



Company Announcement

PHOSPHAGENICS ON TRACK TO COMMERCIALISE ANTI-FAT PEPTIDE USING TPM™ TECHNOLOGY

- Focus group studies to start this year
- Potential US\$3 billion global market
- Cosmeceutical product sales expected early 2011

19 October 2010, Melbourne: Melbourne biotechnology company Phosphagenics Limited (ASX: POH) has today signed a licensing deal with Calzada Limited (ASX: CZD), formerly Metabolic Pharmaceuticals, to launch a cosmeceutical product containing Calzada's anti-obesity peptide known as AOD9604 in combination with the TPM™ delivery technology.

Phosphagenics has completed formulation development and testing, successfully demonstrating increased skin absorption of the novel peptide.

Human studies of the novel TPM™/anti-fat peptide product will be conducted in Australia to study the efficacy of the cosmeceutical product, with Phosphagenics on track to launch the product to world markets as a cosmetic in early 2011.

AOD9604 is a 16 amino acid peptide derived from human growth hormone that has undergone pre-clinical and clinical testing in multiple human trials as an oral dosage form. In a large Phase 2 human trial AOD9604 was unable to demonstrate weight loss across the entire study population, although some positive weight loss was evident in a large female sub-group.

The Phosphagenics commercial strategy is to re-formulate the oral compound into a topical cream utilising TPM™ for cosmetic application. TPM™ has reproducibly shown the ability to deliver a range of different actives into the skin, including proteins significantly larger than AOD9604. It is anticipated this approach will enhance the delivery of AOD9604 directly to problem areas, circumventing the need for oral absorption.

Announcing the new licensing deal, Phosphagenics CEO, Dr Esra Ogru said, "There is little doubt that the compound has huge potential. Topical delivery could by-pass earlier problems associated with oral absorption and efficacy AOD9604."

She said the company had already sourced the peptide from a low-cost Asian manufacturer, had formulated and developed a topical product using TPM™.

Phosphagenics has mapped out a commercial and marketing strategy for the product and expects these activities to commence in early 2011 through multiple distribution channels.

Dr Ogru said the existing cosmetic market is very large with around \$US3 billion spent globally each year on products that promise "firming" or anti-cellulite results.

She said Phosphagenics' TPM™ delivery technology is backed by solid scientific and clinical data which clearly differentiates our new offering from the leading products in the cosmetic sector.

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About Phosphagenics

Phosphagenics is commercialising drug delivery applications based on its novel transdermal (drugs administered via skin) TPM – Targeted Penetration Matrix technology. TPM™ is a patient friendly and cost effective system used to deliver proven pharmaceutical and nutraceutical products.

The two product targets which are advancing through clinical trials are an insulin patch for diabetics (instead of injections) and an oxycodone patch for the relief of chronic pain.

Phosphagenics' shares are listed on the Australian Securities Exchange (POH) and its ADR – Level 1 program in the US is with The Bank of New York Mellon (PPGNY).

www.phosphagenics.com