



25 January 2007

**The Manager
Company Announcements Office
ASX Limited**

Dear Sir

**re : Phosphagenics Limited (“POH”)
Equity Raisings**

(a) Share Purchase Plan

The Board of Directors is pleased to advise that as a result of the Share Purchase Plan as offered to eligible members in December 2006 the Company has today allotted an aggregate of 18,390,933 new ordinary fully paid shares issued at 30 cents a share to raise A\$5,517,279.90.

The details of the Plan being

Number of Subscribers	1,361
Amount of Contributions	A\$5,517,279.90
Number of New Shares Allotted	18,390,933
Average Subscription	A\$4,053.84

(b) Placement

In December 2006 the Company announced that through Lead Manager, BBY Limited, it had placed a total of 33,333,333 shares at A\$0.30 to raise A\$10 million.

As a result of ongoing negotiations by the Lead Manager, the Company has now placed an additional 4,942,400 ordinary shares at A\$0.30 to raise a further A\$1,482,720.

This placing brings the total number of shares placed through BBY Limited to international and domestic institutions and sophisticated investors to 38,275,733 shares at A\$0.30 a share being a total placing of A\$11,482,720.

Phosphagenics Limited

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Summary

The strong response by shareholders to the Share Purchase Plan together with the placement of 38,275,733 shares has resulted in the Company raising a total of A\$17,000,000 in this round of capital raising.

Application for Quotation of Shares

Attached for release to the market is an Appendix 3B Notice covering

Share Purchase Plan	18,390,933	; and
Placement	<u>4,942,400</u>	
Total Shares for Quotation	<u>23,333,333</u>	

Yours faithfully
Phosphagenics Limited



per Mourice Garbutt
Company Secretary
p\asx\equity raisings 25 01 07

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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, 24/10/2005.

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 | ORDINARY |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 18,390,933 (Share Purchase Plan)
(b) 4,942,400 (Placement) |
| 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) | (a) ISSUED PURSUANT TO THE SHARE PURCHASE PLAN AS ANNOUNCED ON 12 DECEMBER 2006 AND WHICH CLOSED ON 19 JANUARY 2007 UNDER THE TERMS OF ASIC CLASS ORDER 02/831. |

+ See chapter 19 for defined terms.

(b) ARISING FROM ON-GOING NEGOTIATIONS THROUGH LEAD MANAGER, BBY LIMITED, IN RELATION TO THE PLACEMENT OF SHARES IN DECEMBER 2006 THE COMPANY HAS ALLOTTED A FURTHER 4,942,400 SHARES AT A\$0.30 EACH TO INTERNATIONAL AND DOMESTIC CLIENTS OF BBY LIMITED

4 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

YES

5 Issue price or consideration

A\$0.30

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

REFER PART 1(3) ABOVE

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

25 JANUARY 2007

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

Number	+Class
603,439,181	ORD ("POH")
59,632,673	OPTIONS ("POHOB")

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all	1,000,000
	+securities not quoted on ASX	500,000
	(including the securities in clause	2,600,000
	2 if applicable)	200,000
		4,300,000
		OPTIONS POHAI OPTIONS POHAK OPTIONS POHAM OPTIONS POHAO
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	ALL NEW SHARES TO RANK EQUALLY

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?	
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	
	<small>Note: Security holders must be told how their entitlements are to be dealt with.</small>	
	<small>Cross reference: rule 7.7.</small>	

+ See chapter 19 for defined terms.

- 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?

+ See chapter 19 for defined terms.

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

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

+ See chapter 19 for defined terms.

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)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

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.

 - 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.

- 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.



25 JANUARY 2007

Sign here: Date:
(Director/Company secretary)

MOURICE R GARBUTT

Print name:

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+ See chapter 19 for defined terms.