

Company Announcement

## EpiTan announces underwriting agreement for options

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Melbourne, Australia

EpiTan Limited (ASX:EPT) today announced that it has entered into an agreement with Intersuisse Corporate Pty Ltd ("Intersuisse") to underwrite the exercise of 8,333,334 options having a value of \$2,500,000.20 plus any options which are duly exercised in accordance with the options exercise terms and accepted by the company after the 30 June 2003. Intersuisse will be paid an underwriting fee of \$0.055 cents for each shortfall share subscribed pursuant to its underwriting agreement out of which it will pay fees to participating brokers, institutions and other parties.

Dr Wayne Millen, EpiTan's Managing Director said, "We are delighted to receive this support from option holders and institutional investors. The additional funds received from the option exercise increases our cash on hand to over \$4 million. We will continue to press on with the final clinical trials required to progress our leading drug candidate, Melanotan towards commercialisation. In particular EpiTan will now fast track the clinical trials of its newly developed slow release implant and seek FDA approval paving the way for Phase III clinical trials in the USA."

The Underwriting Agreement has standard termination clauses. All shares issued pursuant to the underwriting will rank equally with existing ordinary shares on issue.

Intersuisse Corporate has also been appointed as corporate adviser to EpiTan and pursuant to this agreement will be paid a management fee of 2.5% of the underwritten amount which will be offset against the corporate advisory retainer paid to date.

**ABOUT THE COMPANY:** EpiTan Limited (ASX: EPT) is an emerging biotechnology company with a pre-eminent position on the prevention of DNA & skin damage from ultra-violet (UV) radiation exposure. Based in Melbourne, Australia, EpiTan holds a unique technology platform centred on its leading drug candidate Melanotan®. The company has the exclusive worldwide rights to develop Melanotan, which, like sunlight, stimulates the production of melanin in the skin resulting in a natural tan. It allows a tan to develop without exposure to harmful levels of UV light.

Melanotan is currently in Phase IIb clinical trials at two sites – the Royal Prince Alfred Hospital in Sydney and the Royal Adelaide Hospital. These trials are designed to demonstrate that Melanotan can reduce the incidence of skin damage resulting from harmful exposure to ultra-violet light.

EpiTan has now successfully developed a more user-friendly drug delivery formulation of Melanotan in the form of a slow release implant. This will be used in the remaining clinical programme and the commercialised product. EpiTan has obtained approval from the Queensland Institute of Medical Research (QIMR) to begin its first human implant trial which is expected to begin in November 2003 and is scheduled to take six months to complete.

EpiTan is also investigating Melanotan as a therapeutic agent for other indications such as vitiligo, albinism, psoriasis and various recognised sun allergies such as polymorphous light eruptions (PMLE or sun poisoning) and solar urticaria.

Potential markets worldwide for Melanotan for dermatology purposes are estimated at US\$1.5 billion. An even greater market (more than US\$5 billion) exists for Melanotan as a new safe (sunless) tanning drug.

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