



Biotech Daily

Friday June 26, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: GENETIC TECH UP 20%, PRANA DOWN 12%**
- * **EUROPEAN DATASET SHOULD LEAD TO BIOPHARMICA COLLABORATION**
- * **EASTLAND RIGHTS ISSUE RAISES \$1.6m**
- * **ADVANCED SURGICAL SIGNS US DISTRIBUTOR**
- * **STEM CELL SCIENCES DEPARTS ASX**
- * **STIRLING HOPES TO BUY MILPHARMA FACILITY**
- * **SECURITIES & INVESTMENT GROUP TAKES 19% OF STIRLING**
- * **DIA-B TECH EXTENDS PALLANE OFFER ONE MONTH**
- * **PRIMA SHARE ISSUE RESOLUTIONS PASSED EASILY**

MARKET REPORT

The Australian stock market climbed 1.24percent on Friday June 26, 2009 with the S&P ASX 200 index up 47.8 points to 3,903.8 points. Ten of the Biotech Daily Top 40 stocks were up, 16 fell, 11 traded unchanged and three were untraded.

Genetic Technologies was best, up 0.9 cents or 20 percent to 5.5 cents with 335,847 shares traded.

Living Cell and Universal Biosensors climbed more than five percent; Biota was up 4.5 percent; Resmed was up 3.7 percent; Heartware and Pharmaxis rose more than two percent; Arana, Clinuvel, Cochlear, Mesoblast and Starpharma were up more than one percent; with CSL up 0.7 percent.

Prana led the falls, down two cents or 11.8 percent to 15 cents with 206,000 shares traded, followed by Optiscan down 9.1 percent to four cents.

Antisense lost 7.5 percent; Nanosonics fell 6.8 percent; Bionomics and Chemgenex fell more than four percent; Phosphagenics, Progen and Tyrian were down more than three percent; Acrux, Peplin, Sirtex and Viralytics were down more than two percent; Polartechinics fell 1.1 percent; with Cellestis and Psivida down less than one percent.

BIOPHARMICA

Biopharmica says a Western European clinical trial dataset was expected to “lead to collaboration with a number of European centers of anaesthetic monitoring excellence”. Biopharmica chairman David Breeze told Biotech Daily that his company and its shareholders held a majority stake in Cortical Dynamics which received the comprehensive electronic dataset from a Western European clinical research centre. Mr Breeze said the electronic data was from a study which used the same design as Cortical Dynamics most recent opioid trial and was being analyzed with Cortical Dynamics brain anaesthesia response (BAR) analysis methodology.

In a media release to the ASX Biopharmica said the data sharing would “lead to collaboration with a number of European centers of anaesthetic monitoring excellence”. The company said that further validation of the results was expected to be completed in the fourth quarter of 2009.

Biopharmica said the Cortical Dynamics team was lead by Dr David Liley and had completed two clinical trials at the Royal Melbourne Hospital and the results from the first trial have been published in the journal ‘Computers in Biology and Medicine’.

Biopharmica said the trials proved scientific acceptance for the brain anaesthesia response (BAR) methodology and showed superiority over existing approaches.

The second trial was designed to evaluate the sensitivity of the BAR methodology to opioids and other intravenous anaesthetic drugs, studied 55 patients and was complete with results analyzed.

Biopharmica said both trials confirmed that the BAR algorithm was more sensitive than competitive monitors in detecting the anaesthetic drug effect.

The company said Cortical Dynamics’ BAR analysis was based on the physiological mechanisms that generate brain electrical activity allowing the BAR Monitor to be “faster, much more sensitive and accurate than existing monitors”.

Biopharmica said the program would trial the BAR’s sensitivity with the most commonly used anaesthetic drugs.

Investigation of the data over the last few months from both trials has highlighted a number of improvements for the BAR monitor, Biopharmica said.

The company said the sensor layout had been modified to increase the level of the brain electrical activity detected and the data acquisition module was “being fine-tuned to improve the BAR Monitors resilience to signal noise”.

The improvements were designed to increase the quality of the collected data.

Biopharmica said that improving the input signals would further enhance the sensitivity of the BAR Monitor’s ability to detect anaesthetic drug effects as well as increasing its robustness in dealing with an operating theatre and its electrical environment.

The upgraded Monitor is scheduled to be completed by October 2009.

