



Biotech Daily

Monday September 22, 2008

Daily news on ASX-listed biotechnology companies

**VALE PROF JEFF WASSERTHEIL
24 July 1953 – 22 September 2008**

- * **ASX, BIOTECHS UP: PHYLOGICA UP 14%, STEM CELL DOWN 6%**
- * **GENETIC TECHNOLOGIES' BOARD: SACK THE CEO AND WE WALK**
- * **POLICE INVESTIGATE BIOPROSPECT'S SNR SGT TONY LANGDON**
- * **ARANA DEVELOPS ART123 FOR INFLAMMATORY DISEASES**
- * **PHOSPHAGENICS QUILTS LONDON'S AIM**
- * **ACORN CAPITAL REDUCES 2.7% IN PEPLIN**
- * **USCOM VOTES ON 1m OPTIONS FOR CEO PAUL BUTLER**
- * **NORWOOD ABBEY GRANTED FURTHER EYECARE PATENT; DRAWS \$250k**
- * **CATHRX APPOINTS DR GREG ROGERS OPERATIONS MANAGER**
- * **CRYOSITE APPOINTS GRAEME MOORE AS EXECUTIVE DIRECTOR.**
- * **BIOTECH CAREER OPPORTUNITIES**
- * **ROCKEBY REQUESTS CAPITAL RAISING TRADING HALT**

MARKET REPORT

The Australian stock market recovered 4.3 percent on Monday September 22, 2008 with the All Ordinaries up 209.4 points to 5,050.1 points. Nineteen of the Biotech Daily Top 40 stocks were up, seven fell, nine traded unchanged and five were untraded.

Phylogica was best, up one cent or 14.29 percent to eight cents with 32,241 shares traded, followed by Prana up 10.42 percent to 53 cents. Circadian, Peplin and Universal Biosensors were up more than eight percent; Heartware climbed 7.63 percent; Antisense was up four percent; Cellestis, Chemgenex, Mesoblast and Proteome were up more than three percent; Alchemia, Optiscan, Progen and Viralytics rose two percent or more; with Biota, Cochlear, Novogen and Phosphagenics up more than one percent.

Stem Cell led the falls, down two cents or 6.25 percent to 30 cents, followed by Cytopia down 5.88 percent to 16 cents. CSL lost 3.33 percent; Arana shed 2.04 percent; with Clinuvel, Neuren, Pharmaxis and Starpharma down more than one percent.

GENETIC TECHNOLOGIES

Genetic Technologies has issued a statement regarding founder Dr Mervyn Jacobson's proposal to spill the board via his company Mervyn Jacobson ApS.

Mervyn Jacobson ApS is a company associated with founder, director and former chief executive officer Dr Jacobson.

Following the issue of shares to Frozen Puppies (see Biotech Daily; July 22, 2008) Dr Jacobson's holding has been reduced from 42 percent to 40 percent.

The carefully worded announcement does not make clear the cause involved in Dr Jacobson's proposal to remove the five directors including chairman Henry Bosch, chief executive officer Michael Ohanessian, John Dawkins, David Carruthers and Dr Leanne Rowe (see Biotech Daily; September 18 and 19, 2008).

But sources have told Biotech Daily that there was an issue relating to Mr Ohanessian's position as chief executive officer.

In the announcement to the ASX, Genetic Technologies says "Mervyn Jacobson ApS has provided no explanation in the notice or otherwise as to why it is seeking to remove the five directors the subject of the removal resolution".

The company said Mr Ohanessian was appointed as chief executive officer and managing director "with the unanimous consent of the board, including Dr Jacobson" on September 24, 2007.

"The board remains resolute in its decision to support Mr Ohanessian who has its full confidence and support and who it considers is dedicated, high performing and hard working," the statement said.

"A decision relating to the position of [chief executive officer and managing director] is properly one for a board rather than shareholders," the statement said.

The board said that if the resolution was passed "it would not be in the interests of shareholders".

