MALLESONS STEPHEN JAQUES

Confidential communication

Australian Stock Exchange Limited
Company Announcements
Fax 1900 999 279

15 November 2005

Phosphagenics Limited

We enclose a notice under Part 6C.1 of the Corporations Act 2001 (Cth) on behalf of Orbis Global Equity Fund Limited.

Yours faithfully

Damien Scholefield
Senior Associate
Direct line +61 2 9296 2463
Email damien.scholefield@mallesons.com

Level 60 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
DX 113 Sydney ABN 22 041 424 954 syd@mallesons.com www.mallesons.com
T +61 2 9296 2000
F +61 2 9296 3999

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme	Phosphagenics Limited
ACN/ARSN/ABN	056 482 403

1. Details of substantial holder (1)

Name	Orbis Global Equity Fund Limited and the entities listed in table 1 of annexure A
ACN/ARSN (if applicable)	n/a

The holder became a substantial holder on 14/11/05

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary	41,036,667	41,036,667	7.51%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Orbis Global Equity Fund Limited	Acquisition of shares - Share Placement Agreement	Ordinary 28,386,667
See Annexure A (table 1 and 2)	***See Annexure B***	

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Orbis Global Equity Fund Limited	No	HSBC Custody Nominees (Australia) Ltd as nominee of Orbis Global Equity Fund Limited (no current registered holder)	Ordinary 28,386,667
See Annexure A (table 1 and 2)		-	

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-Cash	
Orbis Global Equity Fund Limited	14/11/05	$6,812,800.08 (to be paid on 11/11/05)	-	Ordinary 28,386,667
See Annexure A (table 1 and 2)				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
See Annexure A (table 1 and 2)	-

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Orbis Global Equity Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda
See Annexure A (table 1 and 2)	-

Signature

print name	James Dorr	Capacity Director/Officer/Authorised Signatory
sign here		date 15 / 11 / 2005

DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.

(6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(7) Include details of:

(a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".

(9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

PHOSPHAGENICS LIMITED ACN 056 482 403

THIS IS ANNEXURE A OF 3 PAGES REFERRED TO IN FORM 603

sign ______________________ date 15 / 11 / 2005

Table 1

Name and address of substantial holder / associate	Nature of relevant interest	Class and number of securities	Consideration (to be paid on 11/11/05)	Person entitled to be registered holder of securities (no current registered holder)	Nature of association
Orbis Capital Limited of LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda	Acquisition of shares - Share placement agreement	8,330,000 Ordinary shares	$1,999,200	HSBC Custody Nominees (Australia) Ltd as nominee of Orbis Capital Limited	Controlled by Orbis Holdings Limited
Orbis Optimal SA Fund Limited of LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda	Acquisition of shares - Share placement agreement	1,190,000 Ordinary shares	$285,600	Westpac Custodian Nominees Ltd as nominee of Orbis Optimal SA Fund Limited	Controlled by Orbis Holdings Limited
Orbis SICAV Global Equity Fund of LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda	Acquisition of shares - Share placement agreement	2,040,000 Ordinary shares	$489,600	Westpac Custodian Nominees Ltd as nominee of Orbis SICAV Global Equity Fund	Controlled by Orbis Holdings Limited
Orbis Optimal Global Fund LP of LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda	Acquisition of shares - Share placement agreement	450,000 Ordinary shares	$108,000	Westpac Custodian Nominees Ltd as nominee of Orbis Optimal Global Fund	Controlled by Orbis Holdings Limited
Orbis MIS Orbis Global Equity Fund of Level 2, 575 Bourke Street Melbourne VIC 3000	Acquisition of shares - Share placement agreement	640,000 Ordinary shares	$153,600	Westpac Custodian Nominees Ltd as nominee of Orbis MIS Orbis Global Equity Fund	Controlled by Orbis Holdings Limited

Table 2

The following entities, by reason of their relationship as associates, have a relevant interest in 41,036,667 ordinary securities of Phosphagenics Limited.

