



MEDIA RELEASE

PEPLIN ANNOUNCES RIGHTS ISSUE

BRISBANE, 2 August 2002 – Anti-cancer drug developer Peplin Biotech announced today it will raise a net \$4.1million via a rights issue to shareholders.

Managing Director and CEO of Peplin, Mr Garry Redlich, said the proceeds from the 1 for 8 renounceable rights issue, which is fully underwritten by ABN AMRO Morgans Corporate Limited, will further the company's R&D programme. "It also allow us to progress our current skin-cancer drug licensing negotiations from a position of financial strength" he added.

Mr Redlich added: "We are moving well along the process which is expected to lead to international clinical trials later this year and remain optimistic about the outcome of licensing negotiations which are currently underway.

"Securing our next level of funding will provide a strong base from which to achieve those important outcomes," he said.

Since the beginning of this year, Peplin has achieved a number of key R&D and manufacturing milestones. "For us, the highlights have been the allowance of our first US skin cancer patent, and selection for sponsored research by the US National Cancer Institute. We were particularly excited when the NCI confirmed that our lead drug is active in extremely low concentrations against all 60 tumor cell lines tested", said Mr Redlich.

Peplin Biotech's Chairman, Dr Cherrell Hirst, said: "We believe the rights issue pricing reflects the consistent floor under our share price, and offers investors a good upside, given projected developments in our R&D and commercialisation programs.

"We enjoy an informed and supportive shareholder base that clearly understands the risk of drug development, and believes in our strategies for mitigating associated risks.

Dr Hirst added: "Shareholders will have until 10 September to accept the offer, which is priced at 65 cents per share. The fact that our share price generally has held up well despite declines in the biotech sector and in the stock market generally demonstrates the confidence our shareholders have in our science and commercialisation programmes."

About Peplin Biotech

Peplin Biotech Ltd is a Brisbane-based biomedical research company, discovering and developing drugs for the treatment of cancer. Its strategy is to work with large pharmaceutical companies to co-develop and license its family of novel proprietary compounds for a topical drug for the US\$1 billion skin cancer market and is proceeding with research into the development of systemic drugs for other targets including breast, colorectal, pancreatic and prostate cancer.

Further information:

Garry Redlich, Managing Director & CEO

Tel: 0417 728 583

garry.redlich@peplin.com

KEY POINTS

- \$4.1 m (net) to be raised in a 1 for 8 rights issue at 65 cents
- Offer closes on 10 September, 2002
- Funds to be used for further development and to strengthen the company's hand in current licensing negotiations
- PEP share price has held up well despite substantial recent declines in the sector