



Biotech Daily

Monday September 10, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: IMPEDIMED UP 13%, TISSUE THERAPIES DOWN 9.5%**
- * **US AMPLIPHI TO BUY SYDNEY'S SPECIAL PHAGE**
- * **AUSBIOTECH PREPARES FOR 2012 MELBOURNE CONFERENCE**
- * **PHARMAUST DROPS MINING TO RE-FOCUS ON EPICHEM**
- * **AMP SELLS 2m MORE ACRUX SHARES TO 5%**
- * **PATRYS PLAN RAISES \$850k, TAKES TOTAL TO \$2.85m**
- * **SUSPENDED SOLAGRAN LOSES FINANCE DIRECTOR DAVID CROLL**

MARKET REPORT

The Australian stock market was up 0.18 percent on Monday September 10, 2012 with the S&P ASX 200 up 8.0 points to 4,333.8 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 11 fell, nine traded unchanged and five were untraded.

Impedimed was the best, up two cents or 12.9 percent to 17.5 cents with 145,300 shares traded.

Phosphagenics climbed 8.3 percent; Prima was up 7.1 percent; Bionomics and Biota were up more than six percent; Allied Health, Ellex and Neuren were up four percent or more; Acrux and Viralytics were up more than three percent; Circadian rose 2.6 percent; Anteo and Starpharma were up more than one percent; with Clinuvel, QRX and Resmed up by less than one percent.

Tissue Therapies led the falls, down 4.5 cents or 9.5 percent to 43 cents with 170,560 shares traded.

Genetic Technologies lost 8.7 percent; Cellmid was down 6.25 percent; Benitec was down 5.9 percent; Phylogica fell 4.2 percent; Nanosonics and Prana shed two percent or more; Living Cell and Mesoblast were down more than one percent; with Cochlear, CSL, Pharmaxis and Reva down by less than one percent.

SPECIAL PHAGE SERVICES

Ampliphi Biosciences Corp says it will acquire the Sydney-based Special Phage Services to develop phage-based therapies for antibiotic-resistant infection.

The Richmond, Virginia-based Ampliphi said it was developing bacteriophages, or viruses that lived off bacteria, and no other cell, for use against drug-resistant bacteria.

Ampliphi said that wholly-owned subsidiary Ampliphi Australia Pty Ltd would acquire Special Phage through a share exchange transaction, for up to 40 million shares of Ampliphi common stock for 100 percent of the fully diluted share capital of Special Phage of about 22.7 million shares.

Ampliphi said the resultant company would have a management team led by Ampliphi's Phil Young as chief executive officer, with Octa Phillips director Jeremy Curnock-Cook as chairman and have operations in the US, UK and Australia

The company said that 20 million Ampliphi shares would be held in escrow, eight million to satisfy potential warranty claims by Ampliphi under the transaction documents and the remaining 12 million shares to be held pending completion of certain milestones.

Ampliphi said that on completion of the transaction, shareholders of Special Phage would hold up to 47 percent of Ampliphi shares.

Ampliphi said that the combination would bring together complementary technologies and expertise in bacteriophage-based therapies to create a company with a development stage pipeline of anti-bacterials for the antibiotic-resistant infections market.

Ampliphi said the board would comprise Caroline Williams as deputy chair, Dr Mike Perry, Louis Drapeau, along with Special Phage Services founder and managing director Dr Anthony Smithyman and financial adviser Tony Gellert.

"The combination of Ampliphi with [Special Phage Services] would result in the creation of the first global phage therapy company covering the United States, Europe, and the Asia-Pacific regions," Mr Young said

"Our initial post-acquisition focus is expected to be the treatment of bacterial infections that are resistant to conventional antibiotics," Mr Young said.

"Initial targets include global pandemic strains of *Pseudomonas aeruginosa*, methicillin resistant staphylococcus aureus, [*Escherichia*] coli, *Klebsiella [pneumoniae]* and other hospital-related super bugs," Mr Young said.

Ampliphi said it was the first company to present evidence of the clinical efficacy of phage therapy in a well-controlled and regulated human clinical trial.

The company said its leading therapeutic programs targeted areas of significant unmet clinical need and had potential application in the treatment of orphan indications.

Ampliphi said its development programs targeted gram-negative bacterial infections that were often resistant to existing antibiotic treatments, including Biophage-PA for the treatment of chronic and acute lung infections in cystic fibrosis and ventilator-associated pneumonia patients.

