



Biotech Daily

Thursday August 6, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: BIONOMICS UP 12%, PRANA DOWN 11%**

- * **FERMISCAN, PROF VERONICA JAMES AWAIT APPEAL DECISION**

- * **NEURODISCOVERY SUBSIDIARY SIGNS \$620k DEAL**

- * **SUNSHINE HEART REQUESTS CAPITAL RAISING TRADING HALT**

MARKET REPORT

The Australian stock market climbed 1.45 percent on Thursday August 6, 2009 with the S&P ASX 200 up 61.8 points to 4326.3 points.

Thirteen of the Biotech Daily Top 40 stocks were up, 10 fell, seven traded unchanged and 10 were untraded.

Bionomics was best, up 2.5 cents or 11.9 percent to 23.5 cents with 139,000 shares traded, followed by Psivida up 15 cents or 5.4 percent to \$2.95 and Mesoblast up six cents or 5.1 percent to \$1.245.

Cytopia climbed five percent; Tissue Therapies was up 4.2 percent; Cellestis, Heartware, Nanosonics, Pharmaxis and Viralytics were up more than three percent; Acrux rose 2.1 percent; Biota, Clinuvel and CSL were up more than one percent; with Resmed up 0.8 percent.

Prana led the falls, down 2.5 cents or 11.4 percent to 19.5 cents with 298,573 shares traded, followed by Phylogica down half a cent or 9.1 percent to five cents.

Optiscan lost 6.5 percent; Novogen was down 5.7 percent; Compumedics, Phosphagenics and Starpharma fell four percent or more; Benitec and Chemgenex were down more than three percent; Cochlear shed 1.1 percent; with Sirtex down 0.5 percent.

FERMISCAN

The New South Wales Appeal Court has reserved its decision in Fermiscan's appeal against a Supreme Court finding in favor of its inventor Prof Veronica James.

On May 29, 2009 Justice Robert McDougall dismissed the proceedings against Prof James and ordered Fermiscan to pay costs estimated at \$1.4 million (BD: June 5, 2009).

Fermiscan director Leon Carr has disputed that figure without providing an alternative.

The solicitor for Prof James, Middleton's intellectual property partner Jane Owen, told Biotech Daily that her costs were likely to be around \$500,000 with about \$400,000 recoverable from Fermiscan, whose costs were likely to be in the order of \$1 million. Fermiscan brought the action against Prof James claiming a new test using finger nails and skin was an improvement on their 1998 hair x-ray diffraction patent to detect breast cancer (BD Apr 28, 2009).

Fermiscan has previously taken legal action against Prof James including an order to search and seize her private property.

Following the initial court action, Fermiscan and Prof James reached a settlement with an agreement that Prof James would not disparage the company.

Justice McDougall's judgment says Prof James did point to criticisms of the x-ray diffraction test of hair to detect breast cancer, but she did so by relying on Fermiscan's own published documents (BD: Jun 18, 2009).

Justice McDougall said that Fermiscan's agreement that Prof James pay a \$700,000 penalty should she ever disparage the company was not enforceable.

Justice McDougall also dismissed the Fermiscan claim that Prof James patents on detecting cancer from skin and nail was merely "an improvement" on the earlier hair test. The Appeal Court of Justices James Allsop, David Ipp and Ken Handley heard argument from both sides yesterday and reserved their decision.

The decision is likely to be published within two months.

Fermiscan was up one cent or 7.69 percent to 14 cents.

NEURODISCOVERY

Neurodiscovery's subsidiary Neurosolutions will earn \$620,000 from pharmacology and electrophysiology services to an unnamed pharmaceutical company.

Neurodiscovery said it was the largest contract in the wholly-owned subsidiary's eight year history.

Neurosolutions chief scientific officer Prof David Spanswick said the contract was "an endorsement of the quality of work conducted by our scientists".

Neurodiscovery was up 1.5 cents or 37.5 percent to 5.5 cents.

SUNSHINE HEART

Sunshine Heart has requested a trading halt pending an announcement in regarding a capital raising.

Trading will resume on August 10, 2009 or on an earlier announcement.

Sunshine Heart last traded at 6.4 cents.