Name	Address	ACN	Nature of association
Orbis Holdings Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlling shareholder of substantial holders
Pictet Overseas Trust Corporation and Pictet Trustee Company SA	Bayside Executive Park West Bay Street Nassau, Bahamas	n/a	Controlling entity of Orbis Holdings Limited

Name	Address	ACN	Nature of association
Orbis World Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlling entity of Orbis Holdings Limited
Orbis Investment Management Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Asset Management Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Leveraged Global Fund L.P.	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Administration Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Investment Research Limited	1017,3 Danji Kings Garden Office 72, Naesu-Dong Jongro-Gu Seoul 1110 –070 Korea	n/a	Controlled by Orbis Holdings Limited
Orbis Investment Management (MIS) Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Triple Blue Holdings Limited	Romasco Place Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands	n/a	Controlled by Orbis Holdings Limited
Orbis Mansfield Street Properties Ltd	Romasco Place Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands	n/a	Controlled by Orbis Holdings Limited
Orbis Investment Management (BVI) Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Investment Advisory Pty Limited	Level 2 Challis House 4 Martin Place Sydney NSW 2000	101 387 964	Controlled by Orbis Holdings Limited
Orbis Holdings (Australia) Pty Limited	Level 2 Challis House 4 Martin Place Sydney NSW 200	112 315 625	Controlled by Orbis Holdings Limited

Name	Address	ACN	Nature of association
Orbis Investment Management (Australia) Pty Limited	Level 2 Challis House 4 Martin Place Sydney NSW 200	112 316 168	Controlled by Orbis Holdings Limited
Orbis Optimal (US$) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Leveraged (US$) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Africa Equity (Rand) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Optimal (Euro) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Leveraged (Euro) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Japan Opportunity Master Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Japan Equity (US$) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Access Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited

PHOSPHAGENICS LIMITED ACN 056 482 403

THIS IS ANNEXURE B OF 8 PAGES REFERRED TO IN FORM 603

sign ______________________ date 15 / 11 / 2005

BBY

28 October 2005

Orbis Investment Management Limited,Orbis Investment Management (B.V.I.) Limited or Orbis Asset Management Limited as agent for and on behalf of: Orbis Global Equity Fund Limited, Orbis Capital Limited, Orbis Optimal SA Fund Limited, Orbis SICAV – Global Equity Fund, Orbis Optimal Global Fund, L.P., Orbis MIS – Orbis Global Equity Fund and G.A Fund –L- Equity Deep Value World TP (as to the portion of the Firm Allocation Shares to be allotted to them and issued as set out in the Firm Placement Offer Letter)
Mr Steve Timbrell
Mr Hugh Gillespie
Mr C Bodenstab
P.O. Box HM571
Hamilton HMCX
Bermuda

Email:
s.timbrell@orbisfunds.com
h.gillespie@orbisfunds.com
c.bodenstab@orbisfunds.com

BBY Limited
ABN 80 006 707 777
Participating Organisation of
Australian Stock Exchange

Corporate Finance
Level 17
60 Margaret Street
Sydney NSW 2000
Telephone 612) 9226 0000
Facsimile: 612) 9226 0088

Level 45 Rialto South Tower
525 Collins Street
Melbourne VIC 3000
Telephone 613) 9226 0000
Facsimile 613) 9226 0222

RE: FIRM PLACEMENT OF 70,833,333 MILLION ORDINARY FULLY PAID SHARES BY PHOSPHAGENICS LIMITED TO RAISE A$17,000,000

1. Proposed Offer

Phosphagenics Limited ("Phosphagenics" or "the Company") is conducting a Placement of 70,833,333 ordinary shares at a price of A$0.24 per Share to raise A$17,000,000 (the "Placement").

BBY Limited ("BBY") is the Lead Manager to the Transaction.

2. Firm Allocation Offer

Subject to the terms and conditions of this letter, BBY is pleased to offer you a firm allocation of **41,666,667 shares** at A$0.24 per Share being an amount of **A$10,000,000.08** ("Firm Allocation").

By applying for a Firm Allocation, you will be irrevocably committing, subject to the terms of this firm allocation offer to subscribe for the number of Shares specified on your Firm Allocation Acceptance Form (the "Firm Allocation Shares") and to pay the application monies.

However, in the event that for any reason, other than a delay on your part in meeting your obligations hereunder the Firm Allocation Shares are not allotted to you on or before Thursday, 17 November 2005, upon your written request we will immediately return any cleared settlement funds to you with interest (accruing daily from (and including) the date the Application Monies were received) at the rate offered by our bank on overnight deposits and without prejudice to any rights you may have in respect of this Firm Placement Offer Letter.

3. Timetable

The proposed timetable of the Offer is as follows:

▪ **Offer letter out**	**Friday 28 October 2005**
▪ **Investor Acceptance Letter Due to BBY**	**5pm Wednesday 2 November 2005**
▪ **Settlement Required**	**noon Friday 11 November 2005**
▪ Allotment of Shares	on or about Monday 14 November 2005
▪ Quotation and trading of new shares	on or before Thursday 17 November 2005

The above timetable is indicative only and may change with consultation and agreement with you. All dates and times are references to AEST time.

