8 December 2009

The Company Announcements Platform
ASX Ltd
Sydney NSW 2000

Completion of fund raising and partnership negotiation

Phylogica Limited ("**Phylogica**" or "the **Company**") (**ASX Code: PYC**) advises it has closed a fund raising of $2 million from the issue of 20 million shares at 10 cents per share pursuant to the 15% placement capacity under ASX listing rule 7.1 and Section 708 of the Corporations Act 2001.

The lead broker to this placement was CPS Securities Pty Ltd. Placement documentation and funds are being completed and the issue of the shares and Appendix 3B will be completed as soon as possible.

This announcement is the one referred to in the request for voluntary suspension dated 3 December 2009.

The Company advises that very advanced negotiations continue with a large pharmaceutical and biotechnology group regarding a new discovery partnership utilizing the Company's vast and unique library of protein fragments (phylomers).

Phylogica expects to complete these negotiations and formal documentation very shortly.

Regards

Mr Gregory MacMillan
Company Secretary

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