

## Appendix 4C

### Quarterly report for entities admitted on the basis of commitments

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

Name of entity

**PEPLIN BIOTECH LIMITED**

ABN

**55 090 819 275**

Quarter ended ("current quarter")

**31 March 2004**

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter SA'000	Year to date (9 months) SA'000
1.1 Receipts from customers (see Note 4.)		
- Licence Fee	2,098	2,762
- Payments received for pre-clinical product development	577	1,020
1.2 Payments for		
(a) staff costs	(235)	(707)
(b) advertising and marketing	(1)	(22)
(c) research and development	(1,833)	(5,256)
(d) leased assets	0	0
(e) other and working capital	(379)	(778)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	119	238
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid/GST refunds	76	186
1.7 Other:		
- Government grants	212	841
- IP protection	(18)	(216)
<b>Net operating cash flows</b>	<b>616</b>	<b>(1,932)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	616	(1,932)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property	(20)	(245)
(d) physical non-current assets	(30)	(233)
(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	3	21
(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)		
	(47)	(457)
<b>Net investing cash flows</b>		
1.14 <b>Total operating and investing cash flows</b>	569	(2,389)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	0	6,011
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings	(3)	(23)
1.19 Dividends paid		
1.20 Other – share issue costs	0	(288)
	(3)	5,700
<b>Net financing cash flows</b>		
<b>Net increase (decrease) in cash held</b>	566	3,311
1.21 Cash at beginning of quarter/year to date	9,144	6,399
1.22 Exchange rate adjustments to item 1.21		
1.23 <b>Cash at end of quarter</b>	9,710	9,710

+ See chapter 19 for defined terms.

**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	<b>114</b>
1.25	Aggregate amount of loans to the parties included in item 1.11	<b>NIL</b>

1.26 Explanation necessary for an understanding of the transactions

**Payments to directors include Directors Fees and Salaries for executive directors.**

**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

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

---

**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	1,608	1,090
4.2 Deposits at call	8,102	8,054
4.3 Bank overdraft	NIL	NIL
4.4 Other (provide details)	NIL	NIL
<b>Total: cash at end of quarter (item 1.22)</b>	<b>9,710</b>	<b>9,144</b>

**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	<b>NOT APPLICABLE</b>	<b>NOT APPLICABLE</b>
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: ....20 April 2004.....  
 (Director/Company Secretary)

Print name: ..Phil Baker.....

---

+ 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. **Additional Information re Item 1.1:**

**During the quarter ended 31 March 2004, Peplin received US\$1,000,000 as a milestone payment under the terms of its Collaboration and License Agreement with Allergan related to the filing of an investigational new drug (IND) application with the US Food and Drug Administration (FDA) for the use of PEP005 in a topical formulation to treat actinic keratosis and non-melanoma skin cancer. In addition, Peplin received US\$500,000 as the second equal quarterly instalment of the development payment for 2004. Subject to Peplin continuing to comply with its obligations under this agreement and the achievement of certain events, Peplin will receive the remaining quarterly instalments during 2004.**

**Peplin also received other amounts during the quarter relating to pre-clinical product development activities.**

---

+ See chapter 19 for defined terms.