4. Offer Personal

The Firm Allocation Offer is made personally to your organisation and except as provided in this agreement the rights and obligations arising from its acceptance cannot be transferred or assigned to, or renounced in favour of any other person without the prior written consent of the Lead Manager.

This offer is conditional upon and is made in the belief that you are either a sophisticated investor pursuant to Section 708(8) or a professional investor pursuant to Section 708(11) or otherwise a person to whom a disclosure document is not otherwise required to be given under Chapter 6D of the Corporations Act 2001 ("Exempt Offeree"). If requested, you must provide documentation satisfactory to the Lead Manager that you, or any entity through or on behalf of which you subscribe for Firm Allocation Shares, fully qualify as an Exempt Offeree. The offer in this letter can only be accepted by investors that qualify as an Exempt Offeree.

5. Offeree Representations, Warranties and Agreements

You represent, warrant and agree for the benefit of BBY and the Company and their respective related bodies corporate and any officers, employees, agents or advisers of any of them ("affiliates") that:

i) If you are in Australia, you are one of the following:

   (a) A "Sophisticated Investor" under section 708(8) of the Corporations Act; or

   (b) A "Professional Investor" under section 708(11) of the Corporations Act;

ii) If you are outside Australia, you are a person to whom an invitation or offer to subscribe for the Placement Shares in the manner contemplated by this Agreement is permitted by the laws of the jurisdiction in which you are situated and to whom the Placement Shares can lawfully be issued under all applicable laws, without the need for any registration, filing or lodgement.

iii) You confirm that you are in compliance with all relevant laws and regulations (including, without limitation, the requirements of the Corporations Act and the Australian Foreign Acquisitions and Takeovers Act 1975) and will not cease to be in compliance if you accept your allocation of Placement Shares.

iv) You confirm that it is your present intention to be an investor in the Placement Shares and to remain so for at least the medium term. This confirmation is understood to be a statement by you of present intention only but not an undertaking not to sell, particularly where your investment objectives or market conditions change.

v) You acknowledge that no disclosure document has been prepared in connection with the Placement.

vi) You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of a purchase of the Placement Shares and you acknowledge that an investment in the Placement Shares involves a degree of risk.

vii) You have the financial ability to bear the economic risk of the investment in the Placement Shares.

viii) You are aware that publicly available information about Phosphagenics can be obtained from the Australian Securities and Investments Commission, and the ASX (including its website www.asx.com.au.

ix) You have had to your knowledge, access to all information that you believe is necessary or appropriate in connection with your subscription for the Placement Shares. You acknowledge and agree that you will not hold BBY or any of its affiliates responsible for any misstatements in or omissions from, any publicly available information concerning Phosphagenics, save to the extent such misstatements or omissions are due to the action or inaction of BBY or its affiliates..

x) You have made and relied upon your own assessment of Phosphagenics and have conducted your own investigation with respect to the Placement Shares and Phosphagenics including, without limitation, the particular tax consequences of subscribing, owning or disposing of the Placement Shares in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

xi) Other than as provided in this Agreement, you have not relied on any investigation that BBY or any of its affiliates or any persons acting on its or their behalf may have conducted with respect to the Placement Shares or Phosphagenics. None of such persons has made any representation to you, express or implied, with respect to the Placement or Phosphagenics.

xii) You acknowledge that this agreement does not constitute a securities recommendation or financial product advice and that BBY has not paid regard to your particular objectives, financial situation and needs.

xiii) You agree to be bound by the provisions of the constituent documents of Phosphagenics.

xiv) You are not a Related Party (as defined in section 228 of the Corporations Act) of Phosphagenics and you are not an Associate (as defined in Division 2 of Part 1.2 of the Corporations Act) of Phosphagenics.

xv) If you are acquiring any Placement Shares for an account of one or more persons, you have full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such person and you will take reasonable steps to ensure that each such person will comply with its obligations herein.

xvi) You acknowledge that BBY and Phosphagenics and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. You indemnify BBY and Phosphagenics and their respective affiliates against any loss, damage or costs incurred and arising out of or in relation to any breach by you of the acknowledgements, representations, warranties and agreements.

