



Melbourne, Victoria, 4 November 2009

Company Announcement:

MAJOR US LAUNCH FOR PHOSPHAGENICS' PERSONAL CARE PRODUCTS

Phosphagenics Limited (ASX: POH; OTCQX: PPGNY) announced today that the New York-based luxury beauty company, Le Métier de Beauté, will launch its new cosmetic treatment products, Peau de Vierge Anti-Aging Collection, exclusively with Phosphagenics' TPM delivery technology across the US this month.

To support the launch, Le Métier de Beauté will commence a significant marketing campaign focusing on Phosphagenics' TPM delivery technology as the primary point of differentiation.

The Le Métier de Beauté Peau de Vierge Anti-Aging Collection will be available in more than 40 high-end retailers including Neiman Marcus and Bergdorf Goodman in the US, the Joyce Boutiques in Hong Kong and Liberty in London. The marketing push, which has resulted in features in national media outlets, such as *Women's Wear Daily*, *InStyle* and *Harper's Bazaar*, has focused on the agreement between the New York-based Le Métier de Beauté and Phosphagenics.

According to COO, Dr Esra Ogru, "Magazines such as *InStyle* have an enormous and influential readership. The exposure – as well as the launching of the products in the US' most prestigious department stores nationally – has been a very exciting entry for Phosphagenics into the lucrative global personal care market," remarked Dr Ogru.

Le Métier de Beauté's Peau de Vierge Anti-Aging Collection is positioned as clinically proven to deliver significantly more Retinol to the dermis, the skin's deepest level, making it considerably more effective than traditional topical applications. The Le Métier de Beauté products will initially be offered in two forms, a tinted treatment fluid, Peau de Vierge de Anti-Aging Complexe, for US\$125, and a corrective concealer, Peau de Vierge Correcteur, for US\$95.

According to *Women's Wear Daily*, Le Métier de Beauté's annual retail sales are estimated at more than US\$5 million, with forecasts the brand will generate more than US\$15 million to US\$20 million next year, with the Peau de Vierge Anti-Aging Collection contributing US\$2 million to US\$3 million in first-year retail sales.

The US launch will be followed by a major launch early next year of a skin care line utilizing the TPM technology in Australia.

In July, Phosphagenics announced that Le Métier de Beauté agreed to license to manufacture and sell products using Phosphagenics' TPM technology. According to

Dr Ogru, the strategy (outlined at the May AGM) to quickly and at low cost to the company, enter the highly lucrative US personal care market has been achieved. “This arrangement with Le Métier de Beauté allows us to enter the profitable personal care market while limiting our financial exposure and maintaining substantial financial upside. By partnering with Le Métier de Beauté, it allows us to remain focused on our core business which is pharmaceutical development,” she said.

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 www.phosphagenics.com.

About Metier Tribeca

Métier Tribeca is a New York-based company that manufactures and distributes Le Métier de Beauté, a luxury cosmetic line dedicated to superior craftsmanship, design and performance. Producing products exclusively in small batches to ensure consistent quality, Le Métier de Beauté works with more than 20 innovative and creative laboratories around the world to bring the finest products to market. Le Métier de Beauté’s manufacturing processes allow a fast-acting response to the marketplace, making possible the creation of new and exciting products to inspire trends and delight customers.

The French translation for “the craft of beauty,” Le Métier de Beauté are available exclusively at Neiman Marcus and Bergdorf Goodman in the United States, Liberty in the United Kingdom, Joyce Boutiques in Hong Kong and high-end boutiques in Mexico and Spain. For more information, please visit www.lemetierdebeaute.com.

For further information contact:

Phosphagenics Limited
Dr Esra Ogru
Chief Operating Officer
+61 3 9565 1142