Company Announcement

26 August 2011

Change in Substantial Shareholding: Form 604: Dr S M West

Attached for release to the market is a Form 604 – Notice of Change of Interest of Substantial Shareholder as received by the Company from Dr West

ENDS

Enquiries:

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About Phosphagenics

Phosphagenics 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 product advancing through clinical trials is an 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 (PPGNY).

www.phosphagenics.com

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme PHOSPHAGENICS LIMITED

ACN/ARSN 056 482 403

1. Details of substantial holder (1)

Name SIMON MICHAEL WEST

ACN/ARSN (if applicable)

There was a change in the interests of the substantial holder on REFER ANNEXURE "A"/____/____

The previous notice was given to the company on 07/02/07

The previous notice was dated 06/02/07

2. Previous and present 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 when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
REFER ANNEXURE "A"				

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
	REFER ANNEXURE "A"				

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
	REFER ANNEXURE "A"				

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
REFER ANNEXURE "A"	

6. Addresses

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

Name	Address
REEFER ANNEXURE "A"	

Signature

print name SIMON MICHAEL WEST capacity SELF

sign here date 24 / 8 /11

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

(6) Include details of:

(a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. 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.

(7) 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.

(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) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

This is the Annexure marked "A" of three pages referred to in the Form 604 (Notice of Change of Substantial Shareholding) and dated the date of signing

SIMON M WEST – Self and as Director of Jogra Nominees Pty Ltd and as aTrustee of the West Super Fund

Details of Entitlements and Registered Holdings of Ordinary Shares:

		Form 604 24/08/11	Form 604 06/02/07
1.0	**Entitlement holder:**		
1.1	**Simon M West** **3 Verdon Street** **Williamstown Vic 3016**	**48,067,658**	50,242,658
	Total entitlement	**48,067,658**	50,242,658
2.0	**Held in the following names:**		
2.1	**Self**	**nil**	nil
2.2	**Jogra Nominees Limited** **Suite 4, 40 St Kilda Road** **St Kilda Vic 3004**	**47,509,658**	49,864,658
2.3	**Simon & Bohdanna West** **<West Super Fund A/c>** **C/o Alex Ruben & Co** **4/40 St Kilda Road** **St Kilda Vic 3182**	**558,000**	378,000
2.4	**Total entitlement of Simon M West**	**48,067,658**	50,242,658
3.0	**Issued voting shares of Phosphagenics Limited**	**823,592,731**	603,439,181
4.0	**Percentage entitlement**	**5.83%**	8.33%
5.0	**Movement in entitlements**		
5.1	**Self** **Balance held :**	**nil**	

5.2 Jogra Nominees Pty Ltd

Balance, Form 604, 06/02/07		49,864,658
Disposals:		
02/07/07 Transfer off-market to West Super Fund A/c	**(180,000)**	
23/05/11 On-market @ 15.75 cents	**(200,000)**	
07/07/11 On-market @ 14.00 cents	**(150,000)**	
12/07/11 On-market @ 14.00 cents	**(50,000)**	
14/07/11 On-market @ 14.00 cents	**(50,000)**	
20/07/11 On-market @ 13.00 cents	**(150,000)**	
02/08/11 On-market @ 12.00 cents	**(125,000)**	
05/08/11 On-market @ 11.00 cents	**(1,000,000)**	
16/08/11 On-market @ 12.00 cents	**(450,000)**	(2,355,000)
Balance, Form 604, 24/08/11		47,509,658

5.3 Simon & Bohdanna West
<West Super Fund A/c>
C/o Alex Ruben & Co
4/40 St Kilda Road
St Kilda Vic 3182

Opening Balance, Form 604, 06/02/07	**378,000**
Acquisition:	
02/07/07 Transfer from Jogra Nominees Pty Ltd	**180,000**
Closing Balance, Form 604, 24/08/11	**558,000**

6.0 Comments:

Dr West is entitled to the above securities for the following reason:

6.1 In the Form 604 Notice of 6 February 2007 Dr West declared a percentage entitlement to the issued share capital of Phosphagenics Limited of 8.33 per cent based upon an issued capital of 603,439,181 shares.

As noted above, Jogra Nominees Pty Ltd by on-market transaction has recently sold, in total, 2,175,000 shares. The 2,175,000 shares represented 0.36 per cent of the 6 February 2007 entitlement. The change in number of shares and percentage entitlement was less than one per cent of issued capital of the then 603,439,181 shares and only 0.26 per cent of the current issued capital of 823,592,731 shares. As such, the decrease in the number of shares to which Dr West has an entitlement is not, by itself, a reportable change in his interest.

However, since February 2007 Phosphagenics Limited has issued an aggregate of 220,154,550 new ordinary voting shares to persons or parties not associated with Dr West or Jogra Nominees Pty Ltd, which has had the dilutive effect of creating a percentage dilution in Dr West's entitlement of greater than one percent. The total percentage entitlement movement since the 6 February 2007 is a decrease of 2.5 per cent of which a 2.24 per cent movement is due solely to the dilutive impact of the increase in the number of Phosphagenics Limited shares on issue by 220,154,550 shares and not through a disposal of shares by Jogra Nominees Pty Ltd.

6.2 (i) Dr West is a director and the holder of an entitlement to in excess of 20 per cent of the issued capital of Jogra Nominees Pty Ltd.

Jogra Nominees Pty Ltd acts as the Trustee for the S M West Family Trust which is a discretionary trust and which has the beneficial entitlement to the 47,509,658 ordinary fully paid Phosphagenics Limited shares registered in the name of Jogra Nominees Pty Ltd.

Jogra Nominees Pty Ltd in its capacity as trustee for the S M West Family Trust manages and advises on the Trust's investments.

As such, Dr West as a Director of the trustee Company has the ability to vote the above shares and may have entitlement under the terms of the discretionary trust.

6.2 (ii) Dr West is a beneficiary under the West Super Fund and as such may have an entitlement to the 558,000 ordinary fully paid Phosphagenics Limited shares registered in the name of Simon & Bohdanna West <West Super Fund A/c>.

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