



Biotech Daily

Friday July 3, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: POLARTECHNICS UP 11%, NOVOGEN DOWN 9%**
- * **BIOGUIDE BRIEF: PROGEN, A NEW TRAIN COMING?**
- * **DR MICAH ATKIN, FERMISCAN WIN INNOVIC AWARDS**
- * **CORRECTION: BIONOMICS**
- * **PRIMA SETS MEETING FOR 38.5m DIRECTORS' OPTIONS**
- * **MEDICAL THERAPIES REQUESTS 'CAPITAL RAISING' TRADING HALT**
- * **KOW HIN FAN REPLACES EDWIN LEITH BOYD AS ROCKEBY DIRECTOR**

MARKET REPORT

The Australian stock market fell 1.27 percent on Friday July 3, 2009 with the S&P ASX 200 down 49.1 points to 3,828.2 points.

Nine of the Biotech Daily Top 40 stocks were up, 14 fell, six traded unchanged and 11 were untraded.

Polartech was best, up 0.8 cents or 11.3 percent to 7.9 cents with 90,000 shares traded, followed by Living Cell up 5.9 percent to 18 cents.

Nanosonics climbed 4.5 percent; Labtech, Phosphagenics and Tissue Therapies were up more than three percent; Mesoblast, Resmed and Sirtex rose more than one percent; with Psivida up 0.5 percent.

Novogen led the falls, down 5.5 cents or 9.5 percent to 52.5 cents with 4,150 shares traded, followed by Phylogica down 6.7 percent to 5.6 cents.

Viralytics lost 5.7 percent; Clinuvel fell 4.7 percent; Heartware, Genetic Technologies and Starpharma were down more than three percent; Alchemia and Biota shed more than two percent; Acrux, Chemgenex, Cochlear, CSL and Peplin were down more than one percent; with Cellestis and Pharmaxis down by less than one percent.

MARC SINATRA'S BIOGUIDE BRIEF NOTE: PROGEN

I had hoped I had written my last words about Progen, but like a train wreck, it is hard to take your eyes off it, despite the gruesome sight.

On Wednesday, the company announced a restructure of the board with the all three incumbent directors resigning, including Justus Homburg, although he remains chief executive officer (BD: Jul 1, 2009).

The three have been replaced by four independent directors: Stuart James, Dr Julie Cherrington, Dr John Chiplin and Gordon Schooley.

While the appointment of independent directors is almost always a good thing, the move looks specifically designed to thwart an attempt by a group of Progen shareholders sympathetic to Taiwan-based Medigen Corporation, to wrest control of Progen.

The restructure of Progen's board means that even if the Medigen-sympathetic shareholders are successful in having their three candidates voted onto the board at the upcoming extraordinary general meeting, they will still need to attract the vote of one of the new independent directors to wield any real power.

While a \$2 million payment due to Medigen in the event that Progen licenced PI-88 or muparfostat to a third party has long been seen as a key driving force behind those shareholder sympathetic to Medigen, the real prize has always been control of Progen's cash, currently standing at \$30 million.

Given the recent machinations, one has to assume that the Medigen-sympathetic shareholders have enough votes to eventually take control of Progen and that yesterday's board restructure is simply a stalling tactic to enable the newly appointed board time to fix Progen on a course less appealing to or unalterable by the Medigen-sympathetic shareholders.

One of the more interesting questions, though, is who or what is the coalescing force behind Progen's four new directors?

It is hard to believe that there isn't one, given the circumstances.

It is also hard to believe the master of survival, Justus Homburg, isn't intimately involved in its arrival on the scene.

For the moment, however, all observers can do is wait to see if the lights approaching in the distance are simply another train that hasn't been informed of the crash ahead or a clean-up crew coming to put Progen back on track.

Whichever the case, I rate Progen as a sell - until we know whose lights are shining down.

Progen was untraded at 84 cents.

Marc Sinatra
Analyst

[INNOVIC, FERMISCAN](#)

Innovic says Dr Micah Atkin's hand-held tuberculosis diagnostic and Fermiscan's x-ray diffraction breast cancer test have won Next Big Thing awards.

Innovic said that Victorian inventor Dr Atkin conceived the idea for a hand-held test as a way to deliver a low cost testing system to enable anyone to perform laboratory quality tests quickly and easily. He has won \$10,000.

A not-for-profit organization originally funded by the Federal and Victorian Governments, Innovic said the first use for the handheld system would be a tuberculosis test, a disease which kills more than two million people a year.

Innovic said tuberculosis was readily curable through accurate diagnosis and low-cost drug therapy, "yet most badly infected countries cannot afford the highly specialized and very expensive equipment and personnel needed for testing".

Innovic chief executive officer Joss Evans said the handheld medical diagnostic system was "a very clever innovation and meets a real community need".

"All of the 25 finalists were impressive and selecting an overall winner was extremely difficult," Ms Evans said. "However, our judges particularly liked the handheld medical diagnostic system because it is an elegant, relatively simple and low cost solution to a major global problem."

"It clearly has great potential to become the next big thing," Ms Evans said.

Innovic's Social and Community Benefit Award went to Fermiscan's Breast Cancer Test using synchrotron-generated x-ray diffraction of hair to detect the presence of breast cancer created by Prof Veronica James.

The finalists included the Signos personal ultrasound, which was described as "a palm-sized ultrasound device which acts like a visual stethoscope, allowing physicians to look inside the body, improving their physical exam".

Other finalists were primarily environmental and information technology inventions.

More details of the awards are at www.nextbigthingaward.com.

Fermiscan was unchanged at 10 cents.

[CORRECTION: BIONOMICS](#)

Last night's article on Bionomics provided the incorrect market data. Bionomics was unchanged at 22 cents with 2,788,518 shares traded and not as published.

Biotech Daily apologizes for this incomprehensible error and can only say that as far as sub-editors go, another one bites the dust.

Bionomics closed the week unchanged at 22 cents.

[PRIMA BIOMED](#)

Prima's second extraordinary general meeting to vote on directors' options will be held on August 5, 2009.

On June 25, 2009 one day ahead of the scheduled extraordinary general meeting Prima said the three directors' options had been postponed "following shareholder feedback" on the original explanatory statement.

The directors' option resolutions are to issue 13,500,000 options to chairman Ata Gokyildirim, 5,000,000 options to director Dr Richard Hammel and 20,000,000 options to director Martin Rogers (BD: May 22, 2009).

The meeting will be held at the CFO Solution, Level 7, 151 Macquarie Street, Sydney on August 5, 2009 at 11am.

Prima was unchanged at five cents with 4.8 million shares traded.

MEDICAL THERAPIES

Medical Therapies has requested a trading halt pending an announcement “in relation to a proposed capital raising”.

Trading will resume on July 7, 2009 or on an earlier announcement.

Medical Therapies last traded at 4.5 cents.

ROCKEBY

Rockeby says Kow Hin Fan has been appointed a director, effective from June 26, 2009.

Rockeby said director Edwin Leith Boyd resigned on June 29, 2009.

The company said Mr Fan was the executive chairman of Healthway Medical Corp and from 1991 to 2000 he was with DBS Land responsible for business development and asset management.

Mr Fan has a Bachelor of Commerce & Administration from the University of Wellington, New Zealand.

Rockeby was untraded at 2.6 cents.