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The Company Announcements Platform  
ASX Ltd  
Sydney NSW 2000

### **Phylogica Limited Share Placement raises \$5.2 million**

Phylogica Limited (**Phylogica**) today announced that it has successfully completed a share placement to international institutional and sophisticated investors, led by Ascent Biomedical Holdings LP, based in New York, USA, to raise \$5.2 million before capital raising costs. The share placement was significantly oversubscribed and was priced at \$0.059 per share, representing an 11% discount to Phylogica's five-day VWAP at close of trading on Tuesday, 22 March 2011. The share placement comprised 88.14 million new Ordinary Shares and, for every two shares issued under the placement, Phylogica will issue one free attaching option.

RBS Morgans acted as Lead Manager and Caris & Company acted as US Placement Agent to the capital raising.

The placement will be issued in two tranches, with the first tranche comprising 28,000,000 shares and 14,000,000 options issued under Phylogica's 15% placement capacity under ASX listing rule 7.1. Tranche 2 of the placement comprising of 60,135,594 shares and 30,067,797 options will settle following shareholder approval on or around Tuesday, 10 May 2011. All options to be issued in both tranches will have an exercise price of 9 cents and an expiry date of 30 June 2016.

Placement documentation and funds are being completed and the issue of the shares will be completed as soon as possible.

Phylogica's strategy of collaborative drug discovery utilising its Phylomer® peptide libraries aims to drive revenue growth and to build long-term value. The Company has signed three partnerships to-date with Roche, AstraZeneca and Pfizer respectively, generating revenue of \$2.5 million in the last 12 months. Phylogica anticipates at least three new alliances in 2011 and is well positioned to achieve its goal of cash sustainability in FY2012. The new funds will be used to enhance the Company's drug discovery platform, including the purchase of new capital equipment, and to support operational activities.

Settlement of tranche 1 of the placement is expected on Thursday, 31 March 2011, with shares to be allocated the same day.



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**About Phylogica**

Phylogica Limited (ASX: PYC) is a biotechnology company based in Perth, Australia and Oxford UK, 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). Phylogica's strategy is to accelerate cash sustainability by focusing on collaborative drug discovery partnerships. The Company's Phylomer<sup>®</sup> libraries have been optimised by natural evolutionary selection for peptides with stable drug-like structures. The unique qualities of Phylogica's Phylomer libraries are validated by its partnerships with Roche, MedImmune (the worldwide biologics unit of AstraZeneca) and Pfizer.