



PHOSPHAGENICS

Company Announcement

Phosphagenics Share Purchase Plan Closed Oversubscribed

- **A\$3 million raised, substantially oversubscribed**
- **Funding in place for Phosphagenics clinical trial programs**

5 August 2014, Melbourne: Australian drug delivery company, Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) (the Company) has now achieved its target of A\$3 million via its Share Purchase Plan (SPP or The Plan) offered to shareholders, which is part of the Company's A\$19.3 million new equity capital raising announced to the market on 11 July 2014.

Of the A\$19.3 million the Company has received A\$15.3 million with the final A\$4.08 million tranche to be placed to institutions and sophisticated investors subject to shareholders' approval at the General Meeting to be held on Monday 25 August 2014.

As The Plan has been significantly oversubscribed there will be a scale-back of the SPP applications. Refunds from the scale-back will be dispatched to shareholders in the coming week. Pursuant to the Plan, the Company will be allotting 37,500,000 new shares at A\$0.08 on Wednesday 6 August 2014 with these new shares beginning trading on the ASX on Friday 8 August 2014.

In total the Company received over A\$5.6 million in application monies by the Closing Date. Allocations to shareholders were based on the shareholders' existing holdings in the following manner:

- Shareholders with less than 5,000 shares...allocated up to A\$500 (6,250 shares);
- Between 5,000 shares but less than 25,000 shares...allocated up to A\$1,000 (12,500 shares);
- Between 25,000 shares but less than 1 million shares...allocated up to A\$1,000 (12,500 shares) plus 68% of the application balance; &
- Over 1 million shares, full allocation.

Phosphagenics CEO Harry Rosen, said "this has been an outstanding response from shareholders and is a strong endorsement shown of Company's technology and strategic plans. This follows on from the support shown by institutions and sophisticated investors in the placement, which was also oversubscribed.

The Company now has sufficient funds for its clinical programs that are currently underway. In particular, the planned trials for the opioid patches can be fully funded to a stage when partnering opportunities should be capable of being consummated."

Phosphagenics Limited

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About Phosphagenics

Phosphagenics Limited is a drug delivery company that is commercialising various products within the pharmaceutical, cosmetics and animal health sectors, using its proprietary drug delivery system called TPM[®] (Targeted Penetration Matrix). TPM[®] is a patient friendly and cost effective system, based on Vitamin E, that enhances the topical or transdermal delivery of active molecules. The lead products advancing through clinical trials are oxymorphone and oxycodone patches 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).

Inherent Risks of Investment in Biotechnology Companies

There are a number of inherent risks associated with the development of pharmaceutical products to a marketable stage. The lengthy clinical trial process is designed to assess the safety and efficacy of a drug prior to commercialisation and a significant proportion of drugs fail one or both of these criteria. Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology.

Forward-looking Statements

Certain statements in this announcement may contain forward-looking statements regarding Company business and the therapeutic and commercial potential of its technologies and products in development. Any statement describing Company goals, expectations, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the process of discovering, developing and commercialising drugs that can be proven to be safe and effective for use as human therapeutics, and in the endeavour of building a business around such products and services.

www.phosphagenics.com

www.bioelixia.com