

Developing Best-in-Class Medicine, Improving Lives,*

Second New Drug Application Filed for Retin-A Micro; Potential to Significantly Increase A.P. Pharma's Royalties

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REDWOOD CITY, Calif., Sep 26, 2001 (BW HealthWire) -- A.P. Pharma, Inc. (Nasdaq:APPA), a specialty pharmaceutical company, today announced that a New Drug Application (NDA) has been filed with the U.S. Food and Drug Administration (FDA) for a second formulation of Retin-A Micro(R), a leading topical acne treatment.

Retin-A Micro was the first ethical pharmaceutical product to contain the patented Microsponge(R) delivery systems and is one of the leading products in the \$500 million-per-year U.S. prescription acne market. It is licensed to A.P. Pharma's marketing partner, Ortho Dermatological, a member of the Johnson & Johnson family of companies, and was launched in the U.S. in 1997.

Marketing clearance for this new branded product would enable conversion of most of Johnson & Johnson's remaining Retin-A franchise to Retin-A Micro, with the potential to significantly increase A.P. Pharma's royalties.

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(TM). Initial targeted areas of application for the Company's drug delivery technology include pain management, inflammation, anti-adhesion and protein delivery applications. The Company's product development programs are funded by royalties from topical products currently marketed by pharmaceutical partners and proceeds from the divestiture of its cosmeceutical product lines. For further information visit the Company's Web site at www.appharma.com.

Forward-looking Statements

Except for historical information, this news release contains certain forward-looking statements that involve risks and uncertainties, including among others, uncertainty associated with timely development, approval, launch and acceptance of new products, establishment of new corporate alliances and progress in research and development programs. Other risks and uncertainties associated with the Company's business and prospects are identified in the Company's filings with the Securities and Exchange Commission. The Company does not undertake to revise these forward-looking statements to reflect events or circumstances occurring in the future.

CONTACT: A.P. Pharma, Inc. Gordon Sangster, 650/366-2626 or Lippert/Heilshorn & Associates (Investor Relations) Bruce Voss/Martin Halsall, 310/691-7100 bvoss@lhai.com mhalsall@lhai.com