



PHOSPHAGENICS

Company Announcement

Phosphagenics in Joint Venture to Supply TPM[®] Equine Supplements to Global Market

- *Proprietary TPM[®] delivery technology to be used in thoroughbred nutrition supplements for export*
- *Products approved by Singapore Turf Club*
- *Asian distributor to be appointed*

31 October 2012, Melbourne, Australia: Australian drug delivery technology company Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) will launch its TPM[®] technology in the global racehorse market through a newly formed marketing company jointly owned with Equine Ergogenics Australia (EEA). The new company will develop, manufacture and market its unique equine nutritional supplements through distributors globally.

Under the terms of the arrangement EEA will manufacture TPM[®] supplements, known as OBl-a-max[™], OBl-a-plus[™] and Phytate X Max[™], which are designed to improve the performance and wellbeing of thoroughbreds.

The first two products will combine TPM[®] delivery technology with various vitamins and minerals that aid in the production of red blood cells. The third supplement containing TPM[®], Phytate X Max[™], uses TPM[®] with the aim of enhancing the delivery of beta-carotene and vitamin C, ingredients known to limit the iron-blocking effects of phytates which occur naturally in horses fed grains and legume diets.

The Singapore Turf Club has approved the products for use and the first order has already been received from one of Singapore's leading thoroughbred trainers.

The Singapore Turf Club also approved ENA's TPM/horse feed products launched in June 2012.

Phosphagenics' CEO, Dr Esra Ogru, said the launch was further endorsement of the company's versatile platform delivery technology.

"We have consistently demonstrated that TPM[®] is a versatile technology which can be harnessed to optimally deliver all kinds of active ingredients," she said.

"In this equine product we are harnessing our delivery technology to optimally deliver nutrients for superior absorption."

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Dr Ogru said the partner companies had conducted trials on the products at two Victorian farms located on the Mornington Peninsula, Victoria. The trial results were very encouraging and have enabled the release of these TPM[®] supplements into Asia.

Equine Nutrition Australia Managing Director, Mr Rob Neely, said the ingredients used in these products are regarded as playing a critical role in maintaining muscle integrity and cell membrane integrity, as well as supporting immune function. Improving red blood cell counts could result in greater stamina and delay lactic acid build-up, promoting equine endurance.

EEA is also finalising the appointment of a distributor of EEA TPM[®] products in 10 countries in South East Asia.

The products to be exported will be initially manufactured in ENA's Melbourne facilities. ENA plans to open a dedicated supplement-only facility in Queensland in 2013.

Ends

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About Phosphagenics Limited

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).

About Equine Nutrition Australia

Equine Nutrition Australia is a Melbourne-based, high-end horse feed manufacturer. Its products are sold in every state and territory and are available at more than 3,500 stores nationwide. The company has launched three new stockfeed products for thoroughbreds incorporating TPM[®] technology.