29 October 2010

The Company Announcements Platform
ASX Ltd
Sydney NSW 2000

Appendix 4C Quarterly Report - 30 September 2010

Phylogica (ASX: PYC) refers to the enclosed Appendix 4C quarterly report and advises that during the quarter it had completed its underwritten rights issue. The proceeds for shareholders who exercised their rights are included in the quarterly report however the underwriting proceeds for the rights issue were not completed until 8 October 2010. Accordingly the underwriting proceeds totalling $854,598 (net of fees) and are not included in the quarterly report.

For further information, please contact:

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Notes to Editors:

Phylogica
Phylogica Limited (ASX: PYC) is biotech company based in Perth, Australia, with a world-class drug discovery platform harnessing the rich biodiversity of nature to discover novel peptide therapeutics. The Company was incorporated in 2001 as a spin out from the Telethon Institute for Child Health Research (Perth, Australia) and the Fox Chase Cancer Center (Philadelphia, USA). Phylogica's strategy is to accelerate cash sustainability by focusing on fee-for-service drug discovery partnerships. The Company's Phylomer libraries have been optimised by natural evolutionary selection for peptides with stable drug-like structures. The unique qualities of the Phylomer libraries are validated by partnerships with Roche and MedImmune.

Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

PHYLOGICA LIMITED

ABN	Quarter ended ("current quarter")
48 098 391 961	30 September 2010

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from customers		1,215	1,215
1.2	Payments for	(a) staff costs	(221)	(221)
		(b) intellectual property	(57)	(57)
		(c) research and development	(656)	(656)
		(d) professional services	(131)	(131)
		(e) other working capital	(33)	(33)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		10	10
1.5	Interest and other costs of finance paid		-	-
1.6	Taxes (paid)/rebate		56	56
1.7	Other (Grant receipts)		33	33
	Net operating cash flows		216	216

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (3 months) $A'000
1.8	Net operating cash flows (carried forward)	216	216
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other: cash from subsidiary acquisition	-	-
	Net investing cash flows	-	-
1.14	**Total operating and investing cash flows**	216	216
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	1,319	1,319
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (share issue costs)	-	-
	Net financing cash flows	1,319	1,319
	Net increase (decrease) in cash held	1,535	1,535
1.21	Cash at beginning of quarter/year to date	1,281	1,281
1.22	Exchange rate adjustments to item 1.20		
1.23	**Cash at end of quarter**	2,816	2,816

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	121
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments to Executive Directors or associate and Non-Executive Directors. The breakdown of the amount is as follows:

	Amount $000
Directors fees	15
Salary – Executive Directors	100
Superannuation	6
	121

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
4.1	Cash on hand and at bank	2,816	1,281
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,816	1,281

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity		
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 29/10/2010
(Company secretary)

Print name: GREGORY MACMILLAN

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

+ See chapter 19 for defined terms.

- 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
- 9.2 - itemised disclosure relating to acquisitions
- 9.4 - itemised disclosure relating to disposals
- 12.1(a) - policy for classification of cash items
- 12.3 - disclosure of restrictions on use of cash
- 13.1 - comparative information