



19 June 2009

Company Announcement

Phosphagenics signs agreement with CSL to evaluate TPM technology

Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) today announced that it has signed a research and option agreement with global specialty biopharmaceutical company, CSL Limited ("CSL").

The early stage research collaboration will focus on evaluating Phosphagenics' proprietary TPM delivery technology to deliver large proteins.

Pursuant to the collaborative arrangement, Phosphagenics will develop new formulations containing its patented TPM delivery system in combination with a number of CSL's protein based formulations.

CSL will assess the formulations in a mouse model to establish efficiency of delivery after topical application.

Should the TPM formulations prove successful the collaboration will expand to optimize the effect of the TPM formulations, as well as testing their effect in higher order animals.

Under the terms of the agreement Phosphagenics will receive undisclosed option, milestone and royalty payments should CSL elect to pursue formulations that result from the collaboration.

Phosphagenics' Chief Operating Officer, Dr Esra Ogru, said, "This is a significant endorsement of our drug delivery platform and is line with our commercialisation strategy."

"We are very pleased to be working with CSL, one of the world leaders in the development and manufacture of vaccine and plasma protein biotherapies," Dr Ogru said.

"Our TPM technology is able to deliver large proteins, such as insulin, through the skin and into the blood stream, essentially replacing the need for invasive needle injections."

CSL's CSO Andrew Cuthbertson said, "We have watched the development of Phosphagenics' TPM delivery technology with interest and are pleased to be undertaking this research collaboration."

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APPENDIX AND NOTES TO EDITORS

About TPM

TPM technology is a safe, non-invasive platform system clinically proven to be effective in delivering a range of different molecules including insulin, morphine, retinoic acid, oxycodone, lidocaine and diclofenac.

The current collaborative agreement comes at a perfect time in the evolution of the TPM delivery technology. TPM enables the delivery of large proteins such as insulin into the bloodstream after topical application.

Recent advancements with both lidocaine and diclofenac have demonstrated the ability to target and localize drug delivery into the skin and local tissue at the site of application.

About CSL Limited

With major facilities in Australia, Germany, Switzerland and the US, CSL has over 9,000 employees working in 27 countries. The CSL Group has a combined heritage of outstanding contribution to medicine and human health with more than 90 years experience in the development and manufacture of vaccines and plasma protein biotherapies.

About Phosphagenics Limited

Phosphagenics is a Melbourne-based, globally driven biotechnology company focused on the discovery of new and cost effective delivery systems to enhance the bioavailability, activity, safety and delivery of proven pharmaceutical and nutraceutical products.

Phosphagenics' core technology is built around the science and application of phosphorylation, a process where the addition of a phosphate group has been found to enhance the bioavailability, activity and safety of existing pharmaceuticals and nutraceuticals, as well as to assist in the production of drug delivery platforms.

Phosphagenics' shares are listed on the Australian Stock Exchange (POH) and the London Stock Exchange's Alternative Investment Market (PSG). An ADR – Level 1 program was established in the U.S. with The Bank of New York Mellon (PPGNY) for U.S. investors to trade in Phosphagenics' stock on the 'over-the-counter' market. In July 2007, this was upgraded to the International OTCQX, a new premium market tier in the U.S. for international exchange-listed companies, operated by Pink Sheets, LLC.

For more information, please visit Phosphagenics' web site at www.phosphagenics.com

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