

Phosphagenics to Launch Phase 2 Acne Treatment Trial

- *New TPM[®] acne product*
- *Trial results expected Q4 2013*

12 July 2013, Melbourne: Australian drug delivery technology company Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) has received ethics approval to commence its Tretinoin/TPM[®] Phase 2 study for the treatment of acne. Tretinoin is also known as retinoic acid and is a form of Vitamin A.

Recruitment of 45 patients will commence shortly and the study is expected to be completed in Q4 2013. The study will compare the Company's Tretinoin/TPM[®] formulation against the market leading product Retin-A[®], as well as a placebo TPM[®] formulation. It will be conducted at two clinical trial sites - the Linear Clinic in Perth and Specialist Connect in Brisbane. Results of this trial will be used to power subsequent pivotal trials.

The Company remains focused on its portfolio of pain products such as lidocaine, oxymorphone, oxycodone (topical and systemic) and diclofenac (licensed to Themis and Novartis India, and in development with Nippon Zoki for the US prescription market).

The commencement of the acne trial is the culmination of the announced strategic direction of the Company into the dermatology space where clinical studies are relatively inexpensive, involve minimal risk, shortened time to market and hence a speedier commercial outcome.

In a series of human trials conducted some time ago, Phosphagenics obtained excellent results with its formulation compared to Retin-A[®]. The results demonstrated improved and deeper delivery of the drug and, importantly, a significant reduction in irritation.

Retinoic acid is most often prescribed by dermatologists for the topical treatment of acne. Irritation is a common adverse side effect. It affects almost 90% of patients who are prescribed the drug. As the Company's TPM[®] formulations have been shown to reduce irritation, the product has the potential to capture a substantial share of the tretinoin market.

The Tretinoin/TPM[®] clinical program is being overseen by our recently appointed Chief Operating Officer (COO), Sally Kinrade, who is responsible for managing clinical programs and all operational activities of the Company. Ms Kinrade has worked for Glaxo Smith Kline (Aust) for 20 years with the last 15 in Senior Management positions. She is a Registered Pharmacist and has been involved in the development of drugs from concept through to market launch and consolidation. She has in depth knowledge of clinical operations, both in project delivery and process quality improvement.

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About Phosphagenics

Phosphagenics Limited is commercialising drug delivery applications based on its novel transdermal (drugs administered via skin) TPM® ñ Targeted Penetration Matrix technology. TPM® is a patient friendly and cost effective system used to deliver proven pharmaceutical and nutraceutical products.

The lead products advancing through clinical trials are an oxycodone and oxymorphone matrix system for the relief of chronic pain.

Phosphagenicsöshares are listed on the Australian Securities Exchange (POH) and its ADR ñ Level 1 program in the US is with The Bank of New York Mellon (PPGNY).

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