*Company Announcement*

# Phosphagenics: SPP Closes Heavily Oversubscribed

- *$3 million raised; more than 4 times oversubscribed*
- *Funds now in place for lead pharmaceutical product trials*

**14 November 2011, Melbourne, Australia:** Australian drug delivery technology company Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) has closed its share purchase plan (SPP) heavily oversubscribed,

The company has met its target of raising $3 million via the plan. This capital is in addition to the $24.1 million raised via recent placement to institutions and sophisticated investors. Following the scale-back and rounding of the SPP applications the Company has now allotted a total of 21,433,226 new shares at $0.14 a share

Over $14 million in application monies was received by the 7 November 2011 SPP close date. For shareholders who applied for less than 1000 shares, they will receive their full application. sFor all other applicants they will be subject to a minimum of 1000 shares and a maximum of 71,429 shares based on an 18.5 per cent pro rata allocation of the number of shares held by the applicant as at the Record Date of 20 October 2011.

Phosphagenics CEO, Dr Esra Ogru, said the outstanding response from shareholders meant the company had sufficient capital to accelerate development towards commercialisation of its lead pharmaceutical product – an oxycodone patch for pain management which uses the company's proprietary TPM® platform technology to deliver the powerful opioid transdermally.

Trials, which will continue throughout 2012, are expected to be completed by 2013.

Dr Ogru said the oversubscription was evidence investors had acknowledged the near-term potential of the technology and Phosphagenics' commercial prospects. This follows on from the heavily oversubscribed placement where most of the institutions and sophisticated investors received only a 20-30 per cent allocation of applications"

"As a result of our recent capital raising and this SPP, we now have sufficient funds to steer our lead pharmaceutical program through pivotal trials," she said.

The number of ordinary shares now on issue is 967,565,957 shares with new SPP shares to begin trading on 16 November 2011. Refunds arising from the scale-back will be dispatched to shareholders later this week.

**Ends**

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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
www.elixia.com.au