



Biotech Daily

Friday November 20, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: LABTECH UP 17%; PROGEN DOWN 12%**
- * **SAFETY MEDICAL HUNGARIAN DEAL CHANGE; SHARE PLAN EXTENDED**
- * **ADVANCED SURGICAL RELEASES 16.8m SHARES, 660k OPTIONS**
- * **20% OPPOSE EASTLAND STOCK ISSUE; 13% OPPOSE CEO**
- * **DIA-B BECOMES PALLANE ON ASX**
- * **LABTECH AGM CHANGES NAME TO LBT**

MARKET REPORT

The Australian stock market fell 1.3 percent on Friday November 20, 2009 with the S&P ASX 200 down 63.4 points to 4,685.8 points.

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

Labtech was best, climbing two cents or 16.7 percent to 14 cents with 22,000 shares, followed by Phylogica up 9.1 percent to 12 cents with 64,500 shares traded.

Antisense climbed 8.8 percent; Nanosonics and Uscom were up more than six percent; Alchemia and Mesoblast were up more than four percent; Acrux climbed 3.2 percent; with Cytopia up 2.33 cents.

Progen led the falls, down seven cents or 12.3 percent to 50 cents with 5,000 shares traded, followed by Viralytics down 9.1 percent to four cents with 11.5 million shares traded.

Sunshine Heart lost 6.98 percent; Bionomics and Tyrian were down more than five percent; Biota and Chemgenex fell more than four percent; Cellestis lost 3.9 percent; Compumedics, Prana and Tissue Therapies shed more than two percent; with Clinuvel, Heartware, Novogen, Optiscan and Pharmaxis down more than one percent.

[SAFETY MEDICAL PRODUCTS](#)

Safety Medical will drop its joint venture with Dispomedicor Zrt and directly invest in the Hungarian medical products manufacturer.

Safety Medical said the original proposal was for a new Hungary-based entity in which Safety Medical and Dispomedicor held equal shares, with equity partners also sought to partly fund the project (BD: Sep 21 2009).

The company said "further discussions have since taken place and a new arrangement has been proposed by Dispomedicor whereby [Safety Medical] will have the opportunity to directly purchase up to a 40 percent stake in Dispomedicor".

Safety medical said the proposed new arrangement had "several significant advantages over the previous proposal and preliminary due diligence has begun".

The company said an extension of time for the share purchase plan would allow the company to further investigate both options and keep shareholders fully informed of the final direction prior to closing the plan.

Safety Medical said the closing date had been extended from November 22, 2009 to December 6, 2009.

Safety Medical was untraded at 4.5 cents.

[EASTLAND MEDICAL SYSTEMS](#)

Eastland shareholders opposed the prior issue of shares and options to RM Corporate Finance, with significant votes against resolutions including the reelection of chief executive officer Dermot Patterson.

A resolution to ratify the previous issue of 7,000,000 listed options to RM Corporate was opposed by 15,535,311 votes (20.4%) with 60,514,781 votes (79.6%) in favor.

The issue of 4,000,000 fully paid shares to RM Corporate was passed by a similar margin.

The issue of 1,266,667 shares to O'Sullivan Superannuation Fund for an increased shareholding in Star Medical was passed by 73.56 million votes in favor and 2.48 million votes against.

Resolutions on the previous issue of 12,500,000 fully paid shares and 12,500,000 listed were passed by about 60 million votes to 7.5 million votes against; the appointment of auditors was passed with 76.76 million votes in favor and no votes against.

The reelection of chief executive officer, director and company secretary Dermott Patterson was passed with 65.48 million votes in favor and 10.23 million votes against and the remuneration report was passed overwhelmingly.

Eastland was unchanged at 7.8 cents with 1.1 million shares traded.

[ADVANCED SURGICAL DESIGN & MANUFACTURE](#)

Advanced Surgical says 16,774,830 shares held in escrow will be released on December 5, 2009 along with 660,000 options.

Following the release, Advanced Surgical will have shares available for trading on the ASX.

Advanced Surgical's chief financial officer Tom Milicevic told Biotech Daily that the company had no further shares in escrow.

When all these shares have been released from escrow, Advanced Surgical will have 35,298,996 shares available for trading.

Advanced Surgical was up 1.5 cents or 2.4 percent to 64 cents.

PALLANE MEDICAL

The ASX has accepted the name change from Dia-B Tech to Pallane Medical and the company is in a suspension under the code PNM.

Pallane initially attempted a backdoor listing through Dia-B with financial backing from Winteray, to commercialize diagnostic kits including for the detection of H1N1 'swine' influenza.

Winteray failed to underwrite the initial public offering and Pallane said it would pursue the company (BD: Oct 5; Aug 11, 13, 2009).

Most recently Pallane said it had a \$30 million draw down facility from Fortrend Securities to continue commercializing Dia-B's treatments for diabetes

Pallane was untraded at 28 cents.

LABTECH

Labtech's annual general meeting has voted for a name change to LBT Innovations.

Labtech chief executive officer Lusia Guthrie said in a media release that "the sophistication of the internet" was part of the decision for the change.

"It became clear to us that our profile was not distinct because of the number of companies in any internet search containing 'lab', 'tech' and 'systems'," Ms Guthrie said.

Labtech said "months of planning was required to instigate the name change".

The company said it commissioned intellectual property firm Phillips Ormonde Fitzpatrick to undertake a detailed search to confirm the availability of the proposed name.

The company said its ASX listing, LBT, remains unchanged.

Labtech was up two cents or 16.7 percent to 14 cents.