



Biotech Daily

Thursday August 11, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: VIRALYTICS UP 7%; ANTISENSE DOWN 14%**
- * **PHENOMICS FACILITY DOUBLES MOUSE LIBRARY IN 6 MONTHS**
- * **EGM FIGHT LOOMS BETWEEN IM BOARD, DR LAURIE WILLIAMS**
- * **NUSEP SHARE, OPTIONS OFFER EGM**
- * **IBSEN TAKES 5% OF OPTISCAN**
- * **FERMISCAN PLEADS SCHULTZ TO ASX 257% QUERY**

MARKET REPORT

The Australian stock market gyrated and closed slightly down, 0.01 percent, on Thursday August 11, 2011 with the S&P ASX 200 down 0.5 points to 4140.8 points.

Eleven of the Biotech Daily Top 40 stocks closed up, 17 fell, seven traded unchanged and five were untraded.

Viralytics was the best, up 3.5 cents or 6.9 percent to 54 cents with 44,820 shares traded.

Clinuvel climbed 4.8 percent; Allied Health, Genetic Technologies and Pharmaxis were up more than three percent; Impedimed and Universal Biosensors rose more than two percent; with Circadian and Heartware up more than one percent.

Antisense led the falls, down 0.1 cents or 14.3 percent to 0.6 cents with 1.4 million shares traded, followed by LBT down 10 percent to 3.6 cents with 165,000 shares traded.

Cellmid and Virax both lost 9.1 percent; Alchemia was down 8.8 percent; Living Cell fell 6.8 percent; Nanosonics and Phosphagenics shed more than four percent; Bionomics, Biota and Tissue Therapies lost more than three percent; Anteo, Mesoblast, Patrys, Prima and QRX shed more than two percent; with Cochlear, CSL and Starpharma down by less than one percent.

AUSTRALIAN PHENOMICS FACILITY

The Australian Phenomics Facility says it has doubled the size of its 'library' of mouse models to help researchers determine which mutations cause disease susceptibility. The Facility's head of genomics research Belinda Whittle told Biotech Daily that with improvements in technology to sequence genomes and the exomes that encode proteins, her organization has in six months doubled the number of mouse model mutations identified in the previous five years and was "fast-tracking researchers' access to mouse models of disease".

Ms Whittle said the libraries were in fact large numbers of cages and the Australian Phenomics Facility would breed the mice in order for institutional research or commercial organizations to screen for the phenotype they wanted.

Ms Whittle said the phenotype was the observable change, from cellular level to physically observable, and then the Facility would sequence the phenotype's exome that encoded the proteins, to find the mutation causing that change.

"It used to take two to four years, to identify a causal mutation, but now takes two to four months with our new infrastructure," Ms Whittle said.

"We've been running the pipeline for six months and have discovered more mutations than in the past six years collectively," Ms Whittle said.

"We have discovered hundreds and up to 1,000 mutations with the hope that in the next few years we will have a mutation in every gene in the genome," she said.

"We have hundreds of mouse models available for research and the numbers are increasing weekly," Ms Whittle said.

"Our mouse models of disease can complement studies in humans by allowing us to understand how gene variations make people susceptible to disease," Ms Whittle said.

The Australian Phenomics Facility is part of the Australian National University and a member of the Australian Phenomics Network.

In a media release the Facility said that the DNA of any two people, each with 3.1 billion molecules was more than 99.9 percent identical, but the remaining 12,000 molecules accounted for all the genetic differences between people.

The Facility said that it took years to sequence and map a single human genome, but was now possible to sequence hundreds of genomes a year, relatively cheaply.

The Facility said that understanding the effects of the variations was more complicated than first thought.

"For the majority of these variations we have no or little information as to how and why they can make an individual susceptible to disease or affect an individual's response to current or new treatments," Ms Whittle said.

"The mouse is the strongest tool we have for obtaining solid, experimentally based knowledge about the consequences of genetic variations," she said.

