



PHOSPHAGENICS

THIS DOCUMENT IS IMPORTANT

If you do not understand it or are in any doubt about how to act, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

PHOSPHAGENICS LIMITED

ABN 32 056 482 403

**Notice of Annual General Meeting and
Explanatory Memorandum**

The Annual General Meeting of Shareholders of Phosphagenics Limited will be held on Friday 17 May 2013 at Minter Ellison, Level 23 South Rialto Tower, 525 Collins Street, Melbourne commencing at 11.00 a.m.

IMPORTANT DATES		
Closing Date for receipt of written questions to Auditor	5.00 pm	Friday 10 May 2013
Closing Date for receipt of Proxy Forms	11.00 am	Wednesday 15 May 2013
Determination of Entitlement to Vote	7.00 pm	Wednesday 15 May 2013
Meeting Date	11.00 am	Friday 17 May 2013

If you are unable to attend the meeting, you are requested to complete the form of proxy enclosed with this Notice of Meeting and return it to the Company either by mail or by facsimile as soon as possible and in any event so it is received by the Company Secretary at the place specified in the proxy form by 11.00 am on Wednesday 15 May 2013

When completing the Proxy Form your Board of Directors request that members make it a 'directed' proxy vote by indicating for each resolution either a vote 'For' or 'Against' or 'Abstain'

Phosphagenics Limited
ABN 32 056 482 403

Notice of Annual General Meeting

Notice is given that an Annual General Meeting of the members of Phosphagenics Limited (**Company**) will be held at the offices of Minter Ellison, Level 23 South Rialto Tower, 525 Collins Street, Melbourne, on Friday 17 May 2013 at 11.00am.

The business of the meeting is:

Ordinary Business

1 Financial Statements and Reports

To receive and consider the Consolidated Financial Report and the Reports of the Directors and of the Auditor for the financial year ended 31 December 2012 which are contained in the Annual Report.

2 Election of Directors

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Resolution 1

“That Mr Jon Addison, a Director retiring by rotation in accordance with Clause 58 of the Constitution, be re-elected a Director of the Company.”

Resolution 2

“That Mr Don Clarke, a Director retiring by rotation in accordance with Clause 58 of the Constitution, be re-elected a Director of the Company.”

3 Remuneration Report

Resolution 3

To consider and, if thought fit, pass the following resolution as an ordinary resolution:
“That the Remuneration Report as set out in the Annual Report for the financial year ended 31 December 2012 be adopted.”

Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.

4 Other Business

Any other matters that may be properly brought forward at the meeting.

DATED: 2nd April 2013

BY ORDER OF THE BOARD
Mourice R Garbutt
Company Secretary

Information for Shareholders

Proxies

- 1 A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.
- 2 A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise one half of the member's votes. If the member appoints two proxies, neither may vote on a show of hands.

In addition changes to the Corporate Law Economic Reform Program (*Audit Reform and Corporate Disclosure Act 2004* (Cth) (**CLERP 9**) now enable:

- (a) notices of meetings to be distributed electronically; and
 - (b) a member to appoint a body corporate as well as an individual as their proxy and also that a body corporate appointed as a proxy may then nominate an individual to exercise its powers at meetings.
- 3 A proxy need not be a member of the Company.
- 4 The proxy form must be signed by the member or the member's attorney. In the case of joint holdings all joint holders must sign the proxy form.
- 5 Proxies given by corporations may be executed in accordance with Section 127 of the Corporations Act 2001 or by the appointor's attorney duly authorised in writing. Should the constitution of a company permit the execution of documents without using a common seal, the document must be signed by:
 - (a) 2 directors of the company;
 - (b) a director and either a company secretary of the company or other authorised signatory; or
 - (c) for a proprietary company that has a sole director who is also the sole company secretary – that director and noting both positions.
- 6 To be valid the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) may be lodged with the Company for the attention of the Company Secretary:
 - (a) **By hand or by post** at the Share Registry with Computershare Investor Services Pty Limited: 452 Johnston Street, Abbotsford, Vic 3067, Australia; or By Post – GPO Box 242, Melbourne, Vic, 3001, Australia
 - (b) **FAX** by faxing it to: within Australia 1800 783 447 OR outside Australia+ 61 3 9473 2555
 - (c) **Online** at www.investorvote.com.au and for Intermediary Online Subscribers only (custodians) www.intermediaryonline.com
 - (d) **Enquiries** – call: within Australia 1800 850 505 OR outside Australia + 61 3 9415 4000 to be received not later than 11.00 am Wednesday 15 May 2013 being 48 hours before the holding of the meeting.

Members may submit their proxy form online at www.investorvote.com.au for which you will need your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**).

