



Biotech Daily

Thursday November 26, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN; USCOM UP 6%; PSIVIDA DOWN 10%**
- * **PRIMA SHARE PLAN RAISES \$9.6m**
- * **CELLMID RAISES \$3.6m; CEO MARIA HALASZ CONTRACT RENEWED**
- * **AVEXA REQUESTS CAPITAL RAISING TRADING HALT**
- * **TWO PROGEN DIRECTORS RESIGN; BOARD DEAL COMPLETED**
- * **HEALTHLINX SPLIT ON WHITE KNIGHT DIRECTOR STEPHEN COPOULOS**
- * **2nd CORE AUSTRALIAN TISSUE THERAPIES VITROGRO PATENT**
- * **AUSTRALIAN ETHICAL REDUCES 1% IN GENERA**
- * **STIRLING HOPES PLACEMENT WILL RAISE \$1.5m**
- * **SOLAGRAN'S DR SOULTANOV MISSES RUSSIA'S PRESIDENT MEDVEDEV**

MARKET REPORT

The Australian stock market slipped 0.3 percent on Thursday November 26, 2009 with the S&P ASX 200 down 13.6 points to 4,708.6 points. Thirteen of the Biotech Daily Top 40 stocks were up, 16 fell, four traded unchanged and seven were untraded.

Uscom was best, climbing four cents or 5.7 percent to 74 cents with 7,000 shares traded, followed by Optiscan up 5.6 percent to 9.5 cents and Progen up 5.45 percent to 58 cents.

Phylogica climbed 4.55 percent; Cytopia and Phosphagenics were up more than three percent; Bionomics, Cellestis and Prana rose more than two percent; with Mesoblast, Novogen and Resmed up more than one percent.

Psivida led the falls, down 44 cents or 9.9 percent to \$4.00 with 3,944 shares traded, followed by Living Cell down 8.8 percent to 26 cents with 300 shares traded.

Antisense lost 6.1 percent; Cathrx, Genera and Universal Biosensors fell more than four percent; Nanosonics was down 3.1 percent; Cochlear, Impedimed, Tissue Therapies and Viralytics shed more than two percent; with Heartware and Sirtex down more than one percent.

PRIMA BIOMED

Prima says its share plan has raised \$9.6 million with shares to be issued at 14 cents each.

When announced, Prima said it hoped to raise \$5 million through the issue of shares at the lesser of 15 cents or the five day volume weighted average price to the close of the offer on November 25, 2009.

Prima said it was making "strong progress on its commercialization plans for its CVac ovarian cancer treatment vaccine" and would use the funds for US Food and Drug Administration and European Medicine Agency trials.

Prima was unchanged at 16 cents.

CELLMID

Cellmid (formerly Medical Therapies) has raised \$3.63 million in a placement of 139,866,666 shares to sophisticated and professional investors.

Cellmid said the shares would be issued in two tranches "due to the strong interest and substantial oversubscription in the private placement".

The company said the first tranche of 113,200,000 shares would be issued immediately at 2.5 cents per share, raising \$2.83 million, a 13 percent discount to the average share price over the previous five trading days.

Cellmid said the second tranche of 26,666,666 shares, at 3 cents per share, raising \$800,000, would be issued on or before March 1, 2010.

Cellmid said that in addition to the \$3.63 million raising, it had received interest from existing shareholders for another \$1 million funding to be provided on or before June 30, 2010, to be finalized by March 1, 2010.

Cellmid chairman Dr David King said the two tranche structure allowed for "optimum access to working capital whilst limiting dilution".

Cellmid chief executive officer Maria Halasz said the company had received the first payment from a diagnostic licence with Celera Corp.

"Together with the funds just raised we are on solid ground to complete our therapeutic antibody validation programs and further develop and commercialize our cancer diagnostic portfolio," Ms Halasz said.

Cellmid said Ms Halasz agreed to renew her employment agreement for an additional three years.

The company said the only change to Ms Halasz's contract was that all cash bonuses had been replaced by performance option incentives.

