24 September 2007

Company Announcement

Phase 1 transdermal oxycodone clinical trial approved

Phosphagenics Limited (ASX: POH, AIM: PSG, OTCQX: PPGNY) advises that it has received approval to commence its Phase 1 clinical trial aimed at delivering the pain relief drug, oxycodone, through the skin.

The Company is aiming to become the first to offer chronic pain sufferers a patch that provides sustained-release oxycodone into the bloodstream.

Dr Esra Ogru, Executive Vice President of Research and Development at Phosphagenics, said that developing its pain relief pipeline will build on the success of previous transdermal clinical trials and provide a platform for the development of many other products.

“With this trial, we will be using our transdermal technology to deliver oxycodone in a sustained-release formulation with the aim of treating chronic pain. Currently oxycodone is not available in a transdermal route of administration,” Dr Ogru said.

“Oxycodone, with worldwide annual sales of more than $US 1 billion, is more potent than morphine with fewer adverse effects.”

As previously advised, the trial, to be conducted by CMAX – an independent clinical research organisation located at the Royal Adelaide Hospital – will be a single centre, single blinded, pharmacokinetic trial in up to 32 healthy volunteers and it will evaluate the tolerability and safety of the Phosphagenics’ novel transdermal oxycodone. This trial is scheduled to begin next month.

ENDS…..

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APPENDIX AND NOTES TO EDITORS

About Phosphagenics Limited

Phosphagenics is a Melbourne-based, globally driven biotechnology company focused on the discovery of new and cost effective ways to enhance the bioavailability, activity, safety and delivery of proven pharmaceutical and nutraceutical products.

Phosphagenics' core technology is built around the science and application of phosphorylation, a process where the addition of a phosphate group has been found to enhance the bioavailability, activity and safety of existing pharmaceuticals and nutraceuticals, as well as to assist in the production of drug delivery platforms.

Phosphagenics' shares are listed on the Australian Stock Exchange (POH) and the London Stock Exchange's Alternative Investment Market (PSG). An ADR – Level 1 program was established in the U.S. with The Bank of New York Mellon (PPGNY) for U.S. investors to trade in Phosphagenics' stock on the 'over-the-counter' market. In July 2007, this was upgraded to the International OTCQX, a new premium market tier in the U.S. for international exchange-listed companies, operated by Pink Sheets, LLC.

For more information, please visit Phosphagenics' web site at www.phosphagenics.com

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