



Biotech Daily

Friday March 11, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: CELLMID UP 15%; COMPUMEDICS DOWN 18.5%**
- * **STIRLING \$3m RAISING 'OVERSUBSCRIBED', BUT NOT \$6m**
- * **DRAWING THE BRISBANE LINE ON INFECTIOUS DISEASES; \$10k PRIZE**
- * **PATRY'S TAKES FINAL \$500K DRAWDOWN FROM ADVANCE**
- * **JASON PETERSON TAKES 10% OF NARHEX; TRADING ON MONDAY**

MARKET REPORT

The Australian stock market fell 1.2 percent on Friday March 11, 2011 with the S&P ASX 200 down 54.9 points to 4644.8 points.

Eight of the Biotech Daily Top 40 stocks were up, 20 fell, five traded unchanged and seven were untraded. All three Big Caps fell.

Cellmid was best, up 0.4 cents or 14.8 percent to 3.1 cents, with 1.2 million shares traded, followed by Antisense up 14.3 percent to 0.8 cents with 785,000 shares traded.

Benitec and Virax both climbed 3.6 percent; Starpharma was up 2.97 percent; with Clinuvel, Mesoblast and Pharmaxis up less than one percent.

Compumedics led the falls, down 2.5 cents or 18.5 percent to 11 cents, with 13,000 shares traded, followed by Prana down 10 percent to 13.5 cents with 73,000 shares traded.

Cathrx and Genetic Technologies lost more than seven percent; Circadian, Patrys and Tissue Therapies fell five percent or more; Cellestis, Heartware and Phylogica fell four percent or more; Biota, Impedimed and Living Cell were down more than three percent; Chemgenex, Cochlear, Prima, Sirtex, Sunshine Heart and Viralytics shed more than two percent; with Biota, CSL and Nanosonics down more than one percent.

STIRLING PRODUCTS

Stirling has described its \$3 million Novus Capital placement at 0.4 cents a share as “oversubscribed”

Stirling originally wanting to raise \$6 million but scaled back the placement earlier this year (BD: Dec 14 2010; Feb 8, 2011).

The company said one option came with every two new shares, exercisable at 0.8 cents up to December 31, 2105.

Stirling said there would be an offer to shareholders to enable them to take advantage of the company’s current low share price, but provided no details about the offer.

The company said the funds were for its re-licenced pharmaceutical plant, to purchase inventory for its pharmacy sales business and to launch its first Kidney Health Australia-partnered product in May 2011 (BD: May 25, 2010).

In May last year, Stirling added kidney indications to tuberculosis, HIV and influenza as targets for Immunoxel, an over-the-counter cure-all from Kiev, for which it says it has commercialization and distribution rights.

Separately, Stirling responded to a series of ASX questions regarding its half year report for the six months to December 31, 2010.

The ASX noted Stirling lost \$8,243,657 for the period, had net liabilities of \$7,624,005 and hoped to improve sales in the January to March period to \$600,000 per month.

Stirling told the ASX it had raised funds in the placement (above) and would raise more funds “to ensure that the company’s future capital needs are adequately provided for”.

The company said it expected continued negative operating cash flow for the rest of the full financial year but expected revenue to gradually improve.

Stirling also announced that a company named Immune Network claimed to have “an agreement with Ekomed for a tableted form of herbal immunomodulator Immunoxel (Dzherelo)” for which Stirling says it is the distributor.

“The commercialization rights to Immunoxel together with all or any improvements in most parts of the world excluding the Ukraine are contractually committed to the joint venture between the company and Zodiac Capital,” Stirling said.

“This includes any tableted forms of Immunoxel,” the company said.

In 2009, Stirling managing director Peter Boonen told Biotech Daily his company was involved in the commercialization of Immunoxel and the intellectual property was owned by the Kiev-based Ekomed (BD: Apr 16, 2009).

Stirling said at that time that Immunoxel was one of 26 phyto-pharmaceutical or botanical products being commercialized under a Zodiac Capital licence and, subject to shareholder approval, Stirling has agreed to a joint venture with Zodiac Capital.

