



company announcement

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Dr Wayne Millen retires as CEO of EpiTan Iain Kirkwood appointed CEO

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Melbourne, Australia

EpiTan Limited (ASX:EPT, ADR:EPTNY, XETRA:UR9) today announced that Dr Wayne Millen is to step down from all executive offices within the company at the end of his five year contract on 31 January 2005. He will remain as a director and non-executive Chairman of the company and will be available to the company as a consultant.

EpiTan's Chief Financial Officer Iain Kirkwood has been appointed as EpiTan's Chief Executive Officer, to begin on 1 February 2005. He will join the company's Board on the same date. The Board is confident that Mr Kirkwood's history with the company as well as his broad commercial experience will lead to a seamless transition in executive management.

Mr Kirkwood joined EpiTan in February 2003 and has brought the company extensive financial and commercial expertise, gained over a 30-year career in Australia, Britain and USA. He has held a range of senior positions with public companies including F.H. Faulding & Co, where he was Chief Financial Officer, Santos Limited and Pilkington Plc.



He is currently a non-executive director of Medical Developments Limited (ASX:MVP) and Vision Group Holdings Limited (ASX:VGH).

Mr Kirkwood has agreed to a new contract of employment, the terms of which are contained in Appendix 1.

The directors have also unanimously agreed to expand the Board, increasing the number of directors with international experience to reflect the increasingly broad geographic focus of the company.

This will assist the company achieve its objectives, which include:

- Commercialisation of its leading drug candidate Melanotan®
- Expansion of Melanotan's clinical trial program in Europe and USA
- Seeking development and marketing alliances with international pharmaceutical companies
- Growing its new pharmaceutical products business in Australia and New Zealand

To assist in the search for new directors the company will appoint a recruitment consultant, who will work under the guidance of Mr Stan McLiesh, the Chairman of EpiTan's Remuneration and Nomination Committee.

The Board would like to take this opportunity to express their appreciation to Dr Millen who was the driving force behind the initial public offer and listing of the company in 2001. Without his enthusiasm and perseverance for the Melanotan project, EpiTan would not exist today as a listed public company.

The Board also welcomes Iain in his new role. He has the ideal combination of drive and experience to lead EpiTan through its next growth phase. Iain's experience from his years spent at F.H. Faulding & Co will be invaluable as EpiTan's pharmaceutical business grows in importance.



About EpiTan

EpiTan Limited is a Melbourne-based specialty pharmaceutical company with a focus on niche prescription dermatology products. Its leading drug candidate Melanotan[®] stimulates the body to make melanin, the dark pigment of a tan which is known to protect the body from skin damage as a result of exposure to ultra-violet (UV) radiation. UV radiation damage can cause sunburn which is a known prime cause of skin cancer. Simply, Melanotan induces a protective tan without the need to expose the skin to harmful levels of UV radiation. EpiTan recently acquired three products – Linotar[®] (eczema), Exorex[®] (psoriasis) and Zindaclin[®] (acne) – and is currently evaluating the acquisition or in-licensing of other dermatology-based products to add to its portfolio.

About Melanotan

Melanotan has completed a Phase II clinical trial in Australia which demonstrated the drug increases melanin content by up to 100% and reduces sunburn injury by up to 50% in fair-skinned volunteers. This represents a significant breakthrough for people most at risk of sunburn injury and potentially skin cancer. EpiTan is expanding its clinical studies of Melanotan in Europe and the USA. These trials will assess its potential both as a preventative to reduce the effects of UV damage and as a therapy for UV-associated skin disorders such as polymorphous light eruption (PMLE).

Melanotan has a number of delivery formulations in development. The most advanced is a user-friendly and biodegradable sustained-release implant, administered by a single injection. The testing of a selection of transdermal formulations is also in progress.

An independent report commissioned by the company identified that there are three potentially lucrative markets for Melanotan. Firstly, the prophylactic market which includes those populations that do not tan well and seek additional protection from UV damage. Secondly, the therapeutic market consisting of patients with UV-associated skin diseases or disorders for which Melanotan may provide a clinical benefit and, finally, the cosmetic market comprising those people who want a tan, but not specifically for health reasons.



Appendix 1

In accepting the position as the Company's new Managing Director and Chief Executive Officer, Mr Kirkwood has agreed to a new contract of employment. The terms of that contract reflect industry standards and the nature and size of the Company. The contract is able to be terminated (without cause) at any time after the first 12 months by not less than 6 months notice. Further, in addition to the base salary, it provides for both short and long term incentives. The short term incentive is in the form of an annual performance bonus (linked to agreed bench marks that are to be determined annually by the Board) of up to 40% of the base salary.

The long term incentive is in form of 1,000,000 options granted to Mr Kirkwood under the Company's Executive Option Scheme.

The vesting of options is contingent upon the achievement of share price targets as detailed below.

Key Option Terms

Exercise Price:	\$0.90c (VWAP of past 5 days)
Expiry:	31 January 2010
Vesting:	Year 1 = 0
	Year 2 = 33.3% (If share price exceeds \$1.50)
	Year 3 = 33.3% (If share price exceeds \$2.00)
	Year 4/5 = 33.3% (If share price exceeds \$2.50)

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