



Biotech Daily

Friday August 13, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: PHOSPHAGENICS UP 19%; PRANA DOWN 10%**
- * **AUSTRALIAN GREENS ON INNOVATION: 'INCREASE RESEARCH FUNDS'**
- * **PHOSPHAGENICS H1 REVENUE UP 252% TO \$5m, LOSS DOWN 85%**
- * **BIOPROSPECT SAYS SOLAGRAN WON'T OPEN BOOKS**
- * **OCCUPATIONAL & MEDICAL INNOVATIONS BECOMES OMI HOLDINGS**
- * **AGENIX ISSUES 20m CONVERTIBLE NOTE SHARES**
- * **PRINCIPALS CORNERSTONE REDUCES, DILUTED 6.7% IN UNIVERSAL BIO**
- * **TANG WEN SENG TAKES 6% OF AGENIX**

MARKET REPORT

The Australian stock market rebounded 1.33 percent on Friday August 13, 2010 with the S&P ASX 200 up 58.7 points to 4459.6 points.

Twelve of the Biotech Daily Top 40 stocks were up, nine fell, seven traded unchanged and 12 were untraded.

Phosphagenics was best, up 1.8 cent or 18.6 percent to 11.5 cents with 247,044 shares traded followed by Virax up 8.4 percent to nine cents with 456,049 shares traded.

Chemgenex and Nanosonics climbed more than four percent; Alchemia, Novogen and Viralytics were up more than three percent; with Biota, Genera, Living Cell and Prima up more than two percent.

Prana led the falls, down 1.5 cents or 10 percent to 13.5 cents with 40,000 shares traded, followed by Compumedics down 6.9 percent to 13.5 cents with 35,000 shares traded.

Universal Biosensors lost 5.4 percent; Bionomics was down 3.2 percent; Genetic Technologies shed 2.9 percent; with Mesoblast down 1.8 percent.

AUSTRALIAN GREENS

The Australian Greens say they support policy changes and greater funding for science, research and innovation, but are concerned about elements of nanotechnology.

The Greens policy principles say that innovation in advanced technology and methods are “key elements for success for business and industry and that innovations in science and technology are essential to meet the challenges of addressing climate change and the transition to a sustainable society”.

A spokesperson for Senator Christine Milne told Biotech Daily the Greens “don’t have a specific policy regarding emerging technologies, but ... many of the policy measures are relevant” including:

funding for scientific research that addresses community needs and national goals;

increased funding to expand the research capacity of Australian universities;

increasing the proportion of funding for pure research and research for the public good;

increase funding to the Australian Research Council and abolish the capacity for the Minister to veto board decisions;

refocus the Commonwealth Scientific and Industrial Research Organisation and Cooperative Research Centres to public interest research and restore sufficient public funding to the CSIRO to allow it to conduct world-class research;

encourage government use of open-source software and require the use of open and publicly documented file formats;

require the role of Australian Chief Scientist to be a full time position and any applicant to be subject to a stringent conflict of interest test;

protect the right of academics to develop and maintain a research career;

patent reform to promote technological innovation while avoiding excessive concentration of intellectual property within and across application categories.

The Greens say that Government must prevent adverse environmental and social impacts of emerging technologies, including nanotechnology.

The Australian Greens want:

a society where the acquisition of fundamental knowledge and the sustainable application of new techniques are valued in the education system and by business;

a research and development culture that addresses national goals and prepares Australia for emerging challenges and opportunities;

increased expenditure on research and development to at least the OECD average of gross domestic product.

The Greens spokesperson said the Party focused on climate change policies which were intended to drive the uptake of low emission technologies across the entire economy.

“It’s difficult to link specific policies to particular technology outcomes because we tend to favor a market based approach,” the Greens spokesperson said.

“But the big picture is that we believe that advanced economies should reduce greenhouse gas emissions by 40 percent below 1990 levels by 2020,” he said.

“Achieving this will require fundamentally reinventing the way we produce and use energy, the way we produce and deliver goods and services, our transport systems, the way we grow and distribute food and fibre, the buildings that we live and work in, and the way we manage the natural landscapes.

“Further, adapting to climate change poses additional challenges, particularly in the health and agriculture sectors. We believe that our policies will create a massive new demand for innovation in all sectors of the economy,” the Greens spokesperson said.

The Greens said they negotiated constructively in the Senate for better outcomes for the community, including the \$42 billion economic stimulus package to protect Australia’s economy in the global economic downturn.

PHOSPHAGENICS

Phosphagenics revenue was up 252 percent to \$5,140,000 for the six months to June 30, 2010, reducing its loss 85 percent to \$550,000.

Phosphagenics said the revenue primarily came from new licences for its transdermal technology with sales of goods falling from \$670,000 for the first six months of 2009 to \$398,000 for the six months to June 30, 2010.

Phosphagenics said its net tangible assets per share was down 15.4 percent to 1.27 cents compared to the previous corresponding period.

No dividend will be paid.

Diluted loss per share was 0.07 cents compared to 0.54 cents in the six months to June 30, 2009.

Phosphagenics was up 1.8 cents or 18.6 percent to 11.5 cents.

BIOPROSPECT, SOLAGRAN

Bioprospect says Solagran has rejected its dispute resolution process request and will not allow an inspection of its financial records.

Bioprospect said it received a letter from Solagran's "legal advisors" saying that Solagran's management "have no intention of meeting with Bioprospect executives as per the terms of the dispute resolution process".

Bioprospect said the letter advised that Solagran would not allow Bioprospect or its representatives to inspect Solagran's financial records to verify compliance with the development agreement.

In June 2010, Solagran said it was in dispute with Bioprospect over the development agreement and Solagran representative Kamran Shamsi has resigned from the Bioprospect board (BD: Jun 28; Jul 29; Aug 4, 5, 2010).

Solagran said in June that the companies signed an agreement in 2007 to licence the agriculture and animal nutrition and rights to certain of its conifer green needle extract Bioeffectives to Bioprospect (BD: Aug 23, 2007).

Bioprospect was up 0.2 cents or 14.3 percent to 1.6 cents.

Solagran fell half a cent or three percent to 16 cents.

OCCUPATIONAL & MEDICAL INNOVATIONS, OMI HOLDINGS

Occupational & Medical says it has formally changed its name to OMI holdings, while retaining the ASX code of OMI.

The company's administrators said the five-for-one share consolidation had been completed and OMI had 9,150,628 shares on issue.

At an extraordinary general meeting last month Sun Biomedical effectively took control of OMI and was expected to retain OMI in the biotechnology sector (BD: Jul 26, 2010).

OMI last traded at 14.5 cents.

AGENIX

Agenix says it has issued 20,000,000 shares for the conversion of 1,000 notes of \$100 each from debt to equity and half a cent each.

Agenix said it had 515,102,169 shares on issue, 20,373,488 listed options and 10,700,000 unlisted options.

Agenix last traded at 1.7 cents.

UNIVERSAL BIOSENSORS

Principals Cornerstone Fund has reduced its substantial holding in Universal Biosensors and been diluted through a rights issue.

Principals Cornerstone said its substantial shareholding was reduced and diluted from 28,698,066 shares (22.42%) to 24,706,955 shares (15.71%).

Universal Biosensors fell nine cents or 5.4 percent to \$1.565.

AGENIX

Tang Wen Sang has become a substantial shareholder in Agenix with the acquisition of 30,000,000 shares or 5.82 percent of the company.

The Hong Kong-based Mr Tang acquired the shares for \$300,000 or one cent a share.