

Appendix 3Y

Change of Director's Interest Notice

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 30/9/2001.

| | |
|-----------------------|------------------------------|
| Name of entity | PHOSPHAGENICS LIMITED |
| ABN | 32 056 482 403 |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

| | |
|----------------------------|----------------------------------|
| Name of Director | PRESTON, Michael David |
| Date of last notice | 5 JULY 2005 (Appendix 3Y) |

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

| | |
|---|--------------------------|
| Direct or indirect interest | Refer Annexure "A" |
| Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest. | Refer Annexure "A" |
| Date of change | Refer Annexure "A" |
| No. of securities held prior to change | Refer Annexure "A" |
| Class | Refer Annexure "A" |
| Number acquired | Nil - Refer Annexure "A" |
| Number disposed | Nil - Refer Annexure "A" |
| Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation | Nil - Refer Annexure "A" |
| No. of securities held after change | Refer Annexure "A" |
| Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back | Refer Annexure "A" |

+ See chapter 19 for defined terms.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

| | |
|---|------|
| Detail of contract | NONE |
| Name of registered holder (if issued securities) | |
| Date of change | |
| No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed | |
| Interest acquired | |
| Interest disposed | |
| Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation | |
| Interest after change | |

+ See chapter 19 for defined terms.

Annexure "A"
to Appendix 3Y
25 September 2007

This is the Annexure "A" of one page referred to in the Appendix 3Y Notice (Change of director's interest) for Michael David PRESTON dated 25/09/07

| Entitlement and Registered Holder | Previous Appendix 3Y 05/07/05 | Present Appendix 3Y 25/09/07 |
|--|--------------------------------------|-------------------------------------|
| Michael David PRESTON | | |
| entitlement held by: | | |
| • Self | 1,581,773 | 1,476,773 |
| • Michael & Sherri PRESTON | 790,886 | 790,886 |
| Total Entitlement | 2,372,659 | 2,267,659 |
| Total issued Shares | 499,883,476 | 603,440,906 |
| Percentage Entitlement | 0.474% | 0.375% |

Movements:

| | | |
|----------|--|------------------|
| 1 | Michael PRESTON | |
| | Balance, per Appendix 3Y, 05/07/05 | 1,581,773 |
| | LESS On-market sales in normal course of trading: | |
| | 19/09/07 at 26.5 cents | -25,000 |
| | 20/09/07 at 25.0 cents | -25,000 |
| | 21/09/07 at 25.0 cents | -25,000 |
| | 24/09/07 at 24.5 cents | -30,000 |
| | Total Disposals | -105,000 |
| | Balance, per Appendix 3Y, 25/09/07 | 1,476,773 |
| 2 | Michael & Sherri PRESTON | |
| | Balance, per Appendix 3Y, 05/07/05 | 790,886 |
| | NO CHANGE | - |
| | Balance, per Appendix 3Y, 25/09/07 | 790,886 |

COMMENTS:

1. Mr Preston has a legal and beneficial entitlement to the 1,476,773 shares in the capital of Phosphagenics Limited and as registered in his name in the Register of Members.
2. Mr Preston has an entitlement to the 790,886 shares in the capital of Phosphagenics Limited as registered jointly with his spouse, Mrs S Preston, in the Register of Members.

plax\3y MDP 25 09 07

+ See chapter 19 for defined terms.