



Dutton Associates Announces Investment Opinion: A.P. Pharma Raised to Strong Speculative Buy Rating in Update by Dutton Associates

November 4, 2005

EL DORADO HILLS, Calif., Nov 04, 2005 (BUSINESS WIRE) -- Dutton Associates updates its coverage of A.P. Pharma (Nasdaq:APPA) with an upgrade of its rating to Strong Speculative Buy. The 10-page report by Dutton senior analyst Stephen L. Handley is available at www.jmdutton.com as well as from First Call, Bloomberg, Zacks, Reuters, Knobias, and other leading financial portals.

A.P. Pharma, Inc. (A.P. Pharma) is a small specialty pharmaceutical company seeking to develop and commercialize products utilizing its proprietary polymer-based drug delivery systems. Its primary focus is on bioerodible systems, either injectable or implantable, that incorporate its proprietary Biochronomer(TM) technology. Recently the Company reported very encouraging results from the Phase II clinical trial of its leading formulation, APF530, in which all clinical endpoints were achieved, and this prospective product is therefore being advanced into pivotal Phase III clinical trials. This represents a major milestone for the Company which, in our opinion, has not yet been reflected in the price of the stock. In view of the stock's depressed valuation and the favorable prospects for APF530, we are increasing our rating somewhat, from Speculative Buy to Strong Speculative Buy.

About Dutton Associates

Dutton Associates is one of the largest independent investment research firms in the U.S. Its 27 senior analysts are primarily CFAs and have expertise in many industries. Dutton Associates provides continuing analyst coverage of over 120 enrolled companies, and its research, estimates, and ratings are carried in all the major databases serving institutions and online investors.

The cost of enrollment in our one-year continuing research program is US \$33,000 prepaid for 4 Research Reports, typically published quarterly, and requisite Research Notes. Dutton Associates received \$55,000 from the Company for 7 Research Reports with coverage commencing on 12/05/03. The Firm does not accept any equity compensation. Our principals and analysts are prohibited from owning or trading in securities of covered companies. The views expressed in this research report accurately reflect the analyst's personal views about the subject securities or issuer. Neither the analyst's compensation nor the compensation received by us is in any way related to the specific ratings or views contained in this research report or note. Please read full disclosures and analyst background at www.jmdutton.com before investing.

SOURCE: A.P. Pharma

Dutton Associates, LLC
John M. Dutton, 916-941-8119