Biotech Daily

Tuesday July 20, 2010

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: CELLMID UP 14%; CATHRX DOWN 17%**

*** ATHLOMICS, MATER PATHOLOGY LAUNCH SEPSIS TEST**

*** ALLIED MEDICAL $6m INVESTMENT BOOSTS CORIDON FOR HSV2**

*** BIO-MELBOURNE NICHE MARKET BREAKFAST**

MARKET REPORT

The Australian stock market climbed 1.04 percent on Tuesday July 20, 2010 with the S&P ASX 200 up 45.3 points to 4403.6 points.

On a very quiet day for biotechnology with no significant ASX announcements 16 of the Biotech Daily Top 40 stocks were up, 10 fell, five traded unchanged and nine were untraded.

Cellmid was best, up 0.3 cents or 14.3 percent to 2.4 cents with 10.3 million shares traded.

Phylogica and Virax climbed more than seven percent; Nanosonics and Universal Biosensors were up more than five percent; Chemgenex was up 4.5 percent; Novogen was up 3.85 percent; Acrux, Living Cell, Mesoblast and Viralytics rose more than two percent; with Cochlear, Impedimed, LBT and Pharmaxis up more than one percent.

Cathrx led the falls, down four cents or 16.7 percent to 20 cents with 244,588 shares traded, followed by Prima down half a cent or 4.55 percent to 10.5 cents with 2.2 million shares traded and Cellestis down 4.3 percent to $2.87 with 16,435 shares traded.

Benitec, Bionomics, Heartware and Phosphagenics lost more than three percent; Resmed shed 2.1 percent; with Alchemia, Psivida and Starpharma down more than one percent.

ATHLOMICS

Athlomics and Brisbane's Mater Pathology have launched "the world's first immune system gene expression test for the diagnosis of severe infections" or sepsis.

Athlomics managing director and chief executive officer Dr Roslyn Brandon told Biotech Daily that there was a demand for earlier diagnosis of sepsis and her company's Septicyte was able to produce results much faster than growing microbials or fungi in a laboratory.

Dr Brandon said that the Septicyte diagnostic became available on June 30, 2010 but was being developed with the Mater hospital for personalized management of patients.

Dr Brandon said that sepsis was an abnormal response to a pathogen that began with an inflammation response and developed into an immuno-suppression reaction.

"Critical care specialists around the world believe it is the immuno-suppression that kills the majority of sepsis patients," Dr Brandon said.

"The future of the product is being able to tell the physician the immune status of the patient," Dr Brandon said.

Earlier this month Commercialisation Australia awarded Athlomics $250,000 for its Septicyte product which it said was "a molecular biomarker-based sepsis diagnostic test, … faster [less than three hours] and more accurate (85 to 95% performance) than all competitors" (BD: Jul 14, 2010).

Athlomics said at that time that it aimed to evaluate its use in continuous patient monitoring which could improve market opportunity, patient surveillance and survival and reduce antibiotic costs and hospital stays.

Athlomics is based in Brisbane, with a wholly-owned subsidiary, Immunexpress for business development based in Seattle, Washington.

The company is chaired by Jim Kalokerinos who founded Pacific Diagnostics and Panbio, with Commercialisation Australia chairman Dr Laurie Hammond as a director.

In a media release Athlomics said it developed the Septicyte technology following advice from critical care clinicians, surgeons and oncologists who stressed the shortcomings of current diagnostics and the importance of an earlier diagnosis of sepsis.

The company said that sepsis was the leading cause of death in non-coronary intensive care unit patients and caused more than 25,000 deaths a year in Australia.

Athlomics said that babies, the elderly and those with weakened immune systems such as post-surgical, chemotherapy and diabetic patients were most likely to get sepsis, but healthy people could also become seriously ill and die from sepsis.

The company said sepsis cost the Australian health care system about $21,000 per patient episode.

Athlomics is a private company.

CORIDON

A $6 million investment from Allied Medical is expected to boost Coridon's development of DNA immunotherapies.

Coridon is a spin out from Queensland University through its commercialization arm Uniquest and directors include Uniquest general managers Andrew Davis and Dr Dean Moss.

Coridon's chairman is Prof Ian Frazer the inventor of CSL's Gardasil vaccine for human papillomavirus.

Mr Davis told Biotech Daily that the funds would assist Coridon take its platform technology to clinic trials.

"HSV2 is a lead target for our platform technology," Mr Davis said.

"The funds are to continue development work to get us through to the clinic and into phase I trials," Mr Davis said.

Allied Medical chief executive officer Lee Rodne told Biotech Daily that his public unlisted company specialized in sales and distribution of medical devices such as portable infusion devices and patient-controlled analgesia devices.

Mr Rodne said Allied Medical was spun out of Fortescue Mining in 2005 but executive director Andrew Forrest retained a 46 percent interest in Allied Medical through the Metals Group.

"We feel that Ian Frazer is a guy that should be supported in this region," Mr Rodne said.

"We're partnering with a highly respected research scientist at a good time," Mr Rodne said.

Coridon's website said the company's objective was "to build novel DNA prophylactic and therapeutic vaccines for the prevention and treatment of viral infections disease and cancer and to build immuno-modulating DNA therapeutics for the treatment of disease".

The website said Coridon was founded in 2000 and focused on hepatitis C, herpes simplex virus and cancer.

Mr Rodne said Allied Medical investors would raise an initial $3 million with a further $3 million in options and take a 55 percent stake in Coridon.

"Besides the money, we will bring our resources to hire people who can help Coridon," Mr Rodne said.

He said his company expected to have board representation.

The rights issue will by conducted by DJ Carmichael in Perth at 50 cents a share.

For further information contact DJ Carmichael corporate adviser Nigel Smith via email at: nsmith@djcarmichael.com.au or telephone +61 8 9263 5210.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network August Bio-Breakfast will discuss the challenges and benefits of working in the areas of niche and neglected diseases.

The Network said the Bio-Breakfast would include two participants from the International Congress of Parasitology conference to discuss niche and neglected diseases drug development and commercialisation paths.

The conference will be held in Melbourne August 15-20, 2010.

The Network said Pfizer Animal Health senior principal scientist Dr Debra Woods specialized in drug development in animal parasitology and would discuss the return on investment that pharmaceutical companies expect from the development of niche drugs and the reasons behind that support.

The Network said that London School of Hygiene and Tropical Medicine professor of parasitology Prof Simon Croft, a Bill and Melinda Gates Foundation recipient, would present on attracting funding for drug identification, development and clinical trials in neglected disease areas and whether government funding and philanthropy were the only options.

The Network said that Pharmaust subsidiary Epichem had “a significant involvement in neglected parasitic diseases”.

The Bio-Melbourne Network said that Epichem's managing director Dr Wayne Best would talk about the company's business model and the important role neglected diseases has played in its success.

The chair of the outreach progam working group for the International Congress of Parasitology conference is Victoria co-chief scientist Dr Graham Mitchell who will chair the breakfast.

Registrations for the August 17, 2010 Bio-Breakfast is from 7.15am with presentations from 8am.

The Bio-Breakfast will be held at the Supper Room, Melbourne town Hall, Swanston Street, Melbourne.

For more information, go to: http://www.biomelbourne.org/events/view/140.

More information on the International Congress of Parasitology conference is available at: http://www.icopaxii.org.