



Biotech Daily

Friday November 27, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN; GENETIC TECHNO UP 9%; BENITEC DOWN 15%**
- * **EUROPE ACCEPTS CHEMGENEX OMACETAXINE APPLICATION**
- * **ASIC RESTRICTS PALLANE'S \$30m FORTREND FACILITY**
- * **AU REVOIR PEPLIN**
- * **GIACONDA DISSENT ON ALL RESOLUTIONS**
- * **COCHLEAR WINS FEDERAL INNOVATION GONG**
- * **VAXINE WINS COOL AWARD FOR NON-VIRUS 'FLU VACCINE**
- * **WEHI'S DR GUILLAUME LESSENE WINS \$5k BIOTA PRIZE**
- * **BIOPROSPECT APPOINTS CEO PETER MAY COO**

MARKET REPORT

The Australian stock market tumbled 2.9 percent on Friday November 27, 2009 with the S&P ASX 200 down 136.5 points to 4,572.1 points.

Eight of the Biotech Daily Top 40 stocks were up, 21 fell, three traded unchanged and eight were untraded. All three Big Caps fell.

Genetic Technologies was best, climbing 0.4 cents or 9.1 percent to 4.8 cents with 93,634 shares traded, followed by Living Cell up one cent or 3.85 percent to 27 cents.

Psivida climbed 2.5 percent; Acrux was up 1.24 percent; with Alchemia, Biota, Nanosonics and Pharmaxis up by less than one percent.

Benitec led the falls, down 0.7 cents or 14.9 percent to four cents with 1.3 million shares traded, followed by Uscom down 10.8 percent to 66 cents with 2,500 shares traded.

Phosphagenics and Tissue Therapies lost more than six percent; Prana and Tyrian were down more than five percent; Antisense, Optiscan and Viralytics fell more than four percent; Clinuvel, Genera, Mesoblast and Universal Biosensors were down more than three percent; Cellestis and Circadian shed more than two percent; with Bionomics, Cathrx, Chemgenex, Cochlear, CSL and Starpharma down more than one percent.

CHEMGENEX PHARMACEUTICALS

Chemgenex says the European Medicines Agency has “validated” or accepted its marketing authorization application for omacetaxine mepesuccinate and begun its review. The application is for the use of omacetaxine mepesuccinate for the treatment of chronic myeloid leukemia patients who have failed treatment with imatinib and who have developed the Bcr-Abl T315I mutation.

Chemgenex said the application, submitted on October 29, 2009, was based on data from its pivotal study in which omacetaxine demonstrated clinical benefit for the treatment of T315I positive CML patients.

The company said the regulatory milestone followed the acceptance earlier this month of a new drug application by the US Food and Drug Administration for marketing approval for omacetaxine, filed under the trade name Omapro (BD: Nov 10, 2009).

Chemgenex chief executive officer Dr Greg Collier said the submission and validation of the application was a milestone that marked “another major accomplishment for Chemgenex this year and we remain dedicated to expanding the use of omacetaxine within CML as well as with other leukemias.”

The company said omacetaxine had orphan drug designation from the EMEA and the FDA and has received fast track status and priority review from the FDA.

Chemgenex said an opinion by the EMEA was expected by the end of 2010.

If approved, the marketing licence will be valid simultaneously in all EU Member States as well as Iceland, Liechtenstein and Norway.

The company said orphan drug designation would give omacetaxine market exclusivity for a period of 10 years.

Chemgenex fell one cent or 1.05 percent to 94 cents.

PALLANE MEDICAL

Pallane says that undertakings made to the Australian Securities and Investments Commission prevent it accessing its \$30 million Fortrend Securities facility for 12 months. Pallane (formerly Dia-B Tech) said to activate its standby subscription agreement with Fortrend it needed to register a prospectus, as it would have an on-sale purpose in issuing securities to Fortrend and permitting Fortrend to on-sell securities without a prospectus. Pallane said that could not activate the facility for a period of at least 12 months from the date of the lifting of the suspension in trading of the company’s securities.

Pallane said that a requirement of the facility was that cleansing notices need to be issued for every issue of securities to Fortrend and the company would not be entitled to issue any cleansing notices for a period of at least 12 months of its securities from the date its suspension is lifted.

The company said it had agreed to pay Fortrend a placement fee of 1.5 percent of the facility of \$30 million, but the \$450,000 fee was not payable until the first drawdown from the facility and was payable in installments of the lesser of 20 percent of any drawdown or the amount of the placement fee remaining unpaid.

