

ASX Limited
Market Announcements Office

Phosphagenics Initiates a Randomised, Placebo-Controlled, Blinded Study in Dairy Cattle

- ***Dairy Cattle study initiated, with first site commenced***
- ***First split-herd study assessing a TPM[®] formulation on milk quality and fertility end-points***
- ***Study results anticipated in Q4 2017***

1 June 2016, Melbourne: Australian biotechnology company, Phosphagenics Limited (ASX: POH; OTCQX: PPGNY), is pleased to announce the initiation of the first site in its randomised, placebo-controlled, blinded study assessing the efficacy of a TPM[®] formulation in dairy cattle.

Animal Health and Nutrition Business General Manager, Dr Roksan Libinaki, said, "This is an important next step in Phosphagenics' Animal Health and Nutrition research program. This study will assess the potential for TPM[®] to enhance milk quality and conception rates in dairy cattle, both commercially important issues to the industry."

The study, a placebo-controlled, split-herd design, is being conducted on-farm under commercial dairy conditions for a period of 12 months and is designed to allow scope for additional sites to be added. The study will determine the effects of the TPM[®] formulation on milk quality and fertility end-points during the most critical lactation and production periods. The experimental design, using a split-herd blinded approach, will account for any environmental variables or on-farm practices that may change during the conduct of the study.

The study will also provide information to assist with regulatory approvals in various jurisdictions, while providing additional efficacy data to support partners/licensees. Completion is targeted for the fourth quarter of 2017.

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About Phosphagenics

Phosphagenics Limited is focused on developing and commercialising innovative Human Health, Animal Health and Personal Care products using its proprietary drug delivery system called TPM® (Targeted Penetration Matrix). TPM® is derived from Vitamin E using a unique, proprietary and patented process and has been proven to enhance the solubility and oral, dermal and transdermal absorption of drugs and nutrients. Amongst its major projects, Phosphagenics' is developing TPM® enhanced oxymorphone and oxycodone patches for the treatment of 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.

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