



Biotech Daily

Thursday November 17, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ANTISENSE UP 40%; OPTISCAN DOWN 7%**
- * **FEDERAL GOVERNMENT \$23m FOR MENTAL HEALTH CRC**
- * **AUSTRALIA-CHINA SCIENCE AND RESEARCH \$18m FUND OPEN**
- * **NARHEX RESUMES DG-17 FOR HIV DEVELOPMENT**
- * **ISONEA 20m DIRECTOR SHARES AGM NEEDS CHAIR'S PROXIES**
- * **USCOM v FOUNDER ROB PHILLIPS' VOTES IN NSW SUPREME COURT**

MARKET REPORT

The Australian stock market was up 0.25 percent on Thursday November 17, 2011 with the S&P ASX 200 up 10.8 points to 4,258.2 points.

Thirteen of the Biotech Daily Top 40 stocks were up, nine fell, nine traded unchanged and nine were untraded.

Antisense was the best, up 0.6 cents or 40 percent to 2.1 cents, with 117.2 million shares traded, followed by Bionomics up 12 percent to 42 cents with 3.5 million shares traded.

Alchemia, Benitec and Cellmid climbed more than six percent; Nanosonics was up 5.2 percent; Phosphagenics, Viralytics and Universal Biosensors were up more than three percent; Acrux, Cochlear and Prima rose two percent or more; with Phylogica and Starpharma up more than one percent.

Optiscan led the falls, down 0.5 cents or 6.7 percent to seven cents with 37,501 shares traded.

Biota lost four percent; Allied Health and Patrys shed two percent or more; Impedimed, Living Cell, Mesoblast and Tissue Therapies were down more than one percent; with CSL and Psivida down by less than one percent.

FEDERAL GOVERNMENT

The Federal Government will grant \$23 million to the Cooperative Research Centre for Mental Health for biomarkers for the early onset of neurodegenerative diseases.

Innovation Minister Senator Kim Carr said the funds would assist the development of diagnostics for Alzheimer's and Parkinson's diseases and psychoses such as schizophrenia.

"Nearly half of all Australians will experience a mental illness at some stage in their lives, and we know that mental illness impacts on individuals, their families and the community, at considerable personal, social and economic cost," Senator Carr said.

"Strong, cross-sector collaborations are critical in tackling major challenges," Senator Carr said.

Senator Carr said the Cooperative Research Centre for Mental Health would bring together world-class researchers and brought "an integrated and collaborative approach to addressing mental health issues".

A media release from Senator Carr's office said that more accurate diagnosis of disorders would help enable early treatment, with the aim of delaying onset, or reducing severity of disease and improving quality of life for the many Australians directly affected and reducing the social and economic impact for the whole community.

The media release said the Cooperative Research Centre program was an Australian Government initiative which had invested more than \$3.4 billion to enable 190 centres in a range of sectors and participants contributed a further \$10.9 billion in cash and in-kind support.

For more information on Cooperative Research Centre go to: www.crc.gov.au.

FEDERAL GOVERNMENT, AUSTRALIA-CHINA SCIENCE AND RESEARCH FUND

The Federal Government says the \$18 million Australia-China Science and Research Fund is open for research collaboration applications.

The Government said it had committed \$9 million to the fund, matched by the Chinese Government.

The Minister for Innovation Senator Kim Carr said the fund was a joint initiative with the Chinese Ministry of Science and Technology and "focused on achieving enduring partnerships between the two countries and achieving critical mass in areas of mutual research priority".

"For example, both Australia and China are keen to see partnerships develop between research and industry, to accelerate the development of technologies which will underpin tomorrow's industries and lifestyles," Senator Carr said.

The Department of Innovation said the fund would support Australia-China joint research centres with up to \$1 million from Australia for each centre, matched by the Chinese Government.

A Departmental media release said the joint research centres must include at least one Australian eligible research organization and one Chinese partner.

The Department said the fund would support Australia-China group missions and activities that encouraged researchers from both countries to exchange research knowledge.

The media release said that demand for grants was expected to be high and the fund's program guidelines contained detailed information about how the fund will operate.

The Department said that applications for joint research centres closed on February 27, 2012, while group mission applications would be assessed as they are received.

For more information on the Australia-China Science and Research Fund, go to: www.innovation.gov.au/ACSRF or contact the Department on +612 6276 1093.

NARHEX LIFE SCIENCES

Narhex says its joint venture with Xi'an Hex is continuing development of DG17 with the Chinese Academy of Medical Science suggested a reduced cost manufacturing route. Narhex said the joint venture owned a property in Xi'an in Shaanxi Province and rent was covering operational costs, but pre-clinical trial work required additional capital. The company said pre-clinical trials were expected to begin shortly and would take about 12 months to achieve approval before beginning human clinical trials. Narhex said it would invest \$100,000 to retain its 50 percent interest in the joint venture. Narhex was unchanged at 1.6 cents.

ISONEA (FORMERLY KARMELSONIX)

Isona needed the chairman's proxies to win six of 18 resolutions at its annual general meeting, with most relating to directors' shares and a prior issue (BD: Oct 19, 2011). The remuneration report was passed easily with 91.6 percent of proxy votes in favor and 8.4 percent against. A resolution to issue shares to convertible note holders which would have been lost by 122,920,682 proxy votes to 55,834,460 proxy votes was withdrawn before the vote. Of the resolutions requiring the chairman's proxy votes to defeat the cast votes, the issue of 6,000,000 options to Zero Nominees faced the greatest dissent with 123,440,702 proxy votes (52.08%) against and 113,581,912 proxy votes (47.92%) in favor. The chairman had 13,989,589 votes at his discretion for most resolutions, narrowly winning the contentious votes. The resolutions facing opposition included the issue of 5,000,000 shares each to directors Ross Haghighat, Paul Hopper, Jerome Korten and Fabio Pannuti, the ratification of the issue of 6,000,000 shares and 6,000,000 options to Zero Nominees for services by Subiaco Capital and the issue of shares to consultant Jan Barker for services. Several other share issue resolutions were passed easily, as was the re-election of director and chief executive officer Ross Haghighat. Isona was unchanged at 0.8 cents.

USCOM

Uscom's board says it has "been joined as a party to proceedings commenced in the Supreme Court of New South Wales ... brought by [founder] Rob Phillips". Uscom said the matter related "purely to the eligibility of Mr Phillips to vote shares registered in his and related parties' names at the company's 2011 [annual general meeting] in his absolute discretion". Last week, Uscom's meeting was adjourned with a threat of internal legal action and an attack on founder and former chairman Rob Phillips by executive chairman Philip Kiely (BD: Nov 8, 2011). Today Uscom said it expected the Supreme Court to rule on the matter on November 21, ahead of the adjourned meeting on November 22, 2011. Uscom was untraded at 13 cents.