Pallane said the drawn-down was limited to no more than 4.9 percent of its issued capital and could not exceed \$10 million in any 12 month period of the three-year facility.

Pallane inherited its suspension from Dia-B and has not yet traded shares.

PEPLIN

Peplin will be removed from the official list of the ASX from the close of business on November 30, 2009 following completion of the merger with Leo Pharma AS.

COCHLEAR

The Federal Government has awarded Cochlear's Hybrid System the innovation award at the 2009 Australian Engineering Excellence Awards.

The Parliamentary Secretary for Innovation and Industry Richard Marles congratulated Cochlear on winning the Ausindustry-sponsored award.

"This result is great news for Cochlear," Mr Marles said.

"The company's project, the Cochlear Hybrid System, is a wonderful innovation which can be life changing for people with severe to profound hearing loss," Mr Marles said.

The Federal Government media release said the Hybrid project enabled individuals to regain their ability to communicate easily and enhanced their appreciation of environmental sounds.

The media release said the Australian Engineering Excellence Awards recognized best practice in engineering innovation, technology, management and methodology across many engineering disciplines and industry sectors.

The Government said it had sponsored the innovation award through its business program delivery division, Ausindustry, since 1999 and Cochlear had been assisted by two Ausindustry programs.

"These businesses and their projects demonstrate the importance of innovation, commercialization and competitive practice in the research and development being carried out around Australia," Mr Marles said.

The media release said that Ausindustry delivered more than 30 business programs worth \$2 billion to more than 12,000 businesses and about 85,000 individuals every year.

For more information, go to www.ausindustry.gov.au, call 13 28 46 or email hotline@ausindustry.gov.au.

Cochlear fell \$1.00 or 1.61 percent to \$61.30.

VAXINE

Separately, Mr Marles said that Vaxine won the 2009 Australian Anthill 'Cool Company' Ausindustry Innovation Award for the world's first human trial of swine flu vaccine.

"Vaxine achieved international prominence in July this year for its breakthrough work on the human swine flu vaccine," Mr Marles said.

"The company has a track record of innovation ever since Prof Nikolai Petrovsky teamed up with Dr Peter Cooper to commercialize their discovery that a novel plant sugar could be used to dramatically enhance vaccine effectiveness," Mr Marles said.

Prof Petrovsky told Biotech Daily that his company had completed a 280-patient trial and said he expected the results to be published soon in a reputable medical journal.

"All other vaccines are viruses," Prof Petrovsky said. "Ours doesn't involve virus at all."

"The virus DNA sequence is generated and put into an insect ovary cell line," Prof Petrovsky said.

"The cell line makes the haemagglutinin protein which is a critical protein on the surface of the virus used to latch on to human and animal nasal receptors," Prof Petrovsky said.

"If the body is able to block the protein with antibodies, then the live virus will also be blocked," he said.

"Our vaccine is safer, with fewer reactions and side effects and can be made in large scale," Prof Petrovsky said.

Vaxine is a private company.

WALTER AND ELIZA HALL INSTITUTE

Walter and Eliza Hall Institute scientist Dr Guillaume Lessene has won this year's Biota award for medicinal chemistry, awarded by the Royal Australian Chemical Institute. An Institute media release said Dr Lessene won the \$5,000 award for his role in the discovery of several compounds that interact with a protein that has been implicated in the poor response of many cancers to anti-cancer treatments. The protein is a member of the Bcl-2 family of proteins which has a role in tumor development, anti-cancer-drug resistance and cancer spread. The Institute said Dr Lessene's drug target was thought to be involved in the drug resistance of many tumors.

GIACONDA

About one quarter of all proxy votes opposed all resolutions to the annual general meeting. The greatest division was on the issue of 20,000,000 additional shares which was passed by 1,431,275 proxy votes (76.04%) to 451,000 proxy votes (23.96%). The remuneration report and the election of directors Chris Bilkey and Colin Goldrick were approved by slightly larger margins. Giaconda was untraded at 9.5 cents.

BIOPROSPECT

Bioprospect has appointed Peter May as chief operating officer. The media release to the ASX did not mention that until the announcement, Mr May was the company's chief executive officer. Bioprospect said the move completed its management restructure following the appointment of Solagran's Charles Pellegrino as managing director to accelerate commercialization activities. Bioprospect chairman Dr Michael Quinlan said Mr May was integral to the development of Bioprospect's natural termite treatment Termilone and Solagran's green conifer needle extract Bioeffectives for the animal health and nutrition markets". The company said Mr May was a consultant prior to being appointed chief executive officer in November 2008. Bioprospect fell half a cent or 11.9 percent to 3.7 cents.