

13 August 2009



## **Company Announcement**

### **Phosphagenics announces Share Purchase Plan**

#### **Key Points:**

Phosphagenics Limited will offer Eligible Shareholders an opportunity to participate in a Share Purchase Plan ("SPP"). The SPP will be underwritten by BBY Limited to a minimum of \$A5.0 million and will be capped at A\$9.0 million.

The capital raising will provide funds for Phosphagenics' core R&D programs product development and commercialization, as well as for general working capital.

Eligible Shareholders will have the opportunity to purchase up to \$A15,000.00 worth of new fully paid shares at a discounted price per share to the market average, without brokers' costs. Shares are to be offered under the SPP at a 20% discount to the average market price of the shares for the five (5) days on which Phosphagenics shares are traded immediately prior to the day of the close of the offer on Friday 25 September 2009. Full details of the SPP will be set out in the documentation, which will be mailed to eligible shareholders.

Mr Harry Rosen, Managing Director of Phosphagenics said, "Today we announced an exciting agreement with Metabolic Pharmaceuticals Limited, and through the SPP, shareholders will be able to increase their participation in the Company's upcoming development program."

"The SPP funds will primarily be used to further develop other core R&D programs and commercial development of products, as well as providing working capital" he said. "Additionally the funds will enable the company to launch several exciting personal care products in the US and Australian markets during 2010 as well as accelerating the insulin patch development project and clinical trials. Further details will be provided to shareholders in a newsletter that will be sent to them shortly."

The programs which will be supported by the raised funds include:

- Launch of personal care products in the US and Australian markets;
- Ongoing oxycodone clinical trials;
- Development of an insulin patch;
- A diclofenac clinical trial;
- Collaborative research with Metabolic Pharmaceuticals.

## Share Purchase Plan:

Phosphagenics' Board of Directors has resolved to activate the Share Purchase Plan ("SPP") to give eligible shareholders the opportunity to top up their holdings in the Company's share at a discounted price per share to the market average and without incurring market transaction costs. Under the recently released ASIC Class Order registered holders may now subscribe for up to \$A15,000 worth of new, fully paid ordinary shares. The number of shares to be issued under this underwritten SPP will be for a minimum value of A\$5.0 million and a maximum value of A\$9.0 million. Where the SPP is oversubscribed a pro-rata "scale-back" will apply.

The right to participate in the SPP is available exclusively to Australian, New Zealand and United Kingdom shareholders who are registered as holders of fully paid ordinary shares as at 5.00 p.m. (Australian Eastern Standard time) Thursday 20 August 2009. Full details of the SPP will be set out in the letter which will be mailed to eligible shareholders.

The key plan dates are:

1	Record date to establish entitlement to participate	20 August 2009
2	Dispatch of documents to eligible shareholders	25 August 2009
3	Offer Opening Date	26 August 2009
4	Offer Closing date	25 September 2009
5	Issues of shares (subject to cleared funds)	6 October 2009
6	Trading of new shares	9 October 2009
7	Dispatch of Holding Statements	13 October 2009

Under this Plan A\$5.0 million of the maximum raising of A\$9.0 million is being underwritten by BBY Limited.

**ENDS ...**

### 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. Phosphagenics' shares are listed on the Australian Stock Exchange (POH) and its ADR – Level 1 program was established in the U.S. with The Bank of New York Mellon (PPGNY) for U.S. investors to trade in Phosphagenics' stock on the 'over-the-counter' market. In July 2007, this was upgraded to the International OTCQX, a new premium market tier in the U.S. for international exchange-listed companies, operated by Pink Sheets, LLC.

For more information, please visit Phosphagenics' web site at [www.phosphagenics.com](http://www.phosphagenics.com).

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