



Biotech Daily

Thursday October 1, 2009

Daily news on ASX-listed biotechnology companies

- * **SEPTEMBER BDI-40 UP 14.5%; UP 64% IN 12 MONTHS – 20 TIMES ASX 200**
- * **TODAY: ASX, BIOTECH DOWN: BENITEC UP 11%; PSIVIDA DOWN 11%**
- * **BENITEC, CANCER INSTITUTE COLLABORATE ON LUNG CANCER**
- * **UNILIFE REQUESTS CAPITAL RAISING TRADING HALT**
- * **HEALTHLIX REQUESTS FINANCE TRADING HALT**
- * **PEPLIN VOTES ON LEO TAKEOVER IN NOVEMBER**
- * **CORRECTION: USCOM**
- * **OMI, ROCKEY SUSPENDED ON ACCOUNTS**
- * **OBJ CLAIMS 10-FOLD TRANSDERMAL CAPABILITY**
- * **BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION**

MARKET REPORT

The Australian stock market fell 0.9 percent on Thursday October 1, 2009 with the S&P ASX 200 down 42.5 points to 4701.1 points. Eleven of the Biotech Daily Top 40 stocks were up, 17 fell, 10 traded unchanged and two were untraded.

Benitec was best, up half a cent or 10.9 percent to 5.1 cents with 769,700 shares traded.

AcruX and Living Cell climbed more than six percent; Starpharma was up 5.3 percent Biota and Phosphagenics were up more than four percent; Chemgenex was up 3.4 percent; Cellestis and Clinuvel rose more than two percent; Genetic Technologies and Progen were up more than one percent; with Cochlear up 0.94 percent.

Psivida led the falls, down 55 cents or 11.1 percent to \$4.40 with 23,540 shares traded followed by Viralytics down 10 percent to 2.7 cents.

Cytopia lost 8.3 percent; Tissue Therapies fell 7.3 percent; Labtech was down 6.7 percent; Alchemia and Novogen were down more than five percent; Impedimed shed 4.55 percent; Circadian was down 3.2 percent; Pharmaxis, Prana and Sunshine heart shed more than two percent; with Nanosonics and Heartware down more than one percent.

BIOTECH DAILY TOP 40 INDEX

In the year to September 30, 2009 the Biotech Daily Top 40 Index (BDI-40) climbed 63.75 percent compared to the ASX 200 up 3.1 percent.

The BDI-40 - which does not include the three Big Caps of Cochlear, CSL and Resmed - was up 14.5 percent in the month of September compared to the S&P ASX 200, up 5.9 percent.

The BDI-20 climbed 14.1 percent in September and 73.6 percent for the year.

Collectively, the Big Caps improved 3.4 percent for the month with Cochlear up 18.7 percent, CSL up 2.9 percent and Resmed down 6.1 percent. The Big Caps were 7.7 percent below their aggregate market capitalization at September 30, 2008.

In September, 32 Top 40 companies were up and eight fell -15 were up more than 25 percent. Seventeen of the Top 20 companies were up with three down.

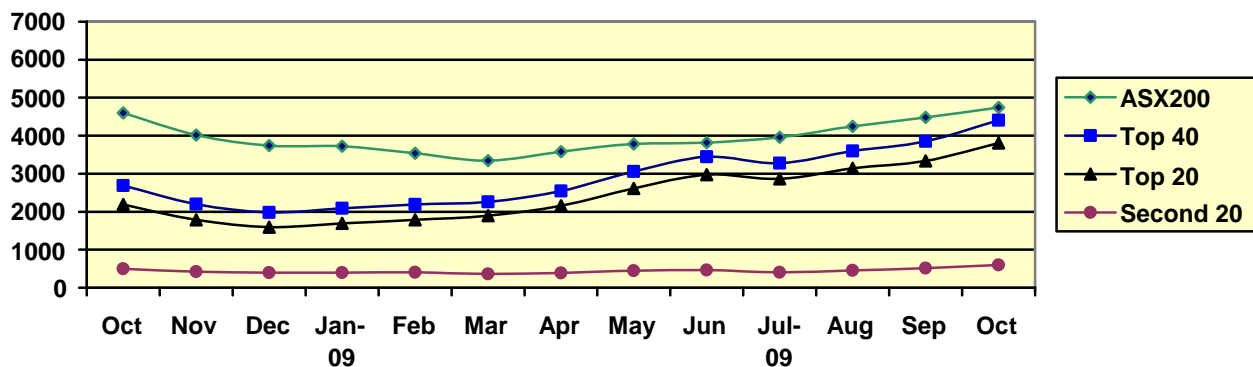
Tyrian was technically best recovering 120 percent from a deep fall to a market capitalization of \$11 million.

