



13 August 2009

## Company Announcement

### **Phosphagenics Limited signs agreement with Metabolic Pharmaceuticals Limited**

Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) today announced that it has signed a collaborative research and option agreement with Metabolic Pharmaceuticals Limited (ASX: MBP).

Under the terms of the agreement, Phosphagenics may elect to license Metabolic's patented compound, AOD9604, for use as a cosmeceutical product aimed at reducing cellulite and subcutaneous fat. If Phosphagenics exercises its option to license the compound, it will pay Metabolic an undisclosed royalty on future sales of the product.

Metabolic developed AOD9604, a fragment of growth hormone, for the treatment of obesity. Its approach was based upon the normalisation of well-known hormonal and metabolic defects associated with both ageing and obesity.

The collaborative research will focus on using Phosphagenics' proprietary TPM delivery technology to deliver AOD9604 transdermally. Phosphagenics TPM technology has proven effective in delivering a range of both small and large molecules into, and through the skin to target the local tissue around the site of application. The size of the AOD9604 molecule is well within the range of molecules already delivered by the TPM technology.

Previously, AOD9604 was administered orally. In 2007 Metabolic conducted a large human trial which showed that AOD9604 was safe and well tolerated but could not conclusively establish its efficacy.

Phosphagenics' novel approach is to use its patented TPM technology, to topically deliver the compound to the subcutaneous fat directly, without having to travel through the systemic circulation to reach the targeted tissues. Phosphagenics and Metabolic believe that the biological properties of AOD9604 combined with the transdermal properties of TPM make for an ideal cosmetic product for the reduction of fat stores beneath the skin.

Launching a fat reduction cosmetic cream is consistent with the strategy outlined to shareholders at Phosphagenics AGM in May. These types of products do not require significant financial resources for research and development and are not subject to the same stringent approval processes as drugs. Should the research prove to be successful, it is expected that a product should be ready for a launch in the second half of 2010.

Dr Esra Ogru said, "the current leading commercial cosmetic creams aimed at reducing subcutaneous fat are backed by little scientific data or proof of efficacy. An efficacious, anti-fat cream should quickly command the global market. The low cost of entry into the personal care industry and the speed in which products can be launched into the market makes this industry extremely attractive."

**END....**

## **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. 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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