



PHOSPHAGENICS

ASX Limited
Market Announcements Office

Phosphagenics Signs Research Agreement with the Agricultural Research Service

- *Collaboration with the U.S. Department of Agriculture's (USDA), Agricultural Research Service (ARS) in treatment of mastitis*
- *Major global market opportunity*
- *Trials to begin in the second half 2013*

14 May, 2013, Melbourne: Australian drug delivery technology company Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) will collaborate with the U.S. Department of Agriculture's (USDA), Agricultural Research Service (ARS) to develop and trial products targeting the serious bacterial infection mastitis in dairy cows. ARS is the USDA's chief intramural scientific research agency.

Under the agreement, Phosphagenics and ARS will formulate and evaluate products containing active ingredients in combination with the Company's TPM[®] delivery technology to enable superior absorption and efficacy. The products will include the formulation previously trialed by Phosphagenics with good results, as well as a formulation containing a Vitamin D derivative.

A preliminary study conducted by ARS in 2012 demonstrated that directly infusing the Vitamin D derivative into infected quarters of the mammary gland in infected dairy cows was able to significantly lower bacteria counts and clinical symptoms of mastitis. The study also showed that cows treated with the derivative exhibited superior milk production.

The trials will begin mid-2013 and will be conducted in the U.S. by ARS. Researchers will examine the effects and efficacy of the TPM[®] formulated products delivered via intra-mammary infusion using a protocol developed by ARS.

Phosphagenics CEO, Dr Esra Ogru, said mastitis typically affected around 15% of the world's dairy herd at any given time. In the USA alone, economic losses resulting from this infection are estimated at US\$2 billion per annum.

"This is a significant problem for farmers worldwide as it affects milk quantity and quality," Dr Ogru said.

"Current standard of care for mastitis is antibiotic treatment, but there are widespread concerns globally around antibiotic resistant bacteria. It is important to develop new therapeutics that bypass these problems and that are also effective."

Phosphagenics' proprietary TPM[®] delivery technology enables the superior absorption of key active ingredients across a range of platforms.

Phosphagenics Limited

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Dr Ogru added: "There are 250 million dairy cows globally and the U.S. dairy industry represents just 4% of this market. Clearly progressing these kinds of products presents a major market opportunity for our Company."

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About Phosphagenics

Phosphagenics Limited is commercialising drug delivery applications based on its novel transdermal (drugs administered via skin) TPM[®] – Targeted Penetration Matrix technology. TPM[®] is a patient friendly and cost effective system used to deliver proven pharmaceutical and nutraceutical products.

The lead products advancing through clinical trials are an oxycodone and oxymorphone matrix system 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).

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