6. Offeror Representations, Warranties and Agreements

We represent, warrant and agree on behalf of the Company, for whom we have the authority to so represent, warrant and agree, and for the benefit of you and all persons on whose behalf you are acquiring the Firm Allocation Shares:

i) The Firm Allocation Shares will rank pari passu in all respects with the existing ordinary shares in the Company, including for the payment of all dividends payable (if any) after the date of allotment and the Firm Allocation Shares will be issued fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights or interests of any nature whatsoever, with full title guarantee and other interests, together with all rights now or subsequently attaching to them. The Company will apply to the Australian Stock Exchange Limited ("ASX") for official quotation of the Firm Allocation Shares in sufficient time for the Firm Allocation Shares to begin trading on a deferred settlement basis on or before 17 November 2005 or.

ii) The offer, issue and quotation of the Firm Allocation Shares under this Placement Offer Letter and the issue and sale of the Firm Allocation Shares and Sale Shares comply with the requirements of the Corporations Act and ASX Listing Rules.

ii) The Company's compliance with the terms of this Placement Offer Letter and the documents referred to in them will not breach or constitute a default under any of the following:

- any provision of the memorandum or articles of association or equivalent constitutional documents of the Company;
- any agreement or instrument to which the Company is a party or by which it is bound;
- any order, judgment, decree or other restriction applicable to the Company; or
- any limits, powers or restrictions binding upon the Company.

iv) The Company is relying on the exemption in Section 708A(5) of The Corporations Act and represents, warrants and undertakes that any associated requirements have been or will be complied with, including that:

a) the Placement does not need disclosure to investors pursuant to section 708(8) and section 708 (11) of the Corporations Act;

b) there has been no ASIC determination as contemplated by section 708A (2) of the Corporations Act in respect of the Company;

c) subject to providing on the Allotment Date a notice in accordance with section 708A (5) of the Corporations Act which complies with section 708A(6) of the Corporations Act, an offer of Firm Allocation Shares for sale (or an assignment of a right in respect of or interest in the Firm Allocation Shares) in the 12 month period commencing on the date which is immediately after the Allotment Date may be made without a disclosure document;

d) the Company will, within 5 days of allotment, provide to ASX a notice in accordance with section 708A(5) of the Corporations Act which complies with section 708A(6) of the Corporations Act; and

e) the Firm Allocation Shares are in a class of securities that were quoted securities at all times in the 12 months before the day on which the Firm Allocation Shares are issued and trading in that class of securities on the ASX was not suspended for more than a total of 5 days in that 12 months, no exemption under section 111AS or 111AT of the Corporations Act covered the Company, or any person as director or auditor of the Company, at any time in the 12 months before the Allotment of Firm Allocation Shares and no order under section 340 or 341 of the Corporations Act covered the Company, or any person as director or auditor of the Company, at any time in the 12 months before the Allotment of Firm Allocation Shares;

v) The Company will ensure the details of the entities to whom you direct us to issue the Firm Allocation Shares under the Registration and Settlement Information Form) are recorded in the Company register immediately upon issue of the Firm Allocation Shares.

vi) The Company will provide a letter from the Company's registrar dated and delivered on the Settlement Date confirming the total shares in issue and any options as at the date of the letter.

vii) The Company will provide you with:

- written confirmation of the issue of the Firm Allocation Shares as soon as they are issued; and
- written evidence of the quotation of the Firm Allocation Shares immediately following quotation.

vii) The Company will also provide a holding statement to the entities being issued the Firm Allocation Shares (as you have directed) on or before17November 2005.

vii) We acknowledge that you and all persons on whose behalf you are acquiring the Firm Allocation Shares will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. We indemnify you and all persons on whose behalf you are acquiring the Firm Allocation Shares and against any loss, damage or costs incurred and arising out of or in relation to any breach by you of the acknowledgements, representations, warranties and agreements.

viii) The Company intends to rely on the on-sale provisions of the *Corporations Act* (sections 707(3) and (4)), and section 708A of the *Corporations Act* in relation to the issue of the Firm Allocation Shares. The Company also proposes to make an announcement to the ASX contemporaneously with, and in any event by no later than 2 days after, the time of issue of the Firm Allocation Shares to the effect that all information of the kind that would be required to be disclosed under subsection 713(5) of the *Corporations Act* if a prospectus were to be issued in reliance on section 713 in relation to the offer of the Firm Allocation Shares has been notified to the ASX.

7. Governing Law and Jurisdiction

This Agreement between us arising out of your acceptance of the terms of this allocation shall be governed by the laws of New South Wales, Australia and you agree to submit to the non-exclusive jurisdiction of the courts of that State.

8. Entire Agreement

The terms contained in this Agreement including, without limitation, your executed Placement Confirmation Advice, constitute the entire agreement among Phosphagenics, BBY and you as to the Placement and your participation in the Placement to the exclusion of all prior representations, understandings and agreements among BBY, Phosphagenics and you. Any variation of the terms of this Agreement must be in writing signed by BBY and you.

9. Notices

Any notice to be given relating to the offer of Placement Shares or this Agreement may be sent by facsimile to the facsimile number of the party to whom notice is sent and will be deemed to have been given upon the successful transmission to that facsimile number.

