



ASX & MEDIA RELEASE

Peplin Biotech completes successful rights issue \$4.3 million raised in tough market conditions

BRISBANE, 25 September, 2002 – Announcing the completion of a successful rights issue today, Peplin Biotech Managing Director and CEO, Garry Redlich, said that despite difficult overall market conditions and negative biotech sector sentiment, Peplin's (ASX:PEP) one for eight rights issue at 65 cents per share has closed raising the target figure of \$4.3 million.

He said a very positive feature of the issue was that 44% of shareholders who took up their rights applied for additional shares beyond their entitlements.

Peplin's CFO, David Craig, said: "Founder shareholders holding escrowed shares from our IPO two years ago still account for some 36% of the company's stock, and were not expected to be able to participate heavily in the rights issue because of personal financial constraints.

"We were therefore delighted to see that applications from shareholders who took up their rights exceeded their entitlements by 33%, largely compensating for those who were unable to take up their entitlements."

Roger Clarke, Chairman of the issue underwriter ABN AMRO Morgans Corporate, commented: "This is a challenging time to be raising new capital in the biotech sector, and the excellent result reported today is due to a combination of ABN AMRO Morgans' depth in the retail market, together with a good campaign by Peplin. It also helps to have a convincing story to tell to an informed and loyal shareholder base, and to price the issue attractively," said Mr Clarke.

Net proceeds of around \$4.1m will support Peplin's R&D on its range of anti-cancer drugs through to late 2003, and strengthen its hand in current licensing negotiations with international pharmaceutical companies for its first drug for skin cancer. The 6.7m new shares will list on the ASX on 1 October.

Mr Redlich added: "We are very pleased with the result, which will provide further stability to the company as we move toward gaining international acceptance and accreditation for our anti-cancer drugs. Despite the market jitters, we believe our shareholders and other investors are comfortable with our progress, our potential and our continuing development. It's a great result."

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.

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KEY POINTS

- Peplin raises \$4.3m in successful rights issue (one for eight at 65c) despite general market uncertainty
- 44% of shareholders who took up their rights applied for more shares than their entitlement
- Funds will support the company's anti-cancer drug R&D through 2003 and strengthen its position during current licensing negotiations