



A.P. Pharma Announces Pricing of Underwritten Offering of Common Stock

November 20, 2013

REDWOOD CITY, Calif.--(BUSINESS WIRE)--Nov. 20, 2013-- [A.P. Pharma, Inc.](#) (OTCBB: APPA.OB), a specialty pharmaceutical company, today announced the pricing of an underwritten offering of 150,000,000 shares of its common stock, offered at a price of \$0.40 per share. The offering is expected to close on or about November 25, 2013, subject to customary closing conditions. In addition, A.P. Pharma has granted the underwriters a 30-day option to purchase up to an additional 22,500,000 shares of common stock. Jefferies LLC and Leerink Swann LLC are acting as joint book-runners for the offering. JMP Securities LLC, Brean Capital, LLC and Oppenheimer & Co. are acting as co-managers for the offering.

Gross offering proceeds will be approximately \$60,000,000, before deducting customary underwriting discounts and commissions and offering expenses. A.P. Pharma intends to use the net proceeds from this offering for continued development of Sustol™ (formerly known as APF530), the company's drug candidate for the treatment of chemotherapy induced nausea and vomiting and for general corporate and working capital purposes.

The securities described above are being offered pursuant to a shelf registration statement (File No. 333-190550), which was declared effective by the United States Securities and Exchange Commission ("SEC") on August 26, 2013. The securities described above have not been qualified under any state blue sky laws and are being offered only to "Qualified Institutional Buyers" and other institutional and accredited investors as permitted by applicable law (see "Notice to Investors" in the prospectus for further details). This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction. The offering can be made only by means of a prospectus, copies of which may be obtained at the SEC's website at www.sec.gov, or by request at Jefferies LLC, Attention: Equity Syndicate Prospectus Department, 520 Madison Avenue, 12th Floor, New York, NY 10022, telephone: (877) 547-6340, e-mail: Prospectus_Department@Jefferies.com; or Leerink Swann LLC, Attention: Syndicate Department, One Federal Street, 37th Floor, Boston, MA 02110, or by telephone at (800) 808-7525, or by e-mail at syndicate@leerink.com.

Source: A.P. Pharma, Inc.

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