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Company Announcement

Metabolic Syndrome Phase 2 Clinical Trial Recruitment Completed

Company Expects Phase 2 Data in Q1 '09

Phosphagenics Limited (Phosphagenics) (ASX: POH; OTCQX: PPGNY) today announced that recruitment of the Phospha E[®] phase 2 clinical trial for the management of metabolic syndrome has been completed. Five sites throughout Australia were used to recruit 160 patients for the efficacy trial.

Previously, two pre-clinical dose response trials confirmed that, when given orally, Phospha E[®] significantly reduces many of the key biomarkers associated with metabolic syndrome, which is characterised by a group of risk factors that increase the threat of diabetes, coronary heart disease and other diseases associated with plaque build up in artery walls.

This phase 2 clinical trial commenced late last year and is well advanced with the majority of patients nearing completion of the trial.

Phosphagenics expects to have the results from the current trial towards the end of the first quarter of 2009. As previously disclosed, Phosphagenics has agreed on the principal terms of a commercialisation agreement, which would grant a worldwide exclusive license to its partner, a global nutrition company, for the use of Phospha E[®] in medical foods while maintaining its manufacturing base in Australia.

Under the terms of the agreement, Phosphagenics would be the exclusive manufacturer and supplier of Phospha E[®]. The decision whether to execute a final commercial agreement will be made once the results of the phase 2 trial have been assessed.

Harry Rosen, President & CEO of Phosphagenics, said: "We have worked diligently to get to this point in our development of Phospha E[®]. Given that the American Heart Association estimates that over 50 million Americans are afflicted with metabolic syndrome, we believe that commercial demand for medical foods containing Phospha E[®], if it is approved, could be considerable."

ENDS.....

Phosphagenics Limited

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APPENDIX AND NOTES TO EDITORS

About Phosphagenics Limited

Phosphagenics is a Melbourne-based, globally driven biotechnology company focused on the discovery of new and cost effective ways to enhance the bioavailability, activity, safety and delivery of proven pharmaceutical and nutraceutical products.

Phosphagenics' core technology is built around the science and application of phosphorylation, a process where the addition of a phosphate group has been found to enhance the bioavailability, activity and safety of existing pharmaceuticals and nutraceuticals, as well as to assist in the production of drug delivery platforms.

For more information, please visit Phosphagenics' web site at www.phosphagenics.com

About the Phospha E[®] Pre-Clinical Studies

The final results of the two pre-clinical dose response trials announced in December 2006, confirmed that when given orally, Phospha E[®] significantly reduced many of the key biomarkers associated with metabolic syndrome, inflammation and cardiovascular disease. Additionally, the most appropriate dosage required to commence human clinical trials was also determined. In these trials, animals treated with varying doses of Phospha E[®] were shown to have statistically significant reductions in key parameters such as plaque formation, aortic vascular dysfunction, cholesterol, triglycerides and LDL-C (so-called bad cholesterol).

About Metabolic Syndrome

Metabolic syndrome is characterised by a group of metabolic risk factors – abdominal obesity and elevated blood pressure, cholesterol, triglycerides and blood glucose. The root causes of metabolic syndrome are overweight/obesity, physical inactivity, and genetic factors. It is estimated that about 27% of adults in the US have metabolic syndrome and that one in three overweight or obese people in the US have this condition. The condition is being diagnosed with increasing frequency.

About Phospha E[®]

Phospha E[®] is a patented derivative of vitamin E that has superior properties compared to its parent molecule. For example, Phospha E[®] has been shown to be better absorbed than vitamin E, both orally and through the skin, to lower cholesterol and triglycerides, prevent the formation of plaque in heart arteries, as well as having unique anti-inflammatory properties.

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