Custodian voting – For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

- 7 Unless a member specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting. **Accordingly, your Board of Directors urge members, when completing the proxy form, to direct the proxy by indicating a vote for either 'For' or 'Against' or 'Abstain'.**

Explanatory Memorandum

An explanation of each resolution is included in the accompanying Explanatory Memorandum.

Voting Exclusion Statements

Voting exclusions apply to resolution no.3 – Remuneration Report – see notes below on: **“Voting on the Remuneration Report”** and **“Undirected Proxies”**.

There are no voting exclusions in relation to resolutions no.1 and 2 – Election of Directors

Entitlement to Vote

Pursuant to section 1074E(2)(g) and regulation 7.11.37 of the *Corporations Act 2001*, the Directors have determined that the shareholding of each member for the purposes of ascertaining voting entitlements for the Annual General Meeting will be as it appears on the Register of Members at 7:00 pm Melbourne time on Wednesday 15 May 2013.

Voting on the Remuneration Report

The Company will disregard all votes on the resolution to adopt the Remuneration Report cast by or on behalf of;

- (a) members of key management personnel, details of whose remuneration are included in the Remuneration Report; and
- (b) closely related parties of those members of key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of key management personnel include directors (both executive and non-executive) and certain senior executives.

A closely related party of a member of key management personnel is defined as:

- a company the member controls;
- the member's spouse, child or dependant or a child or dependant of the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence or be influenced by, the member in the member's dealings with the Company.

The Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form.

You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company will disregard.

Please read the information below under the heading 'Undirected Proxies', which (among other things) deals with the Chairman's voting of proxies on the resolution to adopt the Remuneration Report.

Undirected Proxies

The chairman of the Company will chair the meeting. The chairman will vote undirected proxies in favour of all resolutions on the agenda for the meeting. The Company recommends that shareholders who submit proxies should consider giving 'how to vote' directions to their proxyholder on each resolution.

If you complete a proxy form that authorises the chairman to vote on your behalf as proxyholder, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then your proxy will automatically become a directed proxy in favour of the resolution to adopt the Remuneration Report, and the chairman will vote accordingly. If you wish to appoint the chairman as your proxyholder but you do not want to put him in the position to cast your votes in favour of the Remuneration Report, you should complete the appropriate box on the proxy form, directing him to vote against or abstain from voting on the resolution.

Members should further note that in relation to voting on the Remuneration Report if an undirected proxy is given by a person who is a named Key Management Person (“KMP”) or a closely related party of the named KMP, it will be disregarded. Similarly, if a KMP or a closely related party of a KMP, other than the chairman, is given an undirected proxy it will be

disregarded in relation to the Remuneration Report.

Questions and Comments by Members at the Meeting

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to members – as a whole - to ask questions about or make comments on the management of the Company at the meeting.

Similarly, a reasonable opportunity will be given to Shareholders – as a whole – to ask the Company's external Auditor, Ernst & Young, questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditors' Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to Ernst & Young via the Company, no later than 5 business days before the Annual General Meeting if the question is relevant to the content of the Ernst & Young Audit Report or the conduct of its audit of the Company's Financial Report for the year ended 31 December 2012.

Relevant written questions for Ernst & Young must be received by the Company no later than 5.00 pm (Melbourne time) on Friday 10 May 2013. A list of those relevant written questions will be made available to Shareholders attending the AGM. Ernst & Young will either answer the questions at the AGM or table written answers to them at the AGM. If written answers are tabled at the AGM, they will be made available to Shareholders as soon as practicable after the AGM.

Please send any written questions for Ernst & Young to the Company by facsimile (+613) 9605 5928; or to The Company Secretary, Phosphagenics Limited, P O Box 1415, Clayton South MDC, Vic., 3169 or by email to mgarbutt@phosphagenics.com by no later than 5.00 pm (Melbourne time) on Friday 10 May 2013.

PHOSPHAGENICS LIMITED

Explanatory Statement

(accompanying and forming part of the Notice of Annual General Meeting dated 2nd April 2013)

1 Financial Statements and Reports

The Financial Statements and Reports for the period ended 31 December 2012 which are set out in the Annual Report, will be presented for members' consideration and discussion.

2 Election of Directors

2.1 Introduction

Clause 58 of the Constitution and the Listing Rules require that, at each annual general meeting, one third of the Directors must retire from office. The Directors retire by rotation with the Directors who have been the longest in the office since being appointed or re-appointed being the Directors who must resign in any year. Each Director is entitled to offer himself for re-election as a Director at the annual general meeting which coincides with their retirement. Clause 75.9 of the Constitution and the Listing Rules provide that the Managing Director is exempted from the requirement to retire by rotation. Directors who are appointed during a year are required under Clause 57 of the Constitution to retire at the first annual general meeting occurring after their appointment and are entitled to seek election as a director of the Company

2.2 Resolution 1 - Retirement by Rotation

Mr Jon Addison will retire by rotation in accordance with clause 58 of the Constitution and Listing Rule 14.4 at the Annual General Meeting and, being eligible, has been nominated for re-election as a Director of the Company.

