# A.P. Pharma Resets APF530 NDA Filing Expectations

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REDWOOD CITY, Calif.--(BUSINESS WIRE)--Dec. 21, 2006--A.P. Pharma, Inc. (NASDAQ:APPA), a specialty pharmaceutical company, reported today that it believes that it will not meet a previously announced target of a 2007 filing of its New Drug Application (NDA) for APF530, currently in a Phase 3 clinical trial. Approximately 80% of the planned 80 clinical sites for the trial are now active. However, the rate at which sites are being activated continues to be slower than expected, even following recent renewed efforts to expedite the approval process. Patient enrollment in the trial continues at a steady pace, but the anticipated improvements in patient enrollment rates have also been slower to develop than had been previously forecast.

About APF530 and the Phase 3 Program

APF530, which contains the 5HT(3) antagonist anti-nausea drug granisetron formulated with the Company's proprietary Biochronomer(TM) bioerodible drug delivery system, is being developed for the prevention of acute and delayed chemotherapy-induced nausea and vomiting (CINV) in patients undergoing either moderately or highly emetogenic chemotherapy. No other 5HT(3) antagonist is currently approved for the prevention of both acute and delayed CINV following both moderately and highly emetogenic chemotherapy.

The APF530 Phase 3 pivotal trial protocol includes a total of approximately 1,350 patients, about half of which will receive moderately emetogenic chemotherapeutic agents with the other half receiving highly emetogenic chemotherapeutic agents. In each group there will initially be three arms of approximately 225 patients each; two arms will be treated with APF530, high and low dose form and a third arm will be treated with the currently approved dose of palonosetron (brand name ALOXI(R)). The study's primary endpoint is to establish the efficacy of APF530 for the prevention of acute onset (first 24 hours) and delayed onset (4-5 days) CINV in patients receiving either moderately or highly emetogenic chemotherapy.

About A.P. Pharma

A.P. Pharma is a specialty pharmaceutical company focused on the development of ethical (prescription) pharmaceuticals utilizing its proprietary polymer-based drug delivery systems. The Company's primary focus is the development and commercialization of its bioerodible injectable and implantable systems under the trade name Biochronomer. Initial target areas of application for the Company's drug delivery technology include anti-nausea, pain management, anti-inflammation and DNA/RNAI applications. For further information visit the Company's web site at www.appharma.com.

Forward-looking Statements

This news release contains "forward-looking statements" as defined by the Private Securities Reform Act of 1995. These forward-looking statements involve risks and uncertainties including uncertainties associated with timely development, approval, launch and acceptance of new products, satisfactory completion of clinical studies, establishment of new corporate alliances, progress in research and development programs and other risks and uncertainties identified in the Company's filings with the Securities and Exchange Commission. We caution investors that forward-looking statements reflect our analysis only on their stated date. We do not intend to update them except as required by law.

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