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ASX Ltd
Sydney NSW 2000

PHYLOGICA SHARE PLACEMENT RAISES \$2.15 MILLION

PERTH, AUSTRALIA: December 14, 2011 – Phylogica Ltd (ASX: PYC, XETRA: PH7), an Australian peptide drug discovery company, announced today that it has successfully completed a \$2.15 million share placement before capital raising costs, via a placement to institutional and sophisticated investors of 40,533,333 million ordinary shares at an issue price of \$0.053 per share. For every three shares issued under the share placement, Phylogica will issue two free attaching listed options (ASX: PYCOA).

RBS Morgans acted as Lead Manager to the capital raising.

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

Phylogica's business model of collaborative drug discovery utilising its Phylomer® peptide libraries aims to drive revenue growth and to build long-term value. In 2011, the Company has announced progress in all three of its partnerships with, respectively, Roche, Pfizer and MedImmune, the biologics arm of AstraZeneca. Furthermore, Phylogica aims to secure three new alliances in the financial year ending 30 June 2012.

The Company remains on track with its strategy to achieve cash sustainability in 2012/2013. The new funds will be used to enhance the Company's drug discovery infrastructure, invest in in-house programmes and support operational activities.

Settlement of the placement is expected on Tuesday, 20 December 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) and the Fox Chase Cancer Centre (Philadelphia, USA). The Company's drug discovery platform is based on its proprietary Phylomer[®] libraries of natural peptides, which have been optimised by evolutionary selection to have stable drug-like structures. Phylogica offers fully integrated drug discovery services to the pharmaceutical industry utilising its Phylomer[®] libraries and proprietary screening technologies. Its current partners include Roche, MedImmune (the worldwide biologics arm of AstraZeneca) and Pfizer.

About Phylomer[®] Peptides

Phylomer peptides are derived from biodiverse natural sequences, which have been selected by evolution to form stable structures, which can bind tightly, and specifically to disease associated target proteins, both inside and outside cells. Suitable targets for blockade by Phylomers include protein interactions that promote multiple diseases, such as infectious diseases, cancer, autoimmunity and heart disease. Phylomer peptides can have drug-like properties, including specificity, potency and thermal stability, and are capable of being produced by synthetic or recombinant manufacturing processes. Phylomer peptides are also readily formulated for administration by a number of means, including parenteral or intranasal delivery approaches.