Background descriptions for Mr Addison and all other directors are set out in the Annual Report

Resolution 2 - Retirement by Rotation

Mr Don Clarke will retire by rotation in accordance with clause 58 of the Constitution and Listing Rule 14.4 at the Annual General Meeting and, being eligible, has been nominated for re-election as a Director of the Company.

Background descriptions for Mr Clarke and all other directors are set out in the Annual Report

3 Remuneration Report

3.1 Resolution 3

The Corporations Act requires that a resolution be put to the members to adopt the Remuneration Report as disclosed in the Directors' Report.

The vote on this resolution is advisory only and non-binding.

The resolution gives the members the opportunity to ask questions or make comments concerning the Remuneration Report during the meeting.

The Remuneration Report is set out on pages 36 to 51 both inclusive, of the Company's Annual Report

The report:

- (a) explains the Board's policies in relation to the nature and level of remuneration paid to directors, secretaries and senior managers within the Phosphagenics group;
- (b) discusses the link between the Board's policies and the Company's performance;
- (c) provides a detailed summary of performance conditions, explaining why they were chosen and how performance is measured against them;
- (d) identifies other companies that the Company's performance is measured against for the purpose of its long term incentive plan;
- (e) sets out remuneration details for each director and for each member of the company's senior executive management team; and
- (f) makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including executive directors.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

3.2 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution No 3.

4 Voting – General Comment

Each resolution will be moved, seconded and open to the meeting for discussion.

Following the completion of discussion the Chairman will inform the meeting of the details of the valid proxy voting received by the Company.

The resolutions will then be put to the vote. In the first instance this will be by way of a show of hands.

Should a poll be requested then all shares represented by the votes present at the meeting will be counted. The majority of eligible votes required to pass each of the resolutions is a simple majority of the eligible votes of members present either in person or by proxy/representation.

5 Glossary

AGM means the Annual General Meeting of the Shareholders of the Company to be held on Friday 17 May 2013 at the offices of Minter Ellison, Level 23 South Rialto Tower, 525 Collins Street, Melbourne commencing at 11.00 a.m.

Annual Report means the annual report of the Company for the year ended 31 December 2012.

Board means the Board of the Directors

Company means Phosphagenics Limited

Corporations Act means the Corporations Act 2001 (Cth)

Director means a director of the Company as at the date of this Notice of Meeting and Directors means all of the present Directors - Jonathan Addison, Esra Ogru, Harry Rosen, Sandra Webb, Stuart James and Don Clarke

Group means the Company and its Related Bodies Corporate

Listing Rules means the Listing Rules of the Australian Securities Exchange

Notice of Meeting means the notice of meeting attaching to and forming part of the Explanatory Notes, calling the Company's AGM to be held on Friday 17 May 2013

Related Bodies Corporate has the meaning given to it in section 50 of the Corporations Act

Resolution means a resolution (including a special resolution) set out in the Notice of AGM

Shareholder means a holder of ordinary

These Explanatory Notes are dated 2nd April 2013

If you have any questions about the AGM, the Resolutions to be put to the AGM or the proposals being considered, please contact the Company Secretary, Mr Mourice Garbutt, on 03 9605 5916.



PHOSPHAGENICS

Phosphagenics Limited
ABN 32 056 482 403

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number:

SRN/HIN:

PIN:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 11.00 a.m. (AEST), Wednesday 15 May 2013**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

If a representative of a corporate securityholder is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Phosphagenics Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Phosphagenics Limited to be held at the offices of Minter Ellison, Level 23 South Rialto Tower, 525 Collins Street, Melbourne on Friday, 17 May 2013 at 11.00 a.m. (AEST) and at any adjournment of that meeting.

Important for Resolution 3- If the Chairman of the Meeting is your proxy or is appointed as your proxy by default and you do not mark any of the boxes in step 2 below on Resolution 3 you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions as set out below and in the Notice of Meeting even though Resolution 3 is connected directly or indirectly with the remuneration of a member of key management personnel. Please note you can direct the Chairman of the Meeting to vote for, against or abstain from voting on Resolution 3 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the Abstain box for a particular item of business, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll, or if your votes entitlement cannot be voted by the Chairman of the Meeting, your votes will not be counted in computing the required majority on a poll. Accordingly, the Directors urge Members to lodge only "Directed" Proxy forms.

ORDINARY BUSINESS

		For	Against	Abstain
Resolution 1	To re-elect Mr Jon Addison a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To re-elect Mr Don Clarke a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____