Living Cell was up 63.2 percent to \$62 million, its highest point since June 2008. Optiscan was up 60 percent last month and a further 62.5 percent in September to \$13 million, followed by Sunshine Heart (56%), Psivida (52%), Peplin (49.5%), Cathrx (47%), Phylogica (37.5%), Biota (35.4%) and Genera (31%). Acrux, Alchemia, Chemgenex, Starpharma, Universal Biosensors and Viralytics were up by more than 20 percent.

Bone Medical led the falls down 16.6 percent to \$15 million, followed by Phosphagenics (16%), Tissue Therapies (11%) and Benitec (10.5%).

Biotech companies have raised more than \$268 million since January this year and \$333 million in the 12 months since September 30, 2008, not including institutional raisings.

Biotech Daily Top 40 (\$m) v S&P ASX 200 2008-09



BENITEC

Benitec says it will collaborate with the Children's Cancer Institute Australia for Medical Research for the development of an RNAi therapeutic for lung cancer.

Benitec said the Children's Cancer Institute was affiliated with the University of New South Wales and the Sydney Children's Hospital.

Benitec has signed a term sheet with the commercial arm of the University of New South Wales, for an option to licence patent applications on beta III-tubulin as a target for knock down using RNA interference.

The company said the University of New South Wales Prof Maria Kavallaris and her team had demonstrated that using vector-expressed RNA targeted at turning off beta III-tubulin resulted in tumors that were "significantly more sensitive to a range of anti-cancer drugs". Benitec chief executive officer Sue MacLeman said that "not only did turning off beta III-tubulin enhance the sensitivity to drugs which bind tubulin, but it also enhanced the sensitivity of drugs which bind to DNA".

"This significantly extends the potential of the RNAi approach to act as an adjuvant therapy for a range of chemotherapeutic drugs," Ms MacLeman said.

"This should be of interest to potential pharmaceutical company collaborators," she said.

Benitec said the initial proof-of-concept work in vitro and in vivo had been completed.

The company said that Prof Kavallaris and Benitec would carry out further studies aimed at optimizing the effect, in vitro, using Benitec's RNAi technology and targeting the constructs to lung tissue in vivo, with the aim of taking this to a phase I clinical trial "as soon as possible".

Benitec said lung cancer was the leading form of cancer worldwide in terms of incidence and mortality and non-small cell lung cancer (NSCLC) accounted for more than 80 percent of all lung cancers.

Beta III tubulin is a microtubule-associated protein that is significantly increased in a range of cancer cells, including non-small cell lung cancer cells.

First line therapy for NSCLC includes a combination of a tubulin-binding agents such as taxanes and vinca alkaloids and DNA-damaging agents such as cisplatin, carboplatin, doxorubicin and etoposide.

Benitec said the prognosis for patients with advanced NSCLC was "dismal" as the tumors rapidly become resistant to these drugs.

The company said that up-regulation of the microtubule associated protein beta III-tubulin is associated with clinical resistance to these drugs, which Benitec said made the collaboration "so promising".

Benitec climbed half a cent or 10.9 percent to 5.1 cents

UNILIFE MEDICAL SOLUTIONS

Unilife has requested a trading halt pending an announcement to complete a capital raising.

Trading will resume on October 5, 2009 or on an earlier announcement.

Unilife last traded at \$1.38.

HEALTHLINX

Healthlinx has requested a trading halt pending an announcement of "a material price sensitive announcement concerning funding".

Trading will resume on October 5, 2009 or on an earlier announcement.

Healthlinx last traded at 8.8 cents.

PEPLIN

Peplin investors will vote to approve the takeover by Leo Pharma AS at a meeting on November 6, 2009.

