

*Company Announcement*

## **Phosphagenics to Proceed with Twice Weekly Oxycodone Patch Development**

- *Physicians survey confirms value of twice-weekly patch*
- *Survey indicates peak sales could exceed \$1.1 billion*
- *Pivotal patch trials to begin Q4; Phase 3 expected to be completed 2013*

**3 October 2011, Melbourne, Australia:** Based on the results of a physician survey commissioned by Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) and conducted in the US, the company has made the decision to commercialise its oxycodone patch to be administered twice weekly for the management of chronic pain.

Extera Partners, a well-known US consulting group, conducted the US based independent survey on behalf of the company. The purpose of this investigation was to determine the market trends and potential market size for the three possible products being a daily, twice weekly or once weekly patch.

A group of 60 physicians comprising oncologists, pain specialists and primary carers were surveyed. The survey results concluded that the potential market for the twice weekly patch at peak sales in the US could exceed \$1.1 billion. Additionally, the results of the survey demonstrated that technically and economically, the twice weekly patch was more suitable than the daily or weekly alternatives.

Phosphagenics's oxycodone patch uses the company's platform TPM® transdermal delivery technology to deliver therapeutic amounts of oxycodone into the blood.

The optimised final patch features a significantly improved oxycodone delivery and an extended wear profile compared to the original prototype.

Phosphagenics CEO, Dr Esra Ogru, said, "The twice weekly patch is both user friendly and a solid commercial opportunity. The duration of the patch is familiar to physicians who have used the twice-weekly fentanyl patch for decades."

Phosphagenics's pivotal phase human trial program will begin in Australia in the next quarter and will be expanded next year into other countries including the United States. It is anticipated that Phase 3 will be completed by 2013.

Extensive research has indicated a TPM/oxycodone patch would have considerable advantages over other forms of pain medication, including the capability of diminishing breakthrough pain as well as avoiding GI tract inflammation and reducing constipation, common consequences of administering oxycodone orally.

The patch should also reduce the onset of drug tolerance in patients, which usually necessitates larger doses of oxycodone over time to maintain therapeutic pain relief.

Dr Ogru noted that the patches could reduce opioid abuse, as it is more difficult to extract the drug from a patch than from most oral forms of oxycodone. Additionally, applying multiple patches will not produce euphoria, the major reason for drug abuse.

We are methodically developing our lead pharmaceutical product to ensure it is not only effective in managing pain, it is also able to deliver significant lifestyle benefits.

We believe our oxycodone patch will be a revolutionary product for people who suffer all kinds of chronic pain.

Oxycodone is one of the most prescribed pain drugs by physicians and the current market for oral forms of the drug is more than \$3.5 billion.

## Ends

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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 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).

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