ASX Limited
Market Announcements Office

Phosphagenics TPM® in Dairy Feed Inclusion Technology Shows Commercial Promise

- *Australian scientists developed new feed inclusion supplement that reduced antibiotic use on-farm*
- *MMA selling Udder-Mate® in Australia and New Zealand*

12 December 2013, Melbourne: Australian drug delivery technology company Phosphagenics Limited (ASX:POH; OTCQX:PPGNY), with its licensee Mastitis Management Australia (MMA), today announced that MMAôs Udder-Mate® feed inclusion technology, which includes TPM® has provided promising results when fed to cows in an on-farm setting.

The provision of feed inclusion supplementation in cowsô diets with the Udder-Mate® technology to a commercial dairy cow herd in northern Victoria for three months, enabled the farmer to reduce the use of antibiotics by 50% in cows whose Somatic Cell Count were over one million cells/ml when compared to the same period in the previous year.

MMA has been granted an exclusive license for the use of TPM® for cow supplementation in Australia and New Zealand. When administered orally Udder-Mate® delivers key antioxidants and nutrients to maintain and support general animal health and wellbeing. Optimum nutrient supplementation, particularly in production animals such as dairy cattle, is a key factor for an animalôs general health.

Cow immune systems are constantly challenged by factors such as the demands of producing milk, environmental pathogens and weather conditions. The outcomes reported by MMA were particularly noteworthy given that rainfall was about double compared with the same period last year. Increased rainfall usually results in an increased incidence of mastitis.

Udder-Mate® is the first feed inclusion supplement incorporating TPM® that targets the bovine market. It is also used in existing equine supplements and feeds that were launched by the Companyôs partner, Equine Ergogenics Australia (EEA), about 18 months ago and are available in 15 countries.

MMAôs recently appointed General Manager, Mr Richard Nevile, BSc, said, ñThe take home message here for our industry is simply one of pure economics. With the reduction of SCC and antibiotics itôs a win/win for the farmer, the cows, dairy processors and the community.ò

Phosphagenics CEO, Harry Rosen, said ñThese results provide a degree of confidence in regards to our current collaboration with the USDA for the development of an intra-mammary, non-antibiotic approach to the treatment of mastitis in cows. The program aims to develop a registered product for the treatment of mastitis using protocols developed by scientists at the Ruminant Disease and Cattle Research Unit. These trials are underway and will continue throughout 2014/15.ò

Phosphagenics Limited
ACN 056 482 403 ABN 32 056 482 403

11 Duerdin Street, Clayton VIC 3168
PO Box 1415, Clayton South MDC VIC 3169 Australia
Tel: +61 (0)3 9565 1119 Fax: +61 (0)3 9565 1151
www.phosphagenics.com Email: info@phosphagenics.com

With increasing concern about antibiotic use and resistant bacteria, an urgency exists for the development of new, cost effective alternatives. In the meantime, Phosphagenicsô proprietary TPM® delivery technology may provide a viable solution with its development of these non-registered feeds and supplements and continuing research into the development of registered treatments for a holistic and efficacious approach to bovine mastitis.

Enquiries

Harry Rosen
Chief Executive Officer
Phosphagenics Limited
+61 3 9565 1103

David Segal
Investor Relations Manager
Phosphagenics Limited
+61 3 9565 1119

Rudi Michelson
Monsoon Communications
+61 3 9620 3333

About Phosphagenics

Phosphagenics Limited is commercialising drug delivery applications based on its novel transdermal (drugs administered via skin) TPM® ï Targeted Penetration Matrix technology. TPM® is a patient friendly and cost effective system used to deliver proven pharmaceutical and nutraceutical products.

The lead products advancing through clinical trials are an oxymorphone and oxycodone matrix system for the relief of chronic pain.

Phosphagenicsô shares are listed on the Australian Securities Exchange (POH) and its ADR ï 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 ASX 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.bioelixia.com