



PHOSPHAGENICS

20 December 2013

**MARKET ANNOUNCEMENTS OFFICE  
ASX LIMITED**

**COMPANY ANNOUNCEMENT**

**RECONCILIATION OF NON-QUOTED SECURITIES  
CONDITIONAL RIGHTS**

As a result of staff movements since 4 September 2013 a total of 450,000 Conditional Rights have automatically lapsed. In addition, new Conditional Rights to eligible employees totalling 2,100,000 have been offered, accepted and issued in December 2013.

Following the lapse and new issue of the above Conditional Rights the issued securities of Phosphagenics Limited are:

|                           |                                     |                             |
|---------------------------|-------------------------------------|-----------------------------|
| <b>Quoted</b>             | <b>Shares (POH)</b>                 | <b><u>1,020,465,957</u></b> |
| <b>Non-Quoted Options</b> | Options (POHAS) 17 06 2014 (\$0.15) | 1,750,000                   |
|                           | Options (POHAS) 22 05 2014 (\$0.17) | 1,000,000                   |
|                           | Options (POHAS) TOTAL               | <u>2,750,000</u>            |
|                           | <b>Total Non-Quoted Options</b>     | <b><u>2,750,000</u></b>     |
| <b>Conditional Rights</b> | (POHAI)                             | <b><u>16,000,000</u></b>    |

***Movements – Conditional Rights***

|                                  |                          |
|----------------------------------|--------------------------|
| Balance, 4 September 2013        | 14,350,000               |
| less Lapse of Rights             | (450,000)                |
| plus New Issue of Rights         | 2,100,000                |
| <b>Balance, 20 December 2013</b> | <b><u>16,000,000</u></b> |

Attached is an Appendix 3B Notice covering the changes to the securities.

Yours faithfully  
Phosphagenics Limited

per Mourice Garbutt  
Company Secretary  
p\asx\non-quoted securities 20 12 13

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**Phosphagenics Limited**

ACN 056 482 403 ABN 32 056 482 403

11 Duerdin Street, Clayton Victoria 3168 Australia

Telephone: +61 3 9565 1119 Facsimile: +61 3 9565 1151

Web : [www.phosphagenics.com](http://www.phosphagenics.com) Email: [info@phosphagenics.com](mailto:info@phosphagenics.com)

# 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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

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  | NON-QUOTED CONDITIONAL RIGHTS   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 2,100,000 CONDITIONAL RIGHTS<br>LESS LAPSE OF 450,000 CONDITIONAL RIGHTS  |
| 3 | Principal terms of the +securities (e.g. 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) | THE CONDITIONAL RIGHTS REFERRED TO IN PART 1.2 HAVE BEEN ISSUED (2,100,000)/LAPSED (450,000) PURSUANT TO THE CONDITIONAL RIGHTS PLAN APPROVED BY SHAREHOLDERS AT THE 2011 AGM |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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|    |  |  |
|----|--|--|
| 4  | Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?  | NO, HOWEVER IF THE MILESTONES FOR THE RIGHTS ARE ACHIEVED AND IF THE RIGHTS ARE EXERCISED THE RESULTING SHARES WOULD THEN RANK EQUALLY |
|    | <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> |  |
| 5  | Issue price or consideration   | NIL  |
| 6  | Purpose of the issue<br>(If issued as consideration for the acquisition of assets, clearly identify those assets)  | ISSUED TO ELIGIBLE EMPLOYEES UNDER THE SHAREHOLDER APPROVED "CONDITIONAL RIGHTS PLAN"  |
| 6a | <p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>   | NO   |
| 6b | The date the security holder resolution under rule 7.1A was passed   | NOT APPLICABLE   |
| 6c | Number of +securities issued without security holder approval under rule 7.1   | NONE.<br>ALL CONDITIONAL RIGHTS HAVE BEEN ISSUED PURSUANT TO THE SHAREHOLDER APPROVED PLAN   |
| 6d | Number of +securities issued with security holder approval under rule 7.1A   | NOT APPLICABLE   |

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+ See chapter 19 for defined terms.