10. Acceptance of Offer

Please indicate your acceptance of this Offer by signing and returning the **Investor Acceptance & Representation Letter** (Attachment A). This letter should be either hand-delivered or faxed to BBY on (61 2) 9226 0088 (Attention: Danielle Gale) by **no later than 5.00pm on Wednesday, 2 November** . Your acceptance will constitute an irrevocable undertaking by you to both the Issuer and BBY to subscribe for the Placement Shares and pay the full subscription amount. If your acceptance is sent by fax, you must send the original to BBY as soon as possible.

The Issuer will not, on BBY's direction, issue or allot Placement Shares to an investor:

- Who has failed to complete, execute and deliver to BBY the Investor Representation & Acceptance Letter; or
- If the Issuer or BBY becomes aware of a misrepresentation by the investor in the Investor Representation & Acceptance Letter prior to the issue and allotment of the Placement Shares.

If you do not accept this Offer by returning a signed Investor Representation & Acceptance Letter, BBY and its Affiliates have no liability to you in connection with the Placement Shares or any expense, loss or cost you incur or have incurred in relation to assessing this Offer or the Placement Shares.

Registration and Settlement Details (Attachment B)

The Registration and Settlement Information Form (Attachment B) must be completed by you or your custodian and faxed to BBY prior to settlement. Your payment via cheque or bank transfer is required **no later than 12.00pm on Friday, 11 November 2005.** Cheques should be made payable to BBY Trust Account No 2 and should be crossed Not Negotiable.

Payments via electronic transfer of the subscription amount can be paid directly into:

BBY Trust Account No 2

Bank:	Westpac Banking Corporation
BSB:	032 000
Account No:	321 943
Ref:	Please include your name as a reference

Please note that:

- The Settlement Information Form must be completed by each Investor that will be the registered holder of Placement Shares; and
- If there is to be more than one registered holder, the Settlement Information Form should be photocopied and completed by, or on behalf of, each proposed registered holder.

If you have any queries regarding the acceptance or settlement of the Placement Shares, please contact Danielle Gale on (61-2) 9226 0047.

To ensure accurate allocation of your Placement Shares, please complete the Settlement Splitting Form (Attachment B) specifying how you would like to your allotted Placement Shares allocated to custodian/nominee(s).

Yours sincerely

Glenn Rosewall
Chief Executive Officer, BBY Limited

David Smith
Associate Director, ECM, BBY Limited

ATTACHMENT A

PLACEMENT OF 70,833,333 PHOSPHAGENICS LIMITED SHARES TO RAISE $17,000,000

Investor Acceptance & Representation Letter

TO	BBY Limited Level 17, 60 Margaret Street Sydney NSW 2000	DATE	
ATTENTION	DANIELLE GALE	FAX NO	61 2 9226 0088
FROM	ORBIS FUNDS	PAGES	1 (INCL.)

We refer to the letter from BBY dated 28 October 2005. We irrevocably accept the Offer to subscribe for the following Placement Shares on the terms and conditions set out in the Placement Offer Letter:

APPLICATION DETAILS

Number of Placement Shares:	**41,666,667 ordinary shares**
Application Monies enclosed:	**$10,000,000.08**

INVESTOR ACCEPTANCE & REPRESENTATION SIGNATORIES

Company:

Orbis Investment Management Limited, Orbis Investment Management (B.V.I.) Limited or Orbis Asset Management Limited as agent for and on behalf of: Orbis Global Equity Fund Limited, Orbis Capital Limited, Orbis Optimal SA Fund Limited, Orbis SICAV – Global Equity Fund, Orbis Optimal Global Fund, L.P., Orbis MIS – Orbis Global Equity Fund and G.A Fund –L- Equity Deep Value World TP (as to the portion of the Firm Allocation Shares to be allotted to them and issued as set out in the Firm Placement Offer Letter)

Name of authorised signatory: Steven Timbrell

Position: Authorised signatory / Asian Trader

Signature: STimbrell

Date: 11/2/05

I/we represent and warrant that I/we are one of the following (within the meaning of section 708 of the Corporations Act):

- A professional investor within the meaning of s 708(11); ☑
- An individual investor with an aggregate investment of $500,000 in Phosphagenics or an investor who has provided to us within the last six months an accountant's certificate confirming your income and/or assets in accordance with s 708(8); or ☐

THIS FORM MUST BE FAXED TO DANIELLE GALE ON FAX NUMBER (61 2) 9226 0088 BY NO LATER THAN 5.00PM EST ON WEDNESDAY 2 NOVEMBER 2005