



Biotech Daily

Friday May 22, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN: ANTISENSE UP 27%, TYRIAN DOWN 12%**
- * **PROGEN: THE SEQUEL - TAIWANESE INVESTORS CALL FOR BOARD COUP**
- * **STARPHARMA PLACEMENT, SHARE PLAN RAISE \$7.1m**
- * **LIVING CELL CANCELS \$4m CAPITAL RAISING**
- * **PRIMA EGM BRINGS DIRECTORS, TURNBULL AND ALPHA TOGETHER**
- * **US PHASE III NEWS, GOOD NEWS FOR ANTISENSE**
- * **ARK USES CIRCADIAN VEGF-D GENE IN US PHASE III TRIAL**
- * **FERMISCAN, POLARTECHNICS STATEMENTS DELAY**
- * **NOVOGEN LABORATORY, OFFICE SPACE FOR LEASE**

MARKET REPORT

The Australian stock market fell 1.37 percent on Friday May 22, 2009 with the S&P ASX 200 down 52.3 points to 3,761.6 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 14 fell, seven traded unchanged and five were untraded.

Antisense was best, up 0.9 cents or 27.3 percent to 4.2 cents with 327,000 shares traded, followed by Universal Biosensors up 11.1 percent to \$1.20.

Prana climbed 7.9 percent; Genetic Technologies, Mesoblast and Tissue Therapies were up five percent or more; Acrux and Progen were up more than four percent; Avexa and Phosphagenics climbed more than three percent; Cochlear and Optiscan rose two percent or more; Cellestis and Pharmaxis were up more than one percent; with Arana up 0.74 percent.

Tyrian led the falls, down 0.4 cents or 11.8 percent to three cents with 643,130 shares traded, followed by Bone down 10 percent to 18 cents.

Biota lost 7.5 percent; Bionomics fell six percent; Starpharma shed 5.9 percent; Peplin was down 3.6 percent; Chemgenex fell two percent; with Alchemia, Clinuvel, CSL, Genera, Novogen, Resmed and Sirtex down by more than one percent.

PROGEN

As the market closed for the weekend, Progen said it had received a notice requisitioning a general meeting to replace the board of directors.

Progen said the meeting had been requisitioned by shareholders Su-Hua Chuang, Fu-Ying Wang and Fu Mei Wang.

The resolutions propose the removal of the current directors and the appointment of Thomas James Burt, Heng Hsin Tang and Joe Yeh-Chiao Lin as directors.

An informed source told Biotech Daily the move was being made by investors sympathetic to the interests of the Taiwan-based Medigen, but not necessarily related to the company.

Progen has survived a series of attempted takeovers, beginning with the Bob Moses Alison Coutts Medigen requisitioned meeting (BD: Nov 21, 2008) followed by the failed merger with Avexa (BD: Dec 22, 2008) and the failed hostile merger move by Cytopia (BD: Jan 28, 2009), apparently concluding with a return of capital to the major investor groups (BD: March 30, 2009).

Progen was up four cents or 4.94 percent to 85 cents.

STARPHARMA

Starpharma has raised a total of \$7.1 million through an oversubscribed placement and a successful share plan.

Starpharma hoped to raise up to \$4.6 million from the placement but in a media release to the ASX late yesterday said it had placed shares at 26 cents a share to raise \$5.1 million.

The company said last month that it had hoped to raise up to \$2.2 million through applications from about 10 percent of shareholders given current market experience (Apr 22, 2009). The share plan raised \$2 million for the company.

The placement was in two tranches with the first tranche raising \$3.1 million on April 7 and the second tranche raising \$2 million, which was received yesterday.

The placement was led by Acorn Capital, with an unnamed Australian institution and an unnamed European fund among the new institutions participating.

Starpharma said shareholder approval was not required for placement shares as they fall within the 15 percent threshold permitted by the ASX Listing Rules.

Starpharma chief executive officer Dr Jackie Fairley said the company was "delighted with the strong support shown by both institutional and retail shareholders in this raising".

"These additional funds place the company in a very strong financial position and build upon the recently announced drug delivery deal with animal health company Elanco," Dr Fairley said.

"The Elanco deal is the most recent example of Starpharma's strategy of partnering our dendrimer technology widely, allowing us to commercially exploit our technology across a range of markets to maximum effect," Dr Fairley said.

Starpharma fell two cents or 5.88 percent to 32 cents.

LIVING CELL

Living Cell says a \$NZ5 million (\$A3.9 million) capital raising has been cancelled.

Living Cell said it Pacific Channel to conduct the capital raising which was expected to be completed later this month.

Living Cell said it intended to raise additional capital "as and when conditions allow [but] the company will not be proceeding with the raising proposed".

Living Cell was unchanged at 22 cents.

