

18 July 2014



**The ASX Limited
Market Announcement Office**

COMPANY ANNOUNCEMENT

Equity Capital Raising

(A) Confirmation Placement of 153,000,000 New Shares

Further to the Company's announcement to the market on Friday 11 July 2014 of the equity capital raising by way of the issue of, in aggregate 241,500,000 new shares, subject to 'rounding' and inclusive of a Placement of 153,000,000 new ordinary fully paid shares. The Board of Directors advises that it has today issued the 153,000,000 new ordinary fully paid shares at A\$0.08 a share to institutions and sophisticated investors as part of the first tranche of the capital raising program, raising funds of \$12,240,000.

(B) Share Purchase Plan ("SPP")

As announced, the Company is seeking to raise a total of \$3,000,000 by way of an SPP offering to eligible shareholders as of the Record Date of Thursday 10 July 2014, of new shares at \$0.08 a share and confirms that the SPP documentation was dispatched to shareholders last evening – Thursday 17 July 2014. The Closing Date for the SPP is Tuesday 29 July 2014.

(C) Placement Subject to Shareholder Approval of 51,000,000 Shares

The Company will shortly announce details of a General Meeting of shareholders to consider and, if thought fit, approve the issue of a further 51,000,000 new shares as previously disclosed in the Company's announcement on Friday 11 July 2014 at \$0.08 a share.

Yours faithfully
Phosphagenics Limited



per Mourice Garbutt
Company Secretary
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Enquiries

Australia:

David Segal
Investor Relations Manager
Phosphagenics Limited
+61 3 9565 1103

Rudi Michelson
Monsoon Communications
+61 3 9620 3333

USA:

Matthew Selinger
MZ North America
+ 1 949-298-4319

About Phosphagenics

Phosphagenics Limited is a drug delivery company that is commercialising various products within the pharmaceutical, cosmetics and animal health sectors, using its proprietary drug delivery system called TPM[®] (Targeted Penetration Matrix). TPM[®] is a patient friendly and cost effective system, based on Vitamin E, that enhances the topical or transdermal delivery of active molecules. The lead products advancing through clinical trials are oxymorphone and oxycodone patches 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).

Inherent Risks of Investment in Biotechnology Companies

There are a number of inherent risks associated with the development of pharmaceutical products to a marketable stage. The lengthy clinical trial process is designed to assess the safety and efficacy of a drug prior to commercialisation and a significant proportion of drugs fail one or both of these criteria. Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology.

Forward-looking Statements

Certain statements in this announcement may contain forward-looking statements regarding Company business and the therapeutic and commercial potential of its technologies and products in development. Any statement describing Company goals, expectations, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the process of discovering, developing and commercialising drugs that can be proven to be safe and effective for use as human therapeutics, and in the endeavour of building a business around such products and services.

www.phosphagenics.com
www.bioelixa.com