Peplin said a special meeting would be held on November 5, 2009, at 4pm, California time at Fenwick & West, 555 California Street, San Francisco with live video-conferencing to the Marriott Hotel, 515 Queen Street, Brisbane on November 6, 2009, at 10am AEST.

Peplin said investors would be asked to adopt the agreement and plan of merger entered into on September 2, 2009 and said its directors unanimously supported the merger.

In the notes for the meeting Peplin said that abstentions and any other non-votes would be counted as votes against the merger, but the company also disclosed that institutional shareholders accounted for more than 50 percent of the votes.

Peplin chief executive officer Tom Wiggans holds 2.5 percent, MPM Bioventures (26.2%), affiliates of Orbis Global (12.3%), GBS Ventures (12.0%), New Enterprise (10.0%), Asia Union (7.3%) and Acorn Capital affiliates (7.3%).

Peplin was unchanged at 89.5 cents.

USCOM

Last night's edition reported that Uscom's share plan raised \$1,134,342 through applications for 1,800,544 shares at 53 cents a share.

The correct price was 63 cents a share. The mistake was made by the former sub-editor. Uscom was unchanged at 80 cents.

OCCUPATIONAL & MEDICAL, ROCKEBY

The ASX says Rockeby and Occupational & Medical have been suspended from trading following the "failure to lodge their full year accounts for the period ended June 30, 2009". Occupational & Medical filed its preliminary final report today.

Rockeby directors say they intend to put a resolution to delist the company at the annual general meeting in November 2009.

Occupational & Medical was untraded at 14.5 cents.

Rockeby was untraded at 3.1 cents.

OBJ LTD

OBJ says that an independent assessment has shown its transdermal technology has 10-fold the flow of an existing over-the-counter drug product.

OBJ said the Florida-based Azopharma reported on eight-month patch development and evaluation program with an unnamed company.

The company said the study tested the delivery performance of OBJ's transdermal technologies in a fully-formulated patch format, compared to an existing over-the-counter drug product with significant international sales.

OBJ said the unnamed partner company's objective was to achieve up to a 10-fold increase in drug delivery over an existing commercial product.

OBJ said the Azopharma report said in its executive summary that: "The developed patch system effectively fluxes approximately a 10-fold over the existing product comparatively".

"The development work to this point justifies proof-of-concept of the formulation and technology to proceed further into the pharmaceutical development of a drug product,"

OBJ quoted Azopharma saying.

OBJ was up 0.1 cents or 25 percent to 0.5 cents with 79.4 million shares traded.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Oct-09	Sep-09	Aug-09
Cochlear	3,753	3,162	3,128
CSL	20,012	19,441	18,391
Resmed	3,846	4,097	3,643
Top 20			
Acrux	272	210	190
Alchemia	92	71	60
Antisense	29	26	21
Avexa	78	72	78
Bionomics	75	66	63
Biota	478	353	328
Cellestis	324	346	343
Chemgenex	208	164	169
Clinuvel	102	97	97
Heartware	347	368	204
Impedimed	67	60	60
Living Cell	62	38	43
Mesoblast	140	123	155
Novogen	75	74	80
Peplin	272	182	190
Pharmaxis	523	495	519
Phosphagenics	64	76	86
Sirtex	270	256	250
Starpharma	118	93	70
Universal Biosensors	210	166	132
Second 20			
Benitec	17	19	10
Bone Medical	15	18	15
Cathrx	28	19	23
Circadian	35	34	34
Compumedics	30	29	21
Cytopia	10	9	6
Genera	42	32	25
Genetic Technologies	21	23	24
Labtech	15	14	18
Nanosonics	96	89	88
Optiscan	13	8	5
Phylogica	22	16	11
Prana	55	49	38
Progen	15	16	18
Psivida	91	60	50
Sunshine Heart	25	16	18
Tissue Therapies	16	18	14
Tyrian	11	5	8
Uscom	32	30	28
Viralytics	10	8	10

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Chemgenex, Cytopia, Neuren and Optiscan, as well as non-biotechnology stocks. Through Australian Ethical trusts, he has an indirect interest in Cochlear, CSL, Genera and Pharmaxis. These holdings are liable to change at any time.

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