| 6e            | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)  | NOT APPLICABLE  |        |         |               |           |   |        |         |               |           |
|---------------|--|---|--------|---------|---------------|-----------|---|--------|---------|---------------|-----------|
| 6f            | Number of +securities issued under an exception in rule 7.2  | 2,100,000 AND 450,000 LAPSED  |        |         |               |           |   |        |         |               |           |
| 6g            | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.   | NOT APPLICABLE  |        |         |               |           |   |        |         |               |           |
| 6h            | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements   | NOT APPLICABLE  |        |         |               |           |   |        |         |               |           |
| 6i            | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements   | NIL   |        |         |               |           |   |        |         |               |           |
| 7             | <p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p> | 20 DECEMBER 2013  |        |         |               |           |   |        |         |               |           |
| 8             | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)  | <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+ Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1,020,465,957</td> <td style="text-align: center;">ORD (POH)</td> </tr> </tbody> </table> | Number | + Class | 1,020,465,957 | ORD (POH) | <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+ Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1,020,465,957</td> <td style="text-align: center;">ORD (POH)</td> </tr> </tbody> </table> | Number | + Class | 1,020,465,957 | ORD (POH) |
| Number        | + Class  |   |        |         |               |           |   |        |         |               |           |
| 1,020,465,957 | ORD (POH)  |   |        |         |               |           |   |        |         |               |           |
| Number        | + Class  |   |        |         |               |           |   |        |         |               |           |
| 1,020,465,957 | ORD (POH)  |   |        |         |               |           |   |        |         |               |           |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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|   | Number  | +Class                                |
|---|---|---------------------------------------|
| 9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | 2,750,000   | OPTIONS MISC DATES AND PRICES (POHAS) |
|   | 16,000,000  | CONDITIONAL RIGHTS                    |
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)           | ALL NEW SHARES ARISING FROM AN EXERCISE OF THE CONDITIONAL RIGHTS TO RANK EQUALLY |                                       |

**Part 2 - 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 offer documents<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.</small><br><br><small>Cross reference: rule 7.7.</small> |  |
| 19 Closing date for receipt of acceptances or renunciations   |  |

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+ See chapter 19 for defined terms.

|    |   |                      |
|----|---|----------------------|
| 20 | Names of any underwriters   | <input type="text"/> |
| 21 | Amount of any underwriting fee or commission  | <input type="text"/> |
| 22 | Names of any brokers to the issue   | <input type="text"/> |
| 23 | Fee or commission payable to the broker to the issue  | <input type="text"/> |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders  | <input type="text"/> |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting   | <input type="text"/> |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled   | <input type="text"/> |
| 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 | <input type="text"/> |
| 28 | Date rights trading will begin (if applicable)  | <input type="text"/> |
| 29 | Date rights trading will end (if applicable)  | <input type="text"/> |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?  | <input type="text"/> |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?   | <input type="text"/> |

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Issue date

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1
- (b)  All other <sup>+</sup>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 <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>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 <sup>+</sup>securities

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+ 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 +issue date 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 (including 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 is not available now, we 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.

Sign here:  Date: 20 December 2013  
.....  
(Director/Company secretary)

Print name: MOURICE R GARBUTT  
.....  
poh\3b\20 12 13  
== == == == ==

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

N.B. Phosphagenics Limited as at its 2013 AGM (May 2012) did not seek a 7.1A approval

### Part 1

| <b>Rule 7.1 – Issues exceeding 15% of capital</b>   |  |
|---|--|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>   |  |
| <b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue   |  |
| <p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |  |
| <b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period   |  |
| <b>“A”</b>  |  |

+ See chapter 19 for defined terms.

Appendix 3B  
New issue announcement

|   |  |
|---|--|
| <b>Step 2: Calculate 15% of “A”</b>   |  |
| “B”   | 0.15<br><i>[Note: this value cannot be changed]</i>                    |
| <b>Multiply</b> “A” by 0.15   | =  |
| <b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>  |  |
| <p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |  |
| “C”   |  |
| <b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>   |  |
| “A” x 0.15<br><br><i>Note: number must be same as shown in Step 2</i>   |  |
| <b>Subtract</b> “C”<br><br><i>Note: number must be same as shown in Step 3</i>  |  |
| <b>Total</b> [“A” x 0.15] – “C”   | <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

## Part 2

|   |  |
|---|--|
| <b>Rule 7.1A – Additional placement capacity for eligible entities</b>  |  |
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>   |  |
| <p><b>“A”</b></p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>  |  |
| <b>Step 2: Calculate 10% of “A”</b>   |  |
| <p><b>“D”</b></p>   | <p>0.10</p> <p><i>Note: this value cannot be changed</i></p> |
| <b>Multiply “A” by 0.10</b>   |  |
| <b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>   |  |
| <p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |  |
| <p><b>“E”</b></p>   |  |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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|  |  |
|--|--|
| <b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b> |  |
| <p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>                           |  |
| <p><b>Subtract “E”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>                  |  |
| <p><b>Total</b> [“A” x 0.10] – “E”</p>   | <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p> |

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+ See chapter 19 for defined terms.