"If shareholders impugn the judgment of the board by voting to override it, the four independent directors the subject of the notice removal aside from Mr Ohanessian have advised that they will be unable to continue to properly carry out their duties to the company and shareholders as a whole," the statement said.

Genetic Technologies was untraded at 6.7 cents.

BIOPROSPECT

Victoria Police have confirmed that there is an ethical standards investigation of Snr Sgt Anthony Langdon, who was appointed a director of Bioprospect earlier this month.

Victoria Police media did not name Snr Sgt Langdon but responded to an inquiry from Biotech Daily relating to an article in a weekend newspaper.

"There is an Ethical Standards [Unit] investigation into the matter regarding secondary employment and threats of intimidation," a Victoria Police media officer said.

"The investigation is at a very early stage," she said.

Snr Sgt Langdon was appointed a director of Bioprospect (see Biotech Daily September 1, 2008) at the same time that two Solagran directors, Charles Pellegrino and Peter Stedwell, were appointed to the company's board.

Snr Sgt Langdon has been associated with sharetrader Leo Khoury.

A Bioprospect media representative told Biotech Daily that Mr Khoury owned about 13 percent of the company and Snr Sgt Langdon was Mr Khoury's representative on the board.

Bioprospect fell 0.2 cents or 9.09 percent to two cents.

Solagran fell two cents or 5.41 percent to 35 cents.

[ARANA](#)

Arana says ART123 is a new antibody candidate for inflammatory diseases and the company has planned a phase I trial of PMX53 for age-related macular degeneration. Arana said ART123 was produced using its antibody engineering technologies.

The company said patents had been filed around the mechanism of action of ART123, which has demonstrated efficacy in a pre-clinical psoriasis model.

Preclinical safety studies are expected to commence in 2010.

Arana also said it had developed and tested several new formulations of PMX53 in animal models of age-related macular degeneration, psoriasis and osteoarthritis.

The company said the age-related macular degeneration clinical trial was expected to start in the first half of 2009, subject to the successful completion of ongoing pre-clinical dose-ranging studies.

Data from long term pre-clinical osteoarthritis studies are also expected to be available in early 2009.

Arana said it had "no current plans for further development of the psoriasis indication".

Arana said that lead compound ART621 "continues to progress in its development with several major milestones expected in the next six months" including an investigational new drug application for the rheumatoid arthritis indication in the fourth quarter of 2008, a phase II study in rheumatoid arthritis also planned for the fourth quarter of 2008 and safety and efficacy data from a psoriasis study expected in the first quarter of 2009.

Arana chief executive officer Dr John Chiplin said the company was "delighted" with the progress of the inflammatory pipeline, "with products targeting important and large disease markets where antibody products have revolutionized treatments".

"The addition of ART123 strengthens our portfolio and demonstrates the depth of our engineering technologies and intellectual property capabilities," Dr Chiplin said.

Dr Chiplin said ART621 had "several important milestones ahead including an IND submission in the next month or so".

Arana fell two cents or 2.04 percent to 96 cents.

[PHOSPHAGENICS](#)

Phosphagenics says it will cancel the admission of its securities on London's Alternative Investment Market from the close of business on October 31, 2008.

Phosphagenics said it "did not take this decision lightly and it was only after a detailed review of the interest and activity in the company's securities as transacted on AIM together with the direct and indirect costs of maintaining the listing that the board reached its decision".

"Over the past four year period in which the company has had its shares listed on AIM the ASX monthly turnover has increased whilst the AIM monthly turnover has decreased,"

Phosphagenics said.

The company said its shares have been listed and traded on the Australia Stock Exchange since August 1992 and it "has always regarded the ASX as the company's primary listing".

Phosphagenics said that at the cancellation of admission to AIM, the depositary interest and certificated holders registers will be transferred into the register of members maintained by Computershare Investor Services, Melbourne.

