



A.P. Pharma Prices \$35 Million Common Stock Offering

June 14, 2007

REDWOOD CITY, Calif.--(BUSINESS WIRE)--June 14, 2007--A.P. Pharma, Inc. (NASDAQ:APPA, temporarily traded under the symbol "APPAD" until June 25, 2007 to reflect the recent reverse stock split), a specialty pharmaceuticals company, today announced the pricing of its underwritten public offering of 21,212,121 shares of its common stock at a public offering price of \$1.65 per share, before underwriting discounts and commissions. The offering is expected to close on June 19, 2007, subject to customary closing conditions. The Company has granted the underwriters a 30-day option to purchase up to an additional 3,181,818 shares of common stock to cover over-allotments, if any. All of the shares in the offering are being sold by the Company.

Proceeds from this offering are intended to be used for clinical development of APF530, the Company's lead product candidate; development and clinical testing of other candidates; and for working capital, capital expenditures and other general corporate purposes.

Merriman Curhan Ford & Co. acted as the sole book-running manager in this offering, and Dawson James Securities, Inc. acted as co-manager. Copies of the final prospectus may be obtained from Merriman Curhan Ford & Co. by phone at 415-248-5600, by fax at 415-248-5690, or by mail at Merriman Curhan Ford & Co., 600 California Street, 9th Floor, San Francisco, CA 94108.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

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 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 the successful closing of the common stock offering, regaining compliance with NASDAQ rules, 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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