



Biotech Daily

Tuesday August 19, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECHS DOWN: BIONOMICS UP 8%, SUNSHINE HEART DOWN 39%**
- * **PEPLIN APPOINTS TOM WIGGANS CEO; NEW CMO; RAISES \$24m**
- * **USCOM INCREASES TRANSPLANTATION ORGANS BY 15%**
- * **PHARMAUST'S EPICHEM WINS \$3m CHAGAS DISEASE CONTRACT**
- * **FIRST LIGHT IN THREE MORE SYNCHROTRON BEAMLINES**
- * **APOLLO DIRECTORS QUELL PUTSCH**
- * **TISSUE THERAPIES EXTENDS SHARE PLAN**
- * **SOLAGRAN TO HOST INFORMATION EVENING**

MARKET REPORT

The Australian stock market tumbled 2.2 percent on Tuesday August 19, 2008 with the All Ordinaries down 113.1 points to 4,930.4 points.

Eight of the Biotech Daily Top 40 stocks were up, 17 fell, five traded unchanged and 10 were untraded.

Bionomics was best, up 2.5 cents or 7.58 percent to 35.5 cents, followed by Viralytics up 5.88 percent to 5.4 cents.

Arana and Resmed climbed more than three percent; Optiscan and Starpharma rose two percent or more; with Antisense, Cochlear and Peplin up more than one percent.

Sunshine Heart led the falls, down 2.7 cents or 38.57 percent to 4.3 cents on small volumes and no news, followed by Stem Cell Sciences down 12.5 percent to 28 cents.

Novogen lost 7.32 percent; Agenix fell 5.88 percent; Avexa, Sirtex and Ventracor fell four percent or more; Alchemia and Psivida were down more than three percent; Acrux and Cellestis shed more than two percent; with Neuren and Prana down more than one percent.

PEPLIN

Peplin has replaced chief executive officer Michael Aldridge with chairman Tom Wiggins, appointed Dr Eugene Bauer as chief medical officer and raised \$US24 million.

GBS Venture Partners' Dr Joshua Funder will join the board following the completion of the placement (see below).

Mr Wiggins takes up the position immediately and will continue as chairman. He told Biotech Daily that Peplin required different skills for its stage of development.

Peplin said Mr Wiggins was chairman and CEO of the US-based dermatology company Connetics Corp until it was acquired by Stiefel Laboratories for \$730 million.

He oversaw four drugs from laboratory to US Food and Drug Administration registration as well as having five other drugs in development at the time of the takeover. Mr Wiggins said Connetics acquired those compounds from the Melbourne based Soltec Research. From 1994 to 2006, Mr Wiggins was Connetics' CEO taking it from a start-up specialty pharmaceutical company to a dermatology company employing 400 people, with five marketed products and annual revenues approaching \$200 million.

Mr Wiggins holds a Bachelor of Science in Pharmacy and a Masters of Business Administration.

He worked for the Geneva-based Ares-Serono Group for 12 years, including as president of its US pharmaceutical operations and managing director of its UK pharmaceutical operations.

Peplin said Mr Wiggins has been a leader in the US biotechnology industry and was instrumental in the creation of the Biotechnology Industry Organisation (BIO).

Peplin said Dr Eugene Bauer had been appointed president and chief medical officer.

Dr Bauer was most recently chief executive officer of Neosil Corp, which has entered into a merger agreement with Peplin.

Dr Brauer will be a member of the executive management team responsible for medical affairs, strategy and communications with key professional constituencies in the US.

Dr Bauer was a non-executive director and will continue as an executive director.

He is the former dean of the Stanford University School of Medicine and was a co-founder and director of Connetics.

Dr Hirst said significant progress had been made during CEO Michael Aldridge's tenure from 2003, including milestones such as securing a special protocol assessment from the FDA to proceed with phase III clinical trials for PEP005 for actinic keratosis, opening manufacturing facilities in Southport, Queensland and incorporation in the US.

Peplin said it had arranged a private placement of common stock and warrants to raise \$US24 million (\$A27.7 million) primarily to fund phase III clinical development of PEP005. Assuming completion of the placement and the Neosil acquisition, both subject to shareholder approval, Peplin's pro-forma cash position for June 30, 2008 would be \$US56.0 million, sufficient to fund the phase III PEP005 trial.

The placement consists of 4.0 million shares of unregistered common stock, equivalent to approximately 80 million CHES Depositary Interests (CDIs), and warrants to purchase up to approximately 1.3 million shares of common stock.

The securities were sold as units consisting of three shares of common stock and a free four year warrant to purchase one share of common stock for \$US18.14, equivalent to 35 Australian cents per CDI, less than a two percent discount to the five day volume weighted price of Peplin CDIs trading on ASX to August 15, 2008.

Other investors in the placement include shareholders MPM Capital New Enterprise Associates Inc, Asia Union Investments and Orbis Funds Management.

Peplin climbed half a cent or 1.2 percent to 42 cents.

USCOM

Uscom says a study of 74 brain-dead potential organ donors has shown its ultra sonic cardiac output monitor is 15 percent better for managing the patients.

The randomized controlled study was undertaken by Los Angeles' Onelegacy group and the Loma Linda University Children's Hospital.

The data was presented to the North American Transplant Coordinators Organization annual meeting in Boston on August 14, 2008.

The study randomised patients aged from 12 months to 67 years of age into conventional invasive catheter management or management guided by Uscom and found a 15 percent increase in successful organ transplants in the Uscom group.

