



Biotech Daily

Thursday April 10, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: UNIVERSAL BIO UP 22%, ANTISENSE DOWN 6%**
- * **OSPREY DIABETIC LIMB PILOT STUDY SAFETY, EFFICACY**
- * **FDA COMPASSIONATE USE FOR AVITA'S RECELL WOUND TREATMENT**
- * **BIODIEM EXPECTS TO RAISE \$1.3m**
- * **RESONANCE PLACEMENT, ENTITLEMENT OFFER FOR \$5.1m**
- * **WESTPAC, ASSOCIATES TAKE 5% OF MAYNE PHARMA**
- * **BIOPROSPECT REQUESTS ACQUISITION TRADING HALT**

MARKET REPORT

The Australian stock market rose 0.31 percent on Thursday April 10, 2014 with the S&P ASX 200 up 17.0 points to 5,480.8 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 12 fell, eight traded unchanged and five were untraded.

Universal Biosensors was the best, up seven cents or 21.5 percent to 39.5 cents with 368,218 shares traded, on an Appendix 4C for the three months to March 31, 2014 showing a 44 percent rise in service fees to \$1,213,059.

Impedimed climbed 9.8 percent; Anteo was up 7.3 percent; Viralytics was up 5.1 percent; Atcor, Avita, Living Cell and Prana were up four percent or more; Patrys and Phosphagenics rose more than two percent; Alchemia, Neuren, QRX and Starpharma were up more than one percent; with Cochlear, Resmed and Sirtex up by less than one percent.

Antisense led the falls, down one cent or 6.1 percent to 15.5 cents with 361,962 shares traded.

Ellex lost 5.7 percent; Compumedics and Oncosil fell four percent or more; Acrux, Benitec and Reva were down more than three percent; Bionomics and Pharmaxis shed more than one percent; with Clinuvel, CSL, GI Dynamics and Osprey down by less than one percent.

OSPREY MEDICAL

Osprey says its limb recovery system pilot study achieved significant reductions in bacterial levels in diabetes patients with life or limb-threatening foot infections.

Osprey began the 20-patient trial last year saying the catheter-based technology allowed clinicians to use existing antibiotic therapy in a more targeted way and more aggressively. (BD: Oct 22, 2013).

Today the company said that preliminary data from the trial evaluating the effectiveness of the technology compared to standard dose intravenous antibiotic delivery was presented at the Diabetic Foot Global Conference in Los Angeles in March, 2014 by primary investigator Prof Paul Wraight.

Osprey said that the study of percutaneous isolated limb perfusion of the infected diabetic foot showed that targeted delivery of antibiotics to the lower limb was both safe and achievable with significant reductions in bacterial levels.

"Our early clinical results are very encouraging as the system has been shown to significantly reduce bacterial load in patients with advanced foot infections," Prof Wraight said.

"In fact, one of our study patients had been scheduled for amputation prior to being enrolled in the pilot trial but this was cancelled given the excellent improvement in infection as a result of percutaneous isolated limb perfusion," Prof Wraight said.

"Obviously, this is anecdotal evidence from a small pilot trial; but it provides optimism for our larger, randomized, efficacy trial," Prof Wraight said.

Osprey said it expected to complete the trial by the end of 2014.

Osprey fell half a cent or 0.9 percent to 54 cents.

AVITA MEDICAL

Avita says the US Food and Drug Administration has granted a compassionate use exemption for Recell to evaluate clinical performance in up to 12 specific cases.

Avita said that the exemption allowed it to evaluate Recell on up to 12 subjects with life-threatening wounds such as those due to burns, trauma or congenital anomaly and insufficient healthy skin to harvest for necessary skin grafts.

The company said that the investigational use of Recell in these patients could be granted where the treating physician believed there was no suitable treatment alternative and several requests had been made by US physicians for access to Recell.

The company said that since October 2013, the FDA had granted compassionate use approvals on a case-by-case basis at the Arizona Burn Center, Walter Reed National Military Medical Center and Wake Forest Baptist Medical Center.

Avita said that for each of the compassionate use cases, Recell would be used in combination with widely meshed skin grafts to allow greater coverage by the grafts while using less donor skin area, which was critical for people with limited areas of appropriate, undamaged skin to be used for graft harvesting.

The company said that Recell could be applied to the donor sites in preparation for potential re-harvesting as needed to complete the patients wound care.

Avita said that the investigational device exemption did not impact the ongoing US clinical trial of Recell for second-degree burns (BD: May 27, 2009; Jan 28, 2010).

The company said that as a result of the investigational device exemption, FDA review and approval of each treatment case presented would not be required and physicians who had a patient they believed would benefit from the use of Recell would contact Avita and seek approval from their institutional ethics review board.

Avita was up half a cent or four percent to 13 cents with 1.5 million shares traded.

BIODIEM

Biodiem expects to raise more than \$1,307,093 through its rights issue at 5.5 cents a share and the recent exercise of options at eight cents a share.

Biodiem chief executive officer Julie Phillips told Biotech Daily that the company had received applications for more than \$699,000 of new shares, including more than \$300,000 of shortfall applications and expected to exceed the total maximum subscription amount of \$815,000.

Ms Phillips said that major shareholder David Li exercised more than six million options at eight cents.

In March, Biodiem said that a total of 6,151,157 options had been exercised at eight cents each.

Ms Phillips said she had exercised some of her options at that time and said the entitlement offer had been extended to April 17, 2014.

Biodiem is a public unlisted company.

RESONANCE HEALTH

Resonance hopes to raise up to \$5.1 million in a placement and non-renounceable entitlement offer at five cents a share.

Resonance said that the funds would be used to further the development of its magnetic resonance imaging-based intellectual property including Hepafat-Scan, a liver fibrosis test and other products and general working capital.

The company said the placement would 10 million shares to raise \$500,000 and eligible shareholders could subscribe for one new share for every four existing shares held at the record date of April 30, 2014.

Resonance said the entitlement offer comprised about 92.7 million shares to raise about \$4.6 million.

The company said that the placement was expected to be settled on April 15, with the entitlement offer opening on May 2 and closing on May 23, 2014.

Resonance fell one cent or 15.9 percent to 5.3 cents with 2.0 million shares traded.

MAYNE PHARMA

Westpac Banking Corp and associates have become substantial holders in Mayne Pharma with 29,924,517 shares or 5.10 percent.

Westpac said shares were bought by Advance Asset Management, Asgard Capital Management, BT Funds Management, BT Investment Management ANZ Bank, the National Australian Custodial Services, National Nominees and National Australia Bank.

Westpac said that BT Investment Management bought the largest number of shares for the National Australia Bank between February 19 and April 8, 2014, acquiring 11,782,894 shares for \$8,477,255 or an average price of 71.95 cents a share

Mayne was up two cents or 2.3 percent to 89.5 cents with 3.3 million shares traded.

BIOPROSPECT

Bioprospect has requested a trading halt pending an announcement on the completion of its due diligence into Invatec and Heartlink technologies.

In January, Bioprospect raised \$1,000,000 through the issue of convertible notes for the Invatec depression and mental illness diagnostic technology and in February an extraordinary general meeting supported the acquisition (BD: Jan 28, Feb 19, 2014).

Bioprospect was originally commercializing Termilone for termites but became entangled with Solagran's pine needle extract for cancer and Alzheimer's disease as a supplement for horses (BD: Sep 24, 2009).

In 2011, the company hoped to become an oil and gas drilling operation working with Frontier Gasfields (BD: Jun 2, 2011).

Trading will resume on April 14, 2014 or on an earlier announcement.

Bioprospect last traded at 0.4 cents.