



Biotech Daily

Friday August 14, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: USCOM UP 14%, COMPUMEDICS DOWN 7%**
- * **CALL FOR COMMERCIALISATION INSTITUTE SUBMISSIONS**
- * **SENATOR ABETZ: CCI 'A FARCE, BRING BACK COMMERCIAL READY'**
- * **NEUREN SHARE PLAN RAISES \$815k**
- * **AGENIX RECEIVES JULY'S \$87k CHINA PAYMENT**

MARKET REPORT

The Australian stock market was up 0.57 percent on Friday August 14, 2009 with the S&P ASX 200 up 25.1 points to 4461.0 points.

Eight of the Biotech Daily Top 40 stocks were up, 17 fell, 11 traded unchanged and four were untraded.

Uscom was best on small volumes, up 10 cents or 14.3 percent to 80 cents with 11,000 shares traded, followed by Genetic Technologies up 0.3 cents or 5.8 percent to 5.5 cents.

Optiscan climbed 4.8 percent; Psivida was up 3.2 percent; Antisense, Cochlear, CSL, Genera and Tissue Therapies rose more than two percent; with Circadian up 0.68 percent.

Compumedics led the falls, down 1.5 cents or 7.3 percent to 19 cents with 257,401 shares traded, followed by Sunshine Heart and Viralytics both down 6.7 percent to seven cents and 2.8 cents, respectively.

Cytopia and Novogen lost five percent or more; Nanosonics fell 4.4 percent; Benitec, Living Cell and Phosphagenics were down more than three percent; Alchemia, Heartware, Progen, Resmed and Starpharma were down more than one percent; with Cellestis, Mesoblast, Peplin and Pharmaxis down by less than one percent.

COMMONWEALTH COMMERCIALISATION INSTITUTE

The Minister for Innovation Senator Kim Carr has called for public comment “to help inform the development and operation of the Commonwealth Commercialisation Institute”. “This input will be essential to the design and delivery of this significant initiative and will help ensure that we capture more value from our great ideas,” Senator Carr said.

The Biotechnology and Related Industries Leadership Group has prepared a detailed submission on the Commonwealth Commercialization Institute (CCI) which has been sent to Senator Carr, the Department of Innovation Industry Research and Development along with copies to Finance Minister Lindsay Tanner and the Prime Minister’s office.

Senator Carr said the public comment called today was “part of a broad consultation process with stakeholders”.

Senator Carr said the Institute was “a new approach by Government to assisting Australia’s universities, public sector research organizations and innovative firms to commercialize their ideas”.

“It will help address the difficulties faced by our talented researchers and entrepreneurs in accessing the knowledge, skills and capital they need to convert ideas into successful commercial ventures,” Senator Carr said.

A media release from Senator Carr said a committee, consisting of Commonwealth Departments and agencies had been formed to guide the development of the Institute and would be chaired by Dr Laurie Hammond.

The deadline for comments is August 28, 2009.

Comments can be provided online at <http://www.innovation.gov.au/cci>.

A discussion paper with information on the background and policy principles to guide the design of the institute is also on the website.

For further information contact the Commonwealth Commercialisation Institute team at cci@innovation.gov.au or call Donna Valenti +613 6213 7611.

The BRIL Group submission was sent as a special edition to Biotech Daily subscribers on July 6, 2009 and is at: <http://www.biotechdaily.com.au/pages/editorials.php>.

SENATOR ERIC ABETZ

The Shadow Minister for Innovation Senator Eric Abetz says the call for consultation on the proposed Commonwealth Commercialisation Institute “is a farce”

Senator Abetz said Senator Carr’s call for consultation “proves once again that the CCI was dreamed up literally on the eve of budget”.

“It is now over three months since the Commonwealth Commercialisation Institute was announced and only now is Senator Carr turning his mind to how it might actually work”, Senator Abetz said.

“Australia’s innovation sector is suffering from [a] gaping hole left by Labor’s abolition of Commercial Ready and all Senator Carr can offer after 15 months is a name and a consultation process,” Senator Abetz said.

“This is a farce,” he said.

“Rather than dreaming up a fancy name on the eve of the budget to try [to] plug the public-relations disaster which the axing of Commercial Ready left the Government, Labor should simply have reinstated Commercial Ready,” Senator Abetz said.

Senator Abetz said that the Liberal-National Coalition would closely monitor progress on the development of the CCI and whether it delivered any benefit to Australia’s innovation community.

NEUREN PHARMACEUTICALS

Neuren says it has raised \$NZ1,003,000 (\$A\$815,000) through applications for 27,176,665 shares in its share plan which closed on August 6, 2009.

Neuren said in its announcement of the share plan offering shares at three cents each, that it could raise up to \$2.3 million (BD: Jul 10, 2009).

Neuren said it had allotted the new shares today and statements would be dispatched on August 17, 2009 with quotation on or about August 18, 2009.

Neuren said it was negotiating a direct investment into its US subsidiary to support the NNZ-2566 program.

Funding under the US Army award for the direct costs of the NNZ-2566 phase II trial in traumatic brain injury has begun and the trial is on schedule to begin in October 2009, the company said.

Neuren's chief executive officer Larry Glass said the share plan funds would "provide support for company operations as the phase II trial of NNZ-2566 commences and we conclude arrangements for a private placement into the US subsidiary".

"We are eager to get the trial underway after all the hard work and planning and with the new funding from the Army now in place," Mr Glass said.

Neuren was unchanged at three cents.

AGENIX

Agenix has received its July payment of RMB 500,000 (\$A86,899) from the Shanghai Rui Guang Bio-Pharma Development Co.

Agenix said that in respect of the binding settlement to resolve the dispute concerning its Peoples Republic of China bio-pharmaceutical investments three monthly installments of RMB500,000 remained outstanding and the remaining amount of the settlement sum was due by November 30, 2009.

Agenix said it had received a total of RMB 4,500,000 from the binding settlement agreement since December 2008.

The company said that in the event the remaining installments were not received by November 30, 2009 additional funding would be critical to maintain adequate levels of working capital.

Agenix said in April that Shanghai Rui Guang would pay RMB44,000,000 (\$A9 million) by November 30, 2009 (BD: Apr 17; Jun 4, 2009).

Agenix said that if the Chinese company obtained finance, payment of RMB15,200,000 (\$A2.8 million) would be due on May 29, 2009; otherwise it would be due by November 30, 2009 along with the balance of RMB22,800,000.

The RMB15,200,000 payment was not made and in a media release to the ASX Agenix said the payment was conditional on the Shanghai Rui Guang obtaining finance from a People's Republic of China financial institution.

Agenix said negotiations were continuing and the installment was scheduled to be made on or by November 30, 2009 along with a balance of RMB22,800,000.

Agenix is in a voluntary suspension and was untraded at 1.7 cents.