PRIMA BIOMED

Prima investors will vote on the issue of 109,100,056 shares to investors including Alpha Securities, 38,500,000 directors' options and the conversion of a Lucy Turnbull loan. The resolutions include the issue of 42,857,142 shares for the company's share plan (BD: May 15 2009); the prior issue of 5,473,684 shares to the CFO Solution Team; the issue of 57,692,307 shares to Link Traders, Link Enterprises, Serenety Holdings, Penelope Gai Ewing and Innovative Developments; 2,051,282 shares to Alpha Securities; and 1,025,641 shares to APEC Group.

Alpha Securities is associated with Stirling Products and Zodiac Capital (BD: May 8, 20, 2009).

Prima said it would ask shareholders to vote on the approval of the grant of a conversion right to Lucy Turnbull, believed to be the former Mayor of Sydney and wife of Opposition Leader Malcolm Turnbull. No one from Prima was available to respond to inquiries.

The company said the conversion right to Ms Turnbull related to a loan of \$125,000 earning 10 percent per annum and secured by a fixed and floating charge over 25 percent of the intellectual property of Cancer Vac Pty Ltd, a wholly owned subsidiary of the Prima. Prima said that in the event the resolution was not approved the company would be required to repay \$312,500 plus any unpaid interest to Ms Turnbull.

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.

The meeting will be at the CFO Solution, Level 7, 151 Macquarie Street, Sydney on June 26, 2009 at 11am.

Prima fell 0.6 cents or eight percent to 6.9 cents with 15.2 million shares traded.

ANTISENSE

Antisense says the Genzyme and Isis news that their phase III trial of mipomersen has met its primary and secondary endpoints, validates the antisense drug model.

Antisense chief executive officer Mark Diamond told Biotech Daily that the news on the Isis's mipomersen was relevant to his company because it has the same chemistry or same class as the drugs in his pipeline.

"It is a second generation antisense drug and being in the same class the drug has similar characteristics such as pharmacokinetics and toxicity profiles," Mr Diamond said.

"As stated in the Isis announcement, this is the first successful phase III trial of a systemically delivered antisense drug, so it is positive news for the platform," Mr Diamond said.

He said Isis had one antisense drug on the market, which was injected directly into the eye and was not systemic.

Genzyme and Isis said the phase III study of mipomersen in patients with homozygous familial hypercholesterolemia met its primary endpoint, with a 25 percent reduction in low density lipoprotein cholesterol after 26 weeks of treatment compared to three percent for placebo ($p < 0.001$). The study met its three secondary endpoints.

The Genzyme and Isis announcement said that although the patients were on maximally tolerated statins and other lipid-lowering therapies, their average low density lipoprotein cholesterol at baseline was greater than 400 mg/dL.

The companies said the data from the phase III study of mipomersen in patients with homozygous familial hypercholesterolemia would form the basis of Genzyme's initial regulatory filing for marketing approval, expected by the end of 2010.

Antisense climbed 0.9 cents or 27.3 percent to 4.2 cents.

CIRCADIAN TECHNOLOGIES

Circadian says licensee Ark Therapeutics has enrolled the first patient in its US phase III study of Trinam for kidney dialysis patients.

Circadian said Trinam was a gene-based medicine to prevent blood vessels from blocking in kidney dialysis patients who have undergone vascular access graft surgery.

The company said the product was an adenovirus-mediated vascular endothelial growth factor D (VEGF-D) gene delivered with a biodegradable local delivery device.

Circadia said the rights to use the VEGF-D gene in Trinam were licensed from Circadian through its wholly-owned subsidiary Vegenics to Ark.

Circadian chief executive officer Robert Klupacs said the beginning of the trial was “a further significant milestone for Trinam in the path towards commercialization”.

“We believe that progression of this application is a reflection of the significant commercial value of our VEGF intellectual property,” Mr Klupacs said.

Circadian was untraded at 77 cents.

FERMISCAN, POLARTECHNICS

Polartechnics and Fermiscan said there have been delays to the bidder and target statements for the proposed friendly merger.

The companies said the merger would be through Polartechnics making an off-market takeover offer for all Fermiscan shares on issue, with bidder and target statements published by mid May 2009.

The companies said the statements were “still in the process of being finalized and the bidder’s statement will be released to Fermiscan shareholders before June 17, 2009, which is the required statutory timeframe”.

Fermiscan was unchanged at 17 cents.

Polartechnics was unchanged at 11 cents.

NOVOGEN

Novogen has 577 square metres of laboratory and office space for lease in Gladesville on Sydney’s north shore, close to the Macquarie Park biotechnology precinct.

Novogen says the laboratory area has four fume cupboards and the lease time and price per square metre were “very negotiable”.

The company said the office would be leased fully fitted out with workstations, telephone system, meeting rooms and small kitchen.

Contact Novogen’s general manager of operations Bryan Palmer on 0411 410 910 to arrange an inspection.

Novogen fell one cent or 1.25 percent to 79 cents.