"The critical need for validated mouse models has been recognized by the world's leading biomedical research funding agencies and resulted in a series of coordinated efforts across the globe," Ms Whittle said.

The Australian Phenomics Network chief executive officer Dr Steve Winslade said that "to aid in better understanding how and which variations in the human genome can make an individual susceptible to disease the [Australian Phenomics Facility] is making available to researchers infrastructure for variation discovery in mice, thus producing mouse models of human disease".

"The significance of this is huge and will have an impact on medical research worldwide, leading to the availability of disease preventions, diagnostics and treatments," Dr Winslade said.

IM MEDICAL

IM Medical says its board opposes former chairman Dr Laurie Williams' attempt to gather proxies to vote against extraordinary general meeting resolutions.

Dr Williams told Biotech Daily that so far he had proxy votes for about 210 million shares or about 2.5 percent of the company.

The August 16, 2011 meeting notice said shareholders would vote to sell the Mark Scott radiology business to Capitol Health, distribute Capitol shares and consolidate shares at a ratio of 50-to-one (BD: Jul 18, 2011).

The resolutions include the issue of 150,000,000 shares at half a cent each and 150,000,000 options exercisable at half a cent by March 31, 2012 and if exercised entitle holders to one additional option exercisable at 1.5 cents by June 30, 2015; and approve a three-for-two rights issue, with attaching options, as well as re-elect directors Nigel Blaze, Paul Quarrell and Richard Wadley.

Dr Williams told Biotech Daily that he would take the company in a different direction to that proposed by the board.

"I think the company has value and I can unlock it," Dr Williams said.

"The Intelliheart business and the radiology business both have value," Dr Williams said.

IM Medical directors said they did not agree with Dr Williams, but did not release the letter.

IM Medical made a number of statements about Dr Williams' time as chairman and managing director and recommended that shareholders do not give him their proxies.

The company said the new directors appointed in March had focused on stabilizing its financial position and restoring shareholder value (BD: Mar 23, 2011).

IM Medical said that if the resolutions failed, there was "a likelihood that the company will face solvency issues that may require the board to consider voluntary administration".

IM Medical was untraded at 0.1 cents.

NUSEP

Nusep investors will vote to approve a share purchase offer of up to 21,000,000 shares and the issue of 47,025,586 bonus options, with the right of directors to participate.

Nusep proposed that directors John Manusu, Hari Nair, Iain Sorrell and William Spee each be allowed to acquire up to 150,000 shares in the offer of shares at 10 cents each for holders on the record date of July 6, 2011.

The company said that if approved the bonus options would be listed on the ASX and issued pro-rata on a one-for two basis for shareholders at the record date of September 30, 2011 with an exercise price of 15 cents, by March 31, 2012

Nusep said shareholders would vote on the purchase of 1,000,000 one cent shares each to Mr Manusu and Mr Nair as part of the share purchase offer, along with 13,000,000 shares to the unrelated underwriters.

The meeting will be held at Level 18, 133 Castlereagh Street, Sydney on September 9, 2011 at 10am (AEST).

Nusep was untraded at 11.5 cents.

OPTISCAN

Insen Pty Ltd has become a substantial shareholder in Optiscan with the acquisition of 6,675,417 shares or 5.11 percent of the company.

The substantial shareholder notice said the Surrey Hills, Victoria company bought the shares between April 19 and August 12 at prices from 4.4 cents to 10.5 cents a share.

Optiscan was unchanged at 10 cents.

FERMISCAN

Fermiscan has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose from 0.7 cents on August 2, 2011 to 2.5 cents on August 10, 2011, a 257.1 percent increase and noted an increase in trading volume.

Fermiscan said that its half year results were yet to be finalized, but "as the company has not actively traded since its re-quotation and therefore not earned any significant income, it is expected that losses will vary compared to the previous half year by approximately 700 percent".

The company said the losses reflected the costs incurred in obtaining the re-quotation of the company's shares and other compliance costs.

Fermiscan was up 0.1 cents or 4.55 percent to 2.3 cents with 6.7 million shares traded.