



PHOSPHAGENICS

12 April 2010

Company Announcement

PHOSPHAGENICS APPOINTS SOUTHERN CROSS EQUITIES AS CORPORATE ADVISOR

Melbourne-based biotechnology company Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) has appointed Southern Cross Equities as its corporate advisor. Southern Cross Equities' role will include general corporate advice as well as introducing Phosphagenics to new Australian and international investors.

In lieu of any cash payment under the three year agreement, Phosphagenics will grant Southern Cross Equities 15 million options. Of these, five million options will vest immediately, with a further five million vesting on both 1 April 2011 and 1 April 2012. These options may be exercised at any time after vesting but prior to 31 March 2013 at a strike price of 14.2 cents.

"Southern Cross is well known as a specialist healthcare investment advisory company. The options in lieu of cash show the confidence in Phosphagenics by the analysts and senior management at Southern Cross," says Dr Esra Ogru, Phosphagenics' Chief Operating Officer.

Phosphagenics may terminate the agreement at any time, cancelling any options that have not vested at that time. In the event that Phosphagenics' shares trade at or above 50 cents for any period of 20 consecutive business days, all of the options available to Southern Cross Equities shall vest immediately.

Southern Cross Equities is renowned for taking on enterprising emerging companies and providing stock broking, corporate advisory, investor relations services and fund raising.

ENDS....

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

For further information contact:
Phosphagenics Limited
Dr Esra Ogru
Chief Operating Officer
+61 3 9565 1119

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

CORRECTION TO AND REPLACING THE APPENDIX 3B DATED 7 MAY 2008 AND AS LODGED WITH ASX LIMITED ON 7 MAY 2008

Name of entity

PHOSPHAGENICS LIMITED

ABN

32 056 482 403

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | OPTIONS OVER UNISSUED ORDINARY SHARES |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | TOTAL GRANTED 15,000,000 VESTING AS TO:

(a) 5,000,000 ON GRANT;
(b) 5,000,000 ON 1 APRIL 2011; AND
(c) 5,000,000 ON 1 APRIL 2012

WITH ALL OPTIONS EXPIRING AS OF 31 MARCH 2013. |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>THE COMPANY HAS APPOINTED SOUTHERN CROSS EQUITIES AS ITS CORPORATE ADVISOR.</p> <p>IN LIEU OF ANY CASH PAYMENT UNDER THE THREE YEAR AGREEMENT, THE COMPANY HAS AGREED TO GRANT SOUTHERN CROSS EQUITIES 15 MILLION OPTIONS WHICH WILL VEST AS NOTED ABOVE IN PART 1.2</p> <p>AS NOTED, THESE OPTIONS MAY BE EXERCISED AT ANY TIME AFTER VESTING BUT PRIOR TO 31 MARCH 2013 AT A STRIKE PRICE OF 14.2 CENTS.</p> <p>PHOSPHAGENICS MAY TERMINATE THE AGREEMENT AT ANY TIME, CANCELLING ANY OPTIONS THAT HAVE NOT VESTED AT THAT TIME.</p> <p>IN THE EVENT THAT PHOSPHAGENICS' SHARES TRADE AT OR ABOVE 50 CENTS FOR ANY PERIOD OF 20 CONSECUTIVE BUSINESS DAYS, ALL OF THE OPTIONS AVAILABLE TO SOUTHERN CROSS EQUITIES SHALL VEST IMMEDIATELY</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>UPON EXERCISE OF ANY OR ALL OF THE OPTIONS THE RESULTING ORDINARY SHARES WILL RANK EQUALLY WITH ALL OTHER ISSUED ORDINARY SHARES</p>
<p>5 Issue price or consideration</p>	<p>NO ISSUE PRICE FOR THE OPTIONS. AT EXERCISE AN EXERCISE PRICE OF 14.2 CENTS IS PAYABLE</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>ALL FUNDS RAISED THROUGH THE EXERCISE OF THE ABOVE MENTIONED OPTIONS WILL BE APPLIED IN THE SUPPORT OF THE COMPANY'S ONGOING DEVELOPMENT AND COMMERCIALISATION OF ITS PRODUCTS. SHOULD ALL OF THE OPTIONS BE EXERCISED THE COMPANY WILL RECEIVED, IN AGGREGATE, EXERCISE MONIES OF A\$2.13 MILLION</p>

- 7 Dates of entering +securities into uncertificated holdings or despatch of certificates

12th APRIL 2010

- 8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
739,696,509	ORDINARY SHARES (POH)
- 9 Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
1,000,000	ESOP OPTIONS (POHAI)
1,600,000	ESOP OPTIONS (POHAM)
100,000	ESOP OPTIONS (POHAO)
1,300,000	ESOP OPTIONS (POHAQ)
500,000	OTHER OPTIONS(POHAK)
7,850,000	ESOP OPTIONS (POHAS)
15,000,000	NEW OPTIONS this Appendix 3B
- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

ALL NEW SHARES ARISING FROM THE EXERCISE OF OPTIONS WILL RANK EQUALLY WITH ALL OTHER ISSUED ORDINARY SHARES.
--

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required?

--
- 12 Is the issue renounceable or non-renounceable?

--
- 13 Ratio in which the +securities will be offered

--
- 14 +Class of +securities to which the offer relates

--
- 15 +Record date to determine entitlements

--
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

--

+ See chapter 19 for defined terms.

- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺security holders
- 25 If the issue is contingent on ⁺security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)

-
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

+ See chapter 19 for defined terms.

- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another security, clearly identify that other security)
-

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act. Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

+ See chapter 19 for defined terms.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



12th APRIL 2010

Sign here:
(Company Secretary)

Date:

MOURICE GARBUTT

Print name:

p\asx\3b placement 12 04 10