epitan

31 March 2003

Dear Shareholder,

On behalf of the board, I would like to thank you for your support of the Share Purchase Plan in subscribing for additional shares in EpiTan Limited ("EpiTan").

EpiTan continues to make solid progress as it works through its clinical trial programme for its main drug candidate Melanotan. Our confidence is supported by the fact that we are one of the few bio-technology companies in Australia with a drug candidate in such a mature stage of development and having achieved important milestones. Two of these milestones have already been announced this year:

- Phase IIb clinical trials for Melanotan are now well underway at two sites – the Royal Prince Alfred Hospital in Sydney and the Royal Adelaide Hospital. Approximately half the scheduled number of healthy volunteers have been administered the drug and we will make every effort to provide progress reports as soon as possible and practicable.

- The slow release implant to deliver Melanotan has been developed and is shortly to go into production for use in clinical trials later this year. This is a much more user-friendly drug delivery formulation.

Enclosed with this letter you will find:

- your CHESS allotment confirmation notice of your additional shares; and
- an issuer sponsored holding statement showing your updated balance.

If you have any questions about your security holding, please contact our share registry, Computershare Registry Services, on 1300 850 505 or visit their website at www.computershare.com

We look forward to a long and rewarding association and, once again, we sincerely appreciate your support of EpiTan.

Yours sincerely

Dr Wayne Millen
Chairman and Managing Director
EpiTan Limited