

Phosphagenics Signs Further Deed of Settlement with Final Parties

8 November 2013, Melbourne: Australian drug delivery technology company, Phosphagenics Limited (ASX: POH; OTCQX: PPGNY), today releases the following announcement.

An unnamed third party involved in the invoice irregularities, the person's spouse and associated companies have entered into a Deed of Settlement with Phosphagenics. Under the terms of this Deed, the parties have taken responsibility for their involvement in the misappropriation and have agreed to pay the Company an amount equivalent to their full legal liability in respect of the misappropriated funds plus a fixed amount in respect of interest and costs.

The amount of funds the Company will recover will depend upon the realisable value of the family assets.

The Deed of Settlement represents a better outcome for Phosphagenics than would have been achieved through Court proceedings.

With the exception of the ongoing litigation against Robert Gianello and others, the Company has now reached agreement with the parties involved in the misappropriation.

Ends

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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 oxymorphone and oxycodone 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 (PPGY).

www.phosphagenics.com
www.bioelixia.com