



Biotech Daily

Wednesday November 30, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: BIONOMICS UP 16%, USCOM DOWN 18%**
- * **PATRY'S RAISING \$3m**
- * **UP TO 46% OF SUNSHINE HEART VOTES OPPOSE DIRECTOR OPTIONS**
- * **IMMURON SURVIVES REMUNERATION; SCRAPS 4m DIRECTOR OPTIONS**
- * **VIRALYTICS SHARE PLAN UNDERWRITTEN TO \$1m**
- * **TISSUE THERAPIES PLEADS SCHULTZ TO ASX 45% FALL QUERY**
- * **THEE WOON GOH TAKES 9% OF NUSEP**
- * **LANG WALKER COMPANIES INCREASE TO 6.5% OF QRX**
- * **HUNTER HALL REDUCES 2% IN SIRTEX**
- * **FOUNDER PROF NOAM GAVRIELY CRITICIZES, CEASES IN ISONEA**

MARKET REPORT

The Australian stock market climbed 0.43 percent on Wednesday November 30, 2011 with the S&P ASX 200 up 17.7 points to 4,119.8 points. Eighteen of the Biotech Daily Top 40 stocks were up, 11 fell, eight traded unchanged and three were untraded.

Bionomics was the best, up seven cents or 15.9 percent to 51 cents with 543,332 shares traded, followed by Anteo up 11.9 percent to 7.5 cents with 13.8 million shares traded.

Phosphagenics climbed 10 percent; Benitec was up 7.1 percent; Reva and Tissue Therapies were up more than six percent; Allied Health and Cathrx were up more than five percent; Cochlear, Genetic Technologies and Neuren were up more than four percent; Alchemia, Biota and Phylogica were up more than three percent; Starpharma rose 2.7 percent; with CSL, Pharmaxis and Universal Biosensors up more than one percent.

Uscom led the falls, down two cents or 18.2 percent to nine cents with 445,427 shares traded, followed by Viralytics down 12.5 percent to 42 cents with 209,955 shares traded.

Antisense lost 9.4 percent to 2.9 cents with 80.7 million shares traded; Sirtex fell 8.9 percent; Cellmid, Living Cell and Nanosonics fell more than five percent; Impedimed shed 2.7 percent; Heartware and Resmed were down more than one percent, with Acrux and Mesoblast both down 0.7 percent.

PATRYS

Patrys says it is raising \$3 million through a placement to institutional and sophisticated investors at three cents a share, with oversubscriptions open for a further \$2 million. The announcement was in chief executive officer Dr Marie Roskrow's annual general meeting presentation.

Patrys said 37 million shares could be issued under the 15 percent placement capacity, but the balance of 63 million shares would be subject to shareholder approval.

Patrys said the funds were for the phase I melanoma clinical trial, a PAT-SM6 phase I/IIa multiple myeloma clinical trial, to support business development for PAT-SC1 and prepare PAT-LM1 for clinical trial and/or partnering, as well as research and development.

Patrys was in a trading halt and last traded at four cents.

SUNSHINE HEART

The Sunshine Heart annual general meeting saw significant opposition to director options and the reelection of founder director Dr William Peters.

A block of 63 million votes opposed the issue of options over 13,274,000 shares to chief executive officer Dave Rosa and directors Dr Mark Harvey and Greg Waller, the increase in the equity incentive plan and the reelection of Dr Peters (BD: Nov 11, 2011).

The closest vote was on the issue of options over 2,337,000 shares for Dr Harvey, with 63,324,869 proxy votes (45.6%) against and 75,457,264 proxy votes (54.4%) in favor.

The resolutions to issue options to Mr Rosa, Mr Waller and increase the equity incentive plan were passed by a similar margin, but Dr Peters was re-elected with 321.9 million proxy votes in favor and 62.75 million proxy votes against.

The elections of Dr Harvey, Mr Waller and Paul Buckman were passed easily, with 276,065 proxy votes cast against each resolution and 384,159,373 proxy votes in favor.

Sunshine Heart's most recent Appendix 3B share issue announcement said there were 1,203,883,244 shares on issue, meaning that the strongest opposition came from 5.3 percent of all shares on issue, sufficient to requisition extraordinary general meetings.

Sunshine Heart was unchanged at 3.4 cents.

IMMURON

The Immuron remuneration report was opposed by 23.6 percent of all proxy votes cast, avoiding the first of two triggers for a board spill.

Three resolutions providing 2,000,000 options to executive chairman Prof Colin Chapman and 1,000,000 each to directors Prof Roy Robins-Browne and Simon Sallka were withdrawn prior to the vote.

