



PHOSPHAGENICS

ASX Limited
Market Announcements Office

Phosphagenics' Topical Oxycodone Patch Alleviates Pain in Racehorses

- *Rapid and effective relief for all racehorses in study*
- *Positive implications for upcoming Phase 2 TPM[®]/Oxycodone trial*

21 May 2014, Melbourne, Australia: A Phosphagenics Limited (ASX:POH, OTCQX: PPGNY) study using its TPM[®]/Oxycodone topical patch to manage shin soreness pain for thoroughbred racehorses found recovery from pain in all horses within 1-2 days.

The study was conducted on six thoroughbreds, between two and three years of age, exhibiting cannon (shin) bone soreness arising from injuries in either one or two limbs, with a patch applied daily to each injured limb for ten days. The shin soreness, rated as either "Moderate" or "Severe" based on universal Veterinary Lameness Scores, in which lameness was evident in circumstances when carrying weight, circling or walking on incline or hard surfaces or when the horses were at a trot.

The study results showed there were no signs of lameness as determined by the above criteria and five horses treated were pain-free within 24 hours following the first patch application, with the sixth horse pain-free by the second patch application within 48 hours. Pain relief with the patch allowed the animals to recover without the enduring stress normally associated with such injuries.

The proof-of-concept study was conducted in collaboration with Phosphagenics' animal health partner, Integrated Animal Health (IAH), through its R&D Division, Veterinary Research Australia (VRA).

Dr John Walker, the principal veterinarian involved in this study, said, "These results were extremely encouraging. I have seen hundreds of cases of shin soreness in my 20 years as an equine veterinarian and the oxycodone patch is far and away the best form of pain relief I have seen. Instant, powerful and effective."

"According to a recent Racing Victoria report, gastric ulceration is one of the biggest health issues for thoroughbred racehorses. The topical nature of this patch's delivery system means gastric ulceration associated with some systemic drug treatments, such as the NSAID Phenylbutazone, will be eliminated," he said.

While racehorses were the subject of this study, the application of the TPM[®]/Oxycodone patch has potential benefits to most companion animals. Companion animals represent 40% of the global \$23 billion annual animal health market.

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Mr Rob Neely, CEO of IAH, said, “The potential for a non-systemic, opioid treatment alternative, localised to the site of pain, should provide veterinarians targeted pain relief benefits for all animals to cope, recover and heal. The ability to limit the use of systemic drug treatments, via this type of patch technology, will also assist the welfare and well-being of injured animals or animals in pre or post-operative care scenarios.”

Mr Harry Rosen, CEO of Phosphagenics, said, “The horse study confirms that the topical application of our oxycodone patch provides a unique opportunity in the large companion animal market. Additionally, it provides us with confidence ahead of our Phase 2 topical TPM[®]/Oxycodone study for neuropathic pain that will commence in the next quarter. Our oxymorphone and oxycodone programs are targeting a \$12 billion annual market for human use.

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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. These products are part of a pain portfolio of currently five main products including a diclofenac patch and gel and a lidocaine patch.

Phosphagenics’ technology also has application in a diverse number of areas including animal health, bulk and branded cosmetic formulations and dermatological product solutions.

Phosphagenics’ shares are listed on the Australian Securities Exchange (ASX: POH) and its ADR – Level 1 program in the US is with The Bank of New York Mellon (OTCQX: PPGNY).

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