Shareholders with AIM shares in PSG (Phosphagenics) through depositary Interests or certificates will be able to trade through the ASX under the POH code.

Phosphagenics climbed 0.1 cents or 1.35 percent to 7.5 cents.

PEPLIN

Acorn Capital has reduced its substantial holding in Peplin from 26,356,216 shares (13.19%) to 21,722,483 shares (10.49%).

Peplin climbed 3.5 cents or 8.64 percent to 44 cents.

USCOM

Uscom shareholders will vote on the grant of 1,000,000 options to chief executive officer Paul Butler.

Uscom said the options would be vested in two tranches and exercisable at 20 cents.

The meeting will also vote on the reelection of director Bruce Rathie.

The meeting will be held at PKF Chartered Accountants, Level 10, 1 Margaret St, Sydney on November 12, 2008 at 9:30am.

Uscom was up three cents or 9.09 percent to 36 cents.

NORWOOD ABBEY

Norwood Abbey says the Russian Federation has granted a key Eyecare patent.

The company said the patent owner was FOS Holdings SA and the inventors were Ioannis Pallikaris and Harilaos Ginis (see Biotech Daily; September 17, 2008).

Norwood Abbey said the patent was "one of the key Eyecare patents" and was 'A device for separation of the epithelial layer from the surface of the cornea of the eye'.

"The device includes a separator having an edge to remove the epithelial layer as the separator moves across the eye," the company said.

"The edge includes a thickness thicker than the thickness of at least one epithelial cell and less thick than the thickness of the epithelial layer," Norwood Abbey said.

"The device can also be used with a polymer film that adheres to the epithelial layer with the necessary level of hydration," Norwood Abbey said.

"The device provides mechanical separation of the epithelial layer of the surface of the cornea of the eye without the use of chemicals, so that the shape and integrity of the separated epithelial layer is preserved," the company said.

Separately, Norwood Abbey will drawdown a further \$250,000 as a cash advance in the funding facility announced last week (see Biotech Daily; September 15, 2008).

Norwood Abbey said the cash advance would "provide a right of conversion to shares and options upon approval by shareholders at the forthcoming extraordinary general meeting.

"This brings to \$500,000 the funding being injected by this party, a demonstration of confidence by the investor, Norwood abbey said.

The investor has indicated that further financial support may be forthcoming as the company progresses its restructuring program.

Norwood Abbey was unchanged at 1.5 cents.

CATHRX

Cathrx has appointed Dr Greg Rogers as operations manager.

Cathrx says Dr Rogers has extensive experience in the medical device industry, most recently with Nusep, where he was director of operations. Prior to joining Nusep, Dr Rogers held senior positions with Resmed and before that, Tyco Healthcare and Baxter. Dr Rogers has a Ph D in biomedical engineering and degrees in mechanical engineering and applied mathematics.

Cathrx was unchanged at 72 cents.

CRYOSITE

Cryosite has appointed Graeme Moore as an executive director.

Cryosite said Mr Moore holds a Bachelor of Applied Science in biomedicine and is the company's quality and regulatory affairs manager.

The company said he joined Cryosite in July 2005 after a decade with the Australian Red Cross Blood Service.

Cryosite was untraded at 11.5 cents.

CAREER OPPORTUNITIES

Biotech Daily's informal confidential introduction service continues to attract applications from biotechnology staff and companies.

We have curriculum vitae from biotech and meditech directors, senior executives, investor relations staff and scientific personnel.

The most recent addition is an Israeli biochemistry and molecular biology PhD graduate with expertise in mitochondrial mechanisms and protein targeting and translocation who is looking for work, preferably in but not limited to, proteomics, in Melbourne.

For further inquiries, contact Biotech Daily on +613 9372 2990.

ROCKEBY

Rockeby has requested a trading halt pending an announcement "regarding a capital raising".

Trading will resume on September 24, 2008 or on an earlier announcement.

Rockeby was untraded at 0.4 cents.