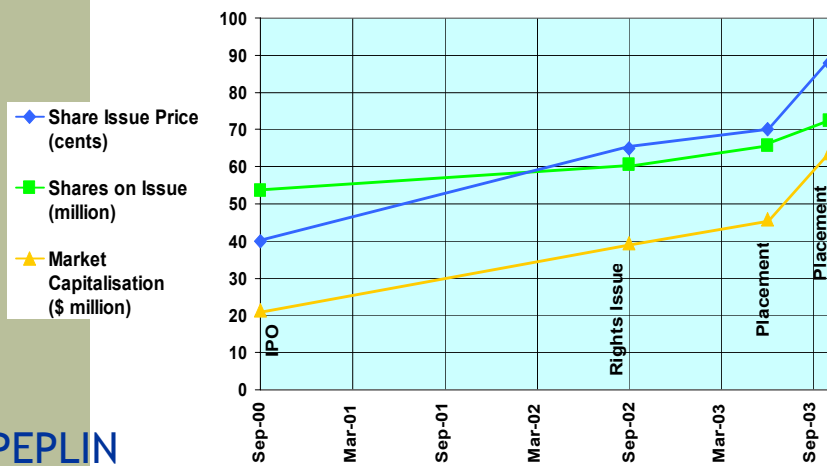
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EXPENSES



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SHARE ISSUES



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CASH POSITION

- Approx \$4.6 million now
- Approx \$9.2 million after Tranche 2 of placement on 24 October
 - provided Resolution 3 passed today
- Very strong position with more Allergan payments due in 2004



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SHAREHOLDER SHARE PURCHASE PLAN

- Buy up to \$5,000 worth of shares at 88 cents
- Opportunity for existing shareholders at same price as October placement
- Offer to be posted to shareholders



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