



PHOSPHAGENICS

Company Announcement

Phosphagenics collaboration to develop anti-acne drug

4 April 2011, Melbourne, Australia: Melbourne biotechnology company Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) has entered the second stage of a development agreement with a global dermatology company to jointly develop a prescription drug to treat acne.

Under the terms of the agreement Phosphagenics will undertake formulation development studies for the new product that combines Phosphagenics' TPM® platform delivery technology with an anti-acne drug. The first phase will be to finalise the commercial product and establish its stability profile before entering clinical trials. The dermatology company will pay all development costs.

Earlier studies on the product candidate with Phosphagenics' TPM® technology have demonstrated very effective delivery into the skin and tolerance of the drug.

Phosphagenics' CEO Dr Esra Ogru said that this latest agreement is the second of its kind by the company in dermatology this year. In February Phosphagenics announced a collaboration with a US company on a psoriasis product that would enter Phase 1 trials later this year.

"The TPM platform technology offers profound benefits for the field of dermatology. It is able to enhance the delivery of therapeutic actives into the skin for increased efficacy, while reducing adverse side effects such as irritation," she said.

Acne is a chronic skin disease involving inflammation of the sebaceous glands. It affects an estimated 80 per cent of teenagers and many adults, especially women aged 30-40.

The condition can be emotionally and physically debilitating and represents up to 20 per cent of dermatology consultations.

The topical acne product market is estimated at more than \$2 billion per annum.

Phosphagenics and the dermatology company will discuss commercial arrangements for the final product upon trial completion, expected 4th quarter 2011.

The product would be available as a prescription medication.

Ends

Enquiries:

Dr Esra Ogru
Chief Executive Officer
Phosphagenics Limited
+61 3 9565 1119

Rudi Michelson
Monsoon Communications
+61 3 9620 3333

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 lead product advancing through clinical trials is an oxycodone matrix system 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