The remuneration report vote was passed with 18,115,172 proxy votes (76.4%) in favor and 5,602,376 proxy votes (23.6%) against.

Changes to the Corporations Act (Section 250U) provide for a 'two strikes and re-election' process if a company's remuneration report is opposed by more than 25 percent of votes on two consecutive occasions, taking the company to a vote on a board spill motion.

Director Prof Robins-Browne was re-elected with 25.6 million proxy votes in favor and 3.5 million proxy votes against, while an approval of a prior issue of securities was passed overwhelmingly.

Immunon's most recent Appendix 3B share issue announcement said there were 340,708,463 shares on issue, meaning that the strongest opposition came from 1.6 percent of all shares on issue.

Immunon was unchanged at five cents.

VIRALYTICS

Viralytics has announced a non-renounceable share plan underwritten to \$1 million by Patersons Securities.

The company said that the shares would be issued at a 15 percent discount to the five-day volume weighted average price and if it was applied to last night's close of 48 cents would price the plan shares at 40.8 cents each.

Viralytics chief executive officer Bryan Dulhunty told Biotech Daily that although the offer could raise up to \$3.5 million, the share plan was an opportunity for existing shareholders to increase their exposure as the company approached a pivotal year for trials.

Viralytics said shareholders eligible at the record date of November 29, 2011 would be able to apply for parcels of shares from \$500 to \$15,000.

The company said the plan would open on December 2 and close on December 14, 2011.

Viralytics said the funds would assist its current US phase II clinical trial and expand its clinical program to a second phase II trial in another indication such as lung or pancreatic cancer.

Viralytics fell six cents or 12.5 percent to 42 cents.

TISSUE THERAPIES

Tissue Therapies 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 fell from 56.5 cents on November 25, 2011 to 39 cents yesterday November 29, a 44.9 percent fall and noted an increase in trading volume.

On Monday November 28, 2011 Tissue Therapies announced a European distribution deal for its Vitrogro wound treatment with Quintiles, when the company had previously said it was expecting to conclude a licencing deal (BD: Nov 28, 2011).

Tissue Therapies chief executive officer Dr Steven Mercer said at the time that the Quintiles deal would return more revenue to the company than a licencing deal and the company was free to pursue a licencing deal.

Tissue Therapies was up 2.5 cents or 6.4 percent to 41.5 cents with 11.4 million shares traded.

NUSEP

The Singapore-based Thee Woon Goh has become a substantial shareholder in Nusep with the acquisition of 15,182,691 shares or 14.07 percent.

The initial substantial shareholder notice said that Mr Goh acquired 12,092,691 shares at 15 cents a share.

Nusep was unchanged at 10.5 cents.

QRX PHARMA

Four Lang Walker companies have increased their holding in QRX from 7,866,472 shares (5.46%) to 9,385,420 shares (6.51%).

The companies bought the 1,518,948 shares between November 4 and November 28, 2011 for \$2,416,430, or an average price of \$1.59 a share.

QRX was unchanged at \$1.35.

SIRTEX MEDICAL

Hunter Hall Investment Management has reduced its substantial holding in Sirtex from 16,684,884 shares (29.92%) to 15,537,884 shares (27.86%).

Hunter Hall said that it bought and sold shares at a range of prices between May 26 and November 25, 2011.

Sirtex fell 40 cents or 8.9 percent to \$4.10.

ISONEA (FORMERLY KARMELSONIX)

Israel's Karmel Medical Acoustic Technologies has ceased its substantial holding in Isona.

Karmel director and Karmelsonix founder and former chief medical officer Prof Noam Gavriely said in the substantial shareholder notice that between May 31 and November 24, 2011 he sold 46,529,800 shares for \$364,978 or 0.78 cents a share.

Prof Gavriely's previous substantial notice on May 16, 2011 said he held 83,970,808 shares, leaving his current holding at 37,529,800 shares or 3.26 percent of the company. On Sunday November 24, Prof Gavriely distributed an email using the address 'Noam Gavriely' to comment on his departure from Karmelsonix/Isona.

"In the last few days I realized that many of you are not aware of the fact that my employment in Karmelsonix (AKA Isona) was terminated by the company on August 24 2011," Prof Gavriely wrote.

"This followed my removal from membership in the company's [board of directors] in November 2010," Prof Gavriely wrote.

"As founder and leader of the company I regret these steps that were all taken against my wishes and best judgment," Prof Gavriely said.

Isona was unchanged at 0.4 cents with 10.6 million shares traded.