



Biotech Daily

Friday November 13, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: BIONOMICS UP 12%; LIVING CELL DOWN 10%**

- * **WAIMR WINS \$608,500 GRANT FOR BIOPHARMICA'S HLS5**

- * **ELLEX, CERA WIN \$540k VICTORIAN GRANT FOR LASER AMD TRIAL**

- * **QRX RIGHTS ISSUE, PLACEMENT TO RAISE \$21.6m**

- * **PROGEN-MEDIGEN AGM CASE UNDECIDED**

MARKET REPORT

The Australian stock market fell 0.9 percent on Friday November 13, 2009 with the S&P ASX 200 down 41.5 points to 4,706.4 points.

Twelve of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and seven were untraded.

Bionomics was best, up 4.5 cents or 12.3 percent to 41 cents with 1.4 million shares traded, followed by Psivida up 6.25 percent to \$3.40 on small volumes.

Avexa and Phosphagenics climbed five percent or more; Antisense and Mesoblast were up more than three percent; Chemgenex, Optiscan and Resmed rose more than two percent; with Acrux, Clinuvel, Impedimed and Sirtex up more than one percent.

Living Cell led the falls, down three cents or 10 percent to 27 cents with 33,600 shares traded followed by Tissue Therapies down 9.1 percent to 15 cents.

Phylogica lost 8.7 percent; Genetic Technologies and Labtech were down more than seven percent; Biota, Nanosonics, Progen and Sunshine Heart were down more than three percent; Pharmaxis and Sunshine Heart shed two percent or more; with Alchemia, Novogen and Universal Biosensors down more than one percent.

BIOPHARMICA

Biopharmica says the Western Australian Institute for Medical Research has won a \$608,500 grant for work on two genes, including the HLS5 tumor suppressor gene. Biopharmica owns the intellectual property to HLS5 as a target.

Biopharmica said the Institute's Prof Peter Klinken and his team were awarded the National Health and Medical Research Council grant for the "characterization of haemopoietic lineage determining genes".

The company said haemopoiesis was the process by which blood cells developed from stem cells, which was dependant upon the appropriate expression of genes at each developmental stage within various lineages.

Biopharmica said the work focused on the HLS5 and MLF1 genes involved in determining lineage commitment and affected the expression of key haemopoietic regulators.

If these genes were aberrantly expressed, leukemias and other blood disorders could develop, the company said.

Biopharmica chairman David Breeze told Biotech Daily the tumor suppressor gene HLS5 would be part of Biopharmica's subsidiary Molecular Discovery Systems to be spun-out prior to an initial public offering on the Australian Securities Exchange early next year. Biopharmica fell half a cent or 2.9 percent to 17 cents.

ELLEX MEDICAL LASERS

Ellex and the Centre for Eye Research Australia have won a \$540,000 Victorian grant to investigate the efficacy of laser treatment for age-related macular degeneration.

Ellex said the treatment involved a novel laser device delivering a controlled nanosecond dose of laser energy into the eye.

The company said the trial of the company's 2RT (retinal regeneration therapy) system in 50 patients with early age-related macular degeneration would be conducted by the Centre for Eye Research Australia, in partnership with its subsidiary Ellex R&D.

The Centre for Eye Research Australia is related to the University of Melbourne's Dept of Ophthalmology and the trial will be conducted at the Royal Victorian Eye and Ear Hospital. The Centre for Eye Research's head of macular research Prof Robyn Guymer said "the Ellex 2RT treatment targets the disease in its early stages, before vision is lost ... unlike existing age-related macular degeneration (AMD) treatments".

"Currently, when a patient is diagnosed with early AMD, they're told that nothing can be done until the disease reaches its late stages, by which time some patients have suffered irreversible vision loss," Prof Guymer said. "In applying the laser therapy we hope to halt, or partially reverse, the progression of AMD before it threatens a patient's sight".

"Preliminary research suggests that the application of retinal regeneration laser therapy to the affected eye can eliminate the yellow deposits, known as drusen, which are present in the retinal tissue of people with AMD," she said. "In eliminating the drusen from a patient's retina, we hope to reverse the degenerative processes caused by the disease".

"If successful, the laser therapy will be a major breakthrough in AMD treatment and will potentially benefit millions of people world-wide," Prof Guymer said.

Ellex said age-related macular degeneration was the leading cause of blindness in Australia, affecting one in seven people over the age of 50, costing more than \$2.6 billion a year.

Ellex chief executive officer Simon Luscombe said the 2RT trial was "an important next step in our program" and if successful would "show considerable commercial potential".

The grant was part of the \$41 million Victoria's Science Agenda Investment Fund.

Ellex was up 2.5 cents or 11.4 percent to 24.5 cents.

QRX PHARMA

QRX expects to raise \$21.6 million in a fully underwritten \$8.0 million placement and \$13.6 million rights issue at 80 cents a share, a 33 percent closing price discount.

On page 21 of a 36-page investor presentation released to the ASX after the market closed today, QRX said the placement and a one-for-five rights issue was fully underwritten by RBS Morgans Corporate.

The company said 10 million shares would be placed at 80 cents each and 17 million shares would be available for the rights issue at the same price.

QRX said the funds would be used for drug development, phase III trials and submission of a new drug application for Moxduo IR (immediate release) and working capital.

The placement is expected to be settled on November 19, 2009.

QRX said the record date for the rights issue was November 24, 2009 and the offer would close on December 15, 2009.

QRX last traded at \$1.20.

PROGEN

At the time of publication, the outcome of Progen's Queensland Supreme Court hearing to adjourn its annual general meeting or director elections had not been announced.

Progen is seeking orders postponing its annual general meeting or resolutions on director election until after the determination of legal proceedings relating to an alleged contravention of the Corporations Act (BD: Aug 4; Sep 15; Nov 2 and 9, 2009).

Progen fell two cents or 3.6 percent to 54 cents.