



# Biotech Daily

Monday September 27, 2010

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH FLAT: USCOM UP 16%, MESOBLAST DOWN 6%**
- \* **VICTORIA'S BIOTECH 'HEALTHY, WITH SPECIFIC SKILL SHORTAGES'**
- \* **CBIO 5-FOR-7 RIGHTS ISSUE TO RAISE \$9.3m**
- \* **NUSEP EXPANDS SPERM SEPARATION TO ANIMAL MARKET**
- \* **TWO OMI PLACEMENTS TO RAISE UP TO \$2.55m**

## MARKET REPORT

The Australian stock market climbed 1.6 percent on Monday September 27, 2010, with the ASX200 up 73.5 points to 4675.4 points.

Eleven of the Biotech Daily Top 40 stocks were up, 12 fell, 12 traded unchanged and five were untraded.

Uscom was best, up four cents or 16 percent to 29 cents with 33,309 shares traded, followed by Virax up 7.4 percent to 2.9 cents with 547,867 shares traded.

Alchemia and Chemgenex climbed more than five percent; Phylogica was up 3.8 percent; Immuron, Living Cell and Pharmaxis rose more than two percent; with Phosphagenics, Prima and Psivida up more than one percent.

Mesoblast led the falls, down 16 cents or 5.9 percent to \$2.54 with 260,694 shares traded, followed by Bionomics down 5.4 percent to 26.5 cents with 234,795 shares traded.

Cellmid and Clinuvel fell more than four percent; Cellestis, Novogen and Sunshine Heart were down more than three percent; Heartware, Tissue Therapies and Universal Biosensors shed more than two percent; with Biota down 1.05 percent.

## [VICTORIA GOVERNMENT BIOTECHNOLOGY SKILLS REVIEW](#)

The Victoria Government says a review of the biotechnology sector shows it is “healthy, growing and well-positioned to meet future demands” but with specific skills shortages. A media release from Innovation Minister Gavin Jennings said that the Biotechnology Skills Review was carried out by the Allen Consulting Group and showed “a growing demand for highly-skilled biotechnology positions and the potential to attract and retain many highly skilled and qualified employees”.

The Review said biotechnology included drugs, devices diagnostics as well as crops and services to agriculture and sustainable industries, but more than 75 percent of the sector in Victoria was directed at human health.

The Review’s employer survey on economic issues found the greatest concerns were in relation to access to capital markets, skills shortages and the global economy along with the limited size of domestic markets.

The review said more than 60 percent of respondents said that difficulties recruiting people with appropriate skills negatively impacted upon their business.

Employers faced difficulties finding and attracting the small number of highly educated and experienced employees required to fill key roles.

The skill areas where excess demand was greatest (regulatory affairs, clinical strategy and project management) corresponded to occupations that constituted a small fraction of employment within the biotechnology sector, while the skill area where excess demand was smallest (scientific expertise) corresponds to occupations that constitute a large proportion of employment in the biotechnology sector.

The key workforce issue identified by employers was the ability of companies to identify and attract a relatively small number of highly educated and experienced employees to key positions, particularly in regulatory and clinical strategy, heightened by the presence of global competition for these highly qualified workers.

“The Biotechnology Skills Review shows the sector is growing and helping to create jobs for Victorians as well as attracting highly skilled, overseas-based people who increase our skills and knowledge base and our ability to compete with international companies,” Mr Jennings said.

The media release said the Biotechnology Skills Review found that demand for all biotechnology-related occupations was increasing, despite the global financial crisis.

The Review said Victoria’s biotechnology workforce was highly qualified, with 40 percent of the workforce surveyed holding postgraduate qualifications and there was a high level of global demand for employees with strong business management experience.

Mr Jennings said Victoria was Australia’s biotechnology hub, employing 22,000 people and in 2009 had an aggregate value of \$24 billion.

“And central to attracting and retaining a skilled and experienced workforce is ensuring our biotechnology sector continues to be innovative and vibrant,” Mr Jennings said.

“A healthy, productive and energized biotechnology workforce is key to a competitive and thriving Victorian economy,” Mr Jennings said.

“Through the Biotechnology Strategic Development Plans, which have guided investment in Victoria’s biotechnology sector since 2000, we have continued to support education, training and careers initiatives to encourage young Victorians to consider careers in biotechnology,” Mr Jennings said.

The State Government said the Biotechnology Skills Review provided a comprehensive analysis of the skills, training and workforce needs of the Victorian biotechnology sector.

The report is available at [www.biotechnology.vic.gov.au](http://www.biotechnology.vic.gov.au).

## CBIO

CBio hopes to raise up to \$9.3 million through a five-for-seven non-renounceable rights offer, at 16 cents a share, with commitments for \$8.4 million.

CBio said Baker Young Stockbrokers had been appointed as corporate advisor to the offer and had been engaged to assist in placing any shortfall shares.

CBio chairman Stephen Jones said commitments amounting to \$8.4 million had been received and said "Baker Young, Empire Funds Management and PT Equities were principal committees to any shortfall".

CBio said the funds would be used primarily for completion of the phase IIa rheumatoid arthritis clinical trial, including the final report; preparation for a pre-investigational new drug application to the US Food and Drug Administration; drug manufacture; strengthen the intellectual property portfolio; and further discussions with pharmaceutical companies.

CBio said the record date for the rights offer was October 6, 2010.

The company said the offer would open on October 12 and close on October 27, 2010.

CBio fell six cents or 28.6 percent to 15 cents.

## NUSEP

Nusep says it would continue its collaboration with the University of Newcastle and Prof John Aitken to expand the application of the Spermsep into the animal market.

Nusep said the applications in the animal market ranged from animal husbandry to specific IVF applications for endangered species.

Nusep said it continued to work on the final disposable cartridge for the human Spermsep instrument and final pre-market clinical trials of human Spermsep were expected to begin by the end of this calendar year, with the first commercial sales expected in 2011.

The company said Prof Aitken was the chairman of its scientific advisory committee.

Nusep said that as part of the collaboration with the University of Newcastle, the company issued 70,000 listed 35 cent options expiring on September 2012 to the University.

Nusep was up one cent or 4.3 percent to 24.5 cents.

## OMI

OMI hopes to raise a total of up to \$2,550,000 through two separate placements.

The first 'promoter offer' is for 60 million shares at 0.25 cents a share is expected to raise \$150,000 with each new share coming with an attaching option exercisable at 0.5 cents a share by December 31, 2013.

The second placement is for up to 330 million shares at half a cent a share to raise up to \$1,650,000 with oversubscriptions of up to 150 million shares to raise a further \$750,000.

The opening date is October 1, 2010, with the offers closing on October 19, 2010.

OMI went into voluntary administration on December 31, 2009 and in May 2010 entered into a deed of company arrangement with Sun Biomedical.

The company hopes to return to trading following the placements to continue development of safer needles and related technologies (BD: Sep 21, 2010).

OMI last traded at 14.5 cents.