The company said the Special Phage team had provided evidence of the value of phage-based treatments in treating infertility in thoroughbred horses affected by resistant bacterial infection and it the acquisition was completed, the combined company was expected to develop and partner applications in treating and curing infections in animals. Ampliphi said it planned to raise further capital to finance its drug development programs and continue to develop alliances with pharmaceutical companies and other partners to maximize the value of its technology platform.

Mr Curnock Cook said that "as a US-listed company, we believe that the combined business would be more appealing to a larger audience of specialist healthcare investors and pharma partners, both within the United States and internationally".

Special Phage is a public unlisted company.

AUSBIOTECH

Ausbiotech says its annual conference will be held in Melbourne from October 30 to November 2, 2012 with a theme of 'Realising the Value'.

Ausbiotech said the conference would "showcase cutting-edge biotechnology development by Australian and international organizations and offer numerous opportunities to share information with leaders across the industry spectrum".

The industry organization said it expected 1,500 participants to attend the conference, Australasian Life Science Investment Summit and the Business Matching Program.

Ausbiotech said that plenary session speakers included former Association of the British Pharma Industry director-general and Celgene director Dr Richard Baker who will speak on 'Commercialization of Medical Innovation' and Cowen Investment Bank healthcare managing director George Milstein who will discuss 'Perspectives on Global Life Science Investment'.

Ausbiotech said the Millis Oration on 'New Medicines - How Do We Get Them And How Do We Pay for Them?' would be given by Pharmaxis chief executive officer Dr Alan Robertson.

Ausbiotech said that last year's Australasian Life Science Investment Summit attracted about 60 overseas investors and "generated at least \$228 million worth of deals in discussion".

The conference will be held at the Melbourne Convention and Exhibition Centre.

For more information or to register go to: <http://www.ausbiotechnc.org>.

PHARMAUST

Pharmaust says it has executed a share sale deed for its wholly-owned subsidiary Pela Resources Pty Ltd and will return to its Epichem focus.

Last year, Pharmaust acquired Pela Resources for 150,000,000 shares, but last month said revenue for the year to June 30, 2012 was mainly from its Epichem specialized medicinal and synthetic chemistry services division, up two percent to \$1,626,000 reducing its net loss after tax 26 percent to \$4,260,000 (BD: Aug 19, 2011; Aug 31, 2012).

Today, Pharmaust said Pela had an interest in a precious and base metal exploration project in northeast Macedonia and the Pela shares would be transferred to Diashi Mining, an Australian public unlisted company, for shares in Diashi and the company would transfer those shares to shareholders on a pro-rata basis by an in-specie distribution.

The company said that on execution of the deed which was subject to shareholder approval, Diashi would pay it a deposit of \$100,000.

Pharmaust said its primary focus would be on the Epichem business and Diashi Mining's would be on the mining project.

The company said that shareholders will hold both Pharmaust and Diashi shares following the distribution and be able to decide if they want to hold or sell their interest in the mining business or Epichem.

Pharmaust was untraded at one cent.

ACRUX

AMP and related bodies have further reduced their substantial shareholding in Acrux from 10,580,495 shares (6.35%) to 8,742,393 shares (5.25%).

In August, AMP and related bodies reduced their holding from 12,352,641 shares (7.42%) to 10,580,495 shares (6.35%) (BD: Aug 17 2012).

Acrux was up 10 cents or 3.2 percent to \$3.25 with 1.1 million shares traded.

PATRYS

Patrys says a share plan to raise up to \$900,000 has raised \$850,000, taking its total capital raising since a June placement to about \$2,850,000.

In June Patrys said it has raised \$2 million through a placement at two cents a share managed by Forrest Capital (BD: Jun 22, 2012).

Today Patrys said the funds would be used for the planned PAT-SM6 phase I/IIa open label multi-dose clinical trial in multiple myeloma; further preparation of the PAT-LM1 clinical trial; support out-licencing activities for PAT-SC1; and expanding the pipeline through internal research and development.

Patrys was unchanged at two cents.

SOLAGRAN

Solagran says that finance director David Croll has resigned and a replacement will be announced when the appointment has been agreed.

Solagran has been in a suspension since March 1, 2012 for failing to lodge half-year statutory accounts to December 31, 2011 (BD: Mar 9, 2012)

Today, the company said that on gaining necessary funding the company would seek to have its shares resume trading on ASX.

Solagran said that In February 2012, it announced a memorandum of understanding with Russia's Artlife for the development and manufacture of a range of food additive products using its conifer green needle extract Bioeffectives and an initial order of Bioeffectives from Artlife was due this month.

Solagran said it was finalizing material supply agreements with Russian and Asian companies.

Solagran last traded at 3.9 cents.