Biopharmica was unchanged at 2.1 cents.

EASTLAND MEDICAL SYSTEMS

Eastland Medical has raised at least \$1,600,000 of a hoped for \$3,281,000 in its one-for-two non-renounceable share rights offer at three cents a share.

Eastland said Patersons Securities had underwritten the rights issue to \$1.6 million and the company received subscriptions for the rights issue and the shortfall from existing investors for \$1.271 million or 42,372,712 shares.

Patersons will subscribe for the difference to \$1.6 million and that with the company’s directors Patersons will attempt to place the remaining shortfall shares.

Eastland was untraded at four cents.

ADVANCED SURGICAL DESIGN AND MANUFACTURE

Advanced Surgical has signed Anova Implant Solutions LLC as its exclusive US distributor for orthopaedic implants.

Advanced Surgical said that "in the past few weeks the first total knee surgeries have been performed in Nashville and further total knee cases have been booked".

Advanced Surgical was untraded at 33 cents.

STEM CELL SCIENCES, ASSET REALISATION CO

The Asset Realisation Co, formerly Stem Cell Sciences, says that subject to ASX confirmation its shares will be cancelled from the close of trading on July 1, 2009.

The directors said they would "continue to keep shareholders informed as appropriate, in particular with respect to any subsequent distribution to be made by the company to its shareholders, through the company's website, www.assetrealco.com.

STIRLING PRODUCTS

Stirling says it will acquire the business of Milpharma Pty Ltd trading as Chess Technology administrators appointed.

Stirling said Milpharma was purchased by the current owners in 2007 and following its acquisition and the subsequent expenditure of approximately \$10 million on facility upgrades was impacted by debt and the fallout from the global financial crisis resulting in the appointment of an administrator in mid-April 2009.

The company said Milpharma was an extensive manufacturing facility of 10,000 square metres in Kingsgrove, Sydney and was Australian Therapeutic Goods Administration approved. The facility was previously the manufacturing base for Soul Pattinson and has a multi-million dollar replacement value.

Stirling said current revenue was about \$700,000 per month from the manufacture of products for clients including major Australian retail and distribution groups.

Goods manufactured include therapeutic drugs (30%), cosmetic products (54%) and cleaning and disinfection products (14%).

Stirling said it would acquire all the Milpharma assets and liabilities for \$465,000 in cash and shares together with a five year 20 percent profit share from operations.

As a condition of the sale, Stirling requires consent to the assignment of existing debt facilities of \$2.5 million secured over plant and equipment. The consents are in the process of being sought from the secured creditors, Stirling said.

The acquisition is subject to the completion of an agreement and will be subject to the approval of Milpharma's secured creditors, the property lessor and employees.

Stirling said that due to the expanded operations through the acquisition it would consider a further convertible note issue or share placement at no less than 1.5 cents per share.

Stirling was unchanged at 1.5 cents with 15.3 million shares traded.

STIRLING PRODUCTS

Melbourne's Securities and Investment Group Pty Ltd has become a substantial shareholder in Stirling with a holding of 87,500,000 shares or 18.68 percent.

Securities & Investments is a division of mortgage and financial consultants State Securities.

The share acquisition was the result of the conversion of a \$350,000 convertible note, valuing the shares at 0.4 cents each.

[DIA-B TECH. PALLANE](#)

Dia-B Tech has extended the closing date of the public offer to raise a minimum of \$12.5 million by one month to July 27, 2009.

The original closing date was today, June 26, 2009 (BD: May 29; Jun 22, 2009).

Dia-B said a second supplementary prospectus would be lodged with the Australian Securities and Investments Commission to reflect this change.

The company said the general meeting of shareholders will proceed on June 29, 2009.

Dia-B was unchanged at 1.4 cents.

[PRIMA BIOMED](#)

All resolutions put to the Prima general meeting were passed overwhelmingly.

The resolutions related to the issue of 109,100,056 shares to investors including Alpha Securities and the conversion of a loan from former Mayor of Sydney and wife of Opposition Leader Malcolm Turnbull, Lucy Turnbull (bd: May 22, 2009).

Alpha Securities is associated with Stirling Products and Zodiac Capital (BD: May 8, 20, 2009).

Prima fell 0.1 cents or 1.79 percent to 5.5 cents with 8.5 million shares traded.