Uscom chairman and director of clinical science Rob Phillips told Biotech Daily that the patients were brain dead and on life support systems.

He said the better management of the patients meant that organs for donation were in better condition for transplantation.

"We know improving circulation saves lives, however this is the first randomized controlled study to prove the real benefit of using Uscom to improve circulation compared with the current invasive catheter," Mr Phillips said in a media release to the ASX.

"This is practice changing evidence," he said.

"It will be exciting to see if similar improvements can be identified in Uscom-guided treatment of heart failure, hypertension and sepsis," Mr Phillips said.

Uscom said that more than 130,000 US patients were waiting for an organ transplant, with approximately 30,000 organs transplanted each year.

The company said the "inadequate supply of organs resulted in 7191 patient deaths on the transplant waiting list in 2006". An increase in available organs by 15 percent could result in life-saving transplants for many patients on waiting lists.

Uscom was untraded at 26 cents.

PHARMAUST

Pharmaust says it's wholly owned subsidiary, Epichem, has signed a \$3 million contract with the Swiss-based Drugs for Neglected Diseases Initiative.

Pharmaust said that under the three year contract Epichem would provide the synthetic and medicinal chemistry component for the Initiative's consortium to discover and develop drugs for the treatment of Chagas disease.

Epichem has a strong commitment to neglected diseases and has been working in collaboration with parasitologists at Murdoch University for several years to find a cure for a closely related disease, African Sleeping Sickness.

Endemic in 21 countries in Central and South America, Chagas disease threatens 25 percent of the population living in the region and kills 50,000 patients every year.

The parasitic disease afflict eight million people, including in Australia where estimates indicate that 16 of every 1000 Latin American immigrants carry the parasite in their blood.

Pharmaust said Epichem had employed two additional chemists in the last two months "and laboratory facilities are set to expand to cope with the increased demand".

Epichem performs fee-for-service contract work, as well as generating "potentially valuable intellectual property through its in-house and collaborative research projects".

The Drugs for Neglected Diseases Initiative was established in 2003 by Institut Pasteur and Médecins Sans Frontières along with four publicly-funded research organizations in Brazil, India, Kenya, and Malaysia . More information can be found at www.dndi.org.

Pharmaust climbed 0.3 cents or 13.64 percent to 2.5 cents.

AUSTRALIAN SYNCHROTRON

The Victorian Government says three more beamlines have been commissioned at the Australian Synchrotron and are ready for research.

In a Victorian Government media release Innovation Minister Gavin Jennings said a second protein crystallography beamline would speed up drug discovery and design.

“At the same time they have achieved sustained light beams in two other beamlines: the small and wide angle scattering and the microspectroscopy beamlines,” Mr Jennings said. Mr Jennings said all three beamlines would boost Victoria’s capacity for research and development in areas such as health, environment and industrial innovation.

He said synchrotrons were the most versatile facilities for research and development, providing advanced research techniques.

“Now that the milestone of first light has been achieved in these three new beamlines, they are expected to open to expert users in October 2008,” Mr Jennings said.

The Government media release said five beamlines were already operating and in high demand by Australia’s and New Zealand’s research leaders.

Construction of an imaging and medical beamline is under way, with commissioning experiments scheduled for early 2009.

Mr Jennings said that both Victoria and the Australian Government shared the cost of operating the Synchrotron equally.

“This major research facility is expected to contribute around \$110 million a year to the national economy and create 2,500 direct and indirect jobs,” Mr Jennings said.

More information is at: http://www.synchrotron.org.au/retrievemedia.asp?Media_ID=5335

APOLLO LIFE SCIENCES

Apollo’s extraordinary general meeting overwhelmingly defeated a push to replace chief executive officer John Priest and Prof Antony Basten as directors.

The meeting was requisitioned by shareholders Dr Thomas Wenkart and John Maher (see Biotech Daily; July 21, 2008).

Dr Wenkart is the chief executive of Macquarie Health Corporation. He is named in many articles relating to the company as well as a former business partner of medical entrepreneur, Geoffrey Edelsten, who was de-registered as a doctor.

According to Apollo’s 2007 annual report Mr Priest held 53.45% of the company’s shares.

The resolutions to remove Mr Priest and Prof Basten were defeated with more than 106.7 million proxy votes against and more than 18.96 million votes in favor. A poll was called and all motions were defeated by about 108.5 million votes to 23.5 million votes.

The resolutions to appoint Dr Wenkart and Mr Maher were defeated by a similar margin.

Apollo is in a voluntary suspension and last traded at four cents.

TISSUE THERAPIES

Tissue Therapies has extended its share purchase plan from August 25, 2008 to September 5.

Tissue Therapies provided photographic information about the Vitrogro wound treatment trial in Perth, Western Australia, which began on August 11, 2008.

Tissue Therapies has said it intends to raise \$700,000 through a share purchase plan (see Biotech Daily; July 21, 2008).

The company said a further announcement would define the revised timetable, including the expected quotation date for shares issued under the plan.

Tissue Therapies was unchanged at nine cents.

SOLAGRAN

Solagran will hold “a shareholder information evening” to discuss “a number of important technological and strategic developments within the company”.

Solagran said that along with presentations from its executive directors, the information evening will hear from Sibex managing director Alexander Kurganov, Solagran’s clinical trials co-ordinator Dr Tamara Nikitina and documentary maker Marina Orlova.

The meeting will be held at Melbourne’s Parkview Hotel on September 3, 2008 at 6pm.

All presenters will be available to answer shareholder questions.

Solagran fell 1.5 cents or 3.66 percent to 39.5 cents.