Dr King said that Ms Halasz was "the key driver of Cellmid's transformation over the past two years".

"Her knowledge of the company's extensive IP portfolio and continued commitment are essential for keeping the momentum in our product development programs, which we are confident will lead to increased shareholder returns," Dr King said.

Cellmid was up 0.3 cents or 9.4 percent to 3.5 cents with 4.9 million shares traded.

AVEXA

Avexa has requested a trading halt pending an announcement "in relation to a capital raising".

Trading will resume on November 30, 2009 or on an earlier announcement.

Avexa last traded at 20.5 cents.

PROGEN

Progen says directors Dr Gordon Schooley and Joe Yeh-Chiao Lin will resign with effect from the end of the 2009 annual general meeting scheduled for November 30, 2009.

Progen said the resignations gave effect to the board restructure announced on November 18, 2009.

As a result, resolutions 5 and 6 have been withdrawn and the board unanimously recommended that shareholders vote in favor of the resolutions on the election of Stuart James, Dr John Chiplin, Dr Julie Cherrington and the election of Dr Tzong-Pai (Paul) Lin. Progen was up three cents or 5.45 percent to 58 cents.

HEALTHLINX

More than 31 percent of proxy votes opposed the issue of 136,364 shares to Healthlinx director Stephen Copoulos

A total of 5,213,244 proxy votes (31.9%) opposed the issue of shares to Mr Copoulos, but 11,145,426 votes (68.1%) supported the issue.

All other resolutions to the meeting, including the issue of the same number of shares to several other directors, were passed overwhelmingly.

In March the Copoulos Group of which Mr Copoulos is managing director provided Healthlinx with a \$3 million funding facility (BD: Mar 25, 2009).

Healthlinx fell 0.3 cents or 3.57 percent to 8.1 cents.

TISSUE THERAPIES

Tissue Therapies says the Commonwealth of Australia Patent Office has granted the second core patent in the Vitrogro patent family.

Yesterday Tissue Therapies announced the US allowance for the patent.

Tissue Therapies fell half a cent or 2.9 percent to 16.5 cents.

GENERA BIOSYSTEMS

Australian Ethical Smaller Companies Trust has reduced its substantial holding in Genera from 4,500,000 shares (7.67%) to 3,689,506 shares (6.67%) on October 9, 2009.

The Australian Ethical shares are held by National Nominees as custodian.

Genera fell four cents or 4.6 percent to 83 cents.

STIRLING PRODUCTS

Stirling says it expects to place \$1.5 million at 1.2 cents a share to sophisticated investors by December 24, 2009.

Stirling said the shares would come with one attaching unlisted option exercisable at eight cents by December 31, 2012 for every two new shares acquired.

Stirling said the "mezzanine placement" was finalized with sophisticated investors "in order to supplement the company's capital reserves and particularly to ensure that the company is in a position to proceed with two strategic transactions that are well advanced, although not yet finalized".

Stirling said it could not "assure that either transaction will complete, never the less, the company wishes to ensure that sufficient funding is in place should either or both transactions proceed".

Stirling fell 0.2 cents or 12.5 percent to 1.4 cents with 29.2 million shares traded.

SOLAGRAN

Solagran says that Russian Federation President Dmitry Medvedev has postponed his visit to Siberia and won't meet chairman Dr Vagif Soultanov.

Solagran previously said that Dr Soultanov and director Alexander Kurganov would not be able to attend the company's annual general meeting on November 23, 2009, because he was meeting Mr Medvedev at the company's Tomsk Siberia manufacturing plant (BD: Nov 16, 2009).

Mr Medvedev's visit has been postponed until early 2010, Solagran said.

Solagran attached the translation of a letter from the Federal Agency for Management of Special Economic Zones of Tomsk Region confirming that personal meetings had been arranged for Dr Soultanov with representatives of the President of Russia for the Siberian Region and the Deputy Minister for Economic Development in Russia.

The company said Dr Soultanov would provide a detailed update of his visit to Russia at the shareholders information session on December 9, 2009.

Solagran fell two cents or 7.4 percent to 25 cents.