Mr Boonen said in 2009 that Zodiac Capital acquired the global marketing and commercialization rights to Immunoxel, which he said was registered for use in South Africa and he had requests from representatives of the Government of Nigeria to use the product, which was also registered in the Ukraine and Mongolia.

He said his company had “been meeting with a big pharma company and had serious discussions” for marketing the product.

Stirling also announced yesterday that it would launch the M3K advanced anti-ageing face cream, composed of “Matrixyl 3000, hyaluronic acid, L-carnosine, DMAE [2-dimethylaminoethano] and alpha lipoic acid – a combination that is unique in the anti-ageing and beauty industry”.

Stirling was unchanged at half a cent with 4.8 million shares traded.

AUSTRALIAN INFECTIOUS DISEASES RESEARCH CENTRE

The Governor-General Dr Quentin Bryce is expected to open the Australian Infectious Diseases Research Centre in Brisbane, tonight.

A University of Queensland media release said the Centre would be located at the University's main campus in St Lucia.

The Centre's director Prof Mark Walker said the 50 group leaders had a broad range of expertise in infectious diseases and the Centre would bring together bacterial, viral and fungal disease researchers with Queensland Health infectious disease physicians and University of Queensland experts in nanotechnology, structural biology, cell biology, immunology and therapeutic development.

Prof Walker said the Centre was established in response to the World Health Organisation's call for increased efforts to combat disease outbreaks and develop new vaccines and therapies.

Prof Walker told Biotech Daily that increases in population and greater mobility were significant factors in the spread of infectious diseases along with the destruction of habitat increasing the proximity of humans to new vectors.

He said disasters such as cyclones caused a breakdown of infrastructure increasing the possibility of new outbreaks.

"More people die from infectious diseases than cardiac illness and cancer combined," Prof Walker said, noting that most infectious disease deaths were in the developing world.

He said the Centre would focus initially on clinical genomics, therapeutic development and respiratory poly-microbial infections in children.

"Without the development of new diagnostics, therapeutics and vaccines, there will be devastating impacts on the global economy and international security," Prof Walker said in the University of Queensland media release.

"The centre aims to boost our understanding of how infectious agents cause disease, and to develop preventions and translate those discoveries into improved human health," Prof Walker said.

The media release said that infections under scrutiny at the centre would include chronic respiratory disease in children, dengue fever, West Nile virus, chikungunya virus, H1N1 (swine) influenza, human papillomavirus, human polyomavirus and picornavirus-like viruses, respiratory syncytial virus, cryptococcus, multi-resistant pseudomonas and acinetobacter, streptococcus pneumoniae, salmonella, neisseria, urinary tract and gastrointestinal Escherichia coli, tuberculosis, staphylococcus aureus and flesh-eating bacteria also known as group A streptococcus.

The Australian Infectious Diseases Research Centre said that to mark its launch it would sponsor a \$10,000 Eureka Prize, which will be awarded to an individual, group or team for an outstanding contribution to infectious diseases research.

<http://eureka.australianmuseum.net.au/eureka-prize/infectious-diseases-research>.

The Centre's website is at: <http://uq.edu.au/aid/>.

PATRYS

Patrys made its final \$500,000 drawdown under its equity financing facility with Advance Opportunities Fund.

Last year, Patrys said its \$3.8 million placement and share plan allowed it to vary the terms of its \$15 million, three-year, equity line of credit removing a guaranteed minimum funding of \$4 million over the first 12 months of the facility (BD: Aug 3, Nov 25, 2010).

Patrys fell half a cent or 5.3 percent to nine cents with 6.7 million shares traded.

NARHEX LIFE SCIENCES

Jason Peterson has become a substantial shareholder in Narhex with the acquisition of 45,000,000 shares or 10.46 percent of the company.

The initial substantial shareholder notice said the holders were Jason and Lisa Peterson through their superannuation fund.

The substantial shareholder notice said the 45,000,000 shares were bought for \$205,000 or 0.455 cents per share.

On March 9 and 10, Narhex filed a series of documents with the ASX in preparation for a return to trading, on March 14, 2011.

Narhex is in a suspension and last traded at 1.6 cents.