



Biotech Daily

Monday June 28, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: BENITEC UP 9%, BONE DOWN 20%**
- * **PRANA TO RAISE UP TO \$26.35m FOR PBT2 ALZHEIMER'S TRIAL**
- * **PROGEN GRANTED JAPANESE PI-88 PATENT**
- * **CATHRX \$5.1m SHORTFALL PLACEMENT TAKES TOTAL RAISE TO \$11.4m**
- * **ACORN REDUCES BELOW SUBSTANTIAL IN PHARMAXIS**
- * **CLINUVEL APPOINTS CHAIR STAN MCLIESH TO PUSH SCENESSE**
- * **TYRIAN APPOINTS THAILAND'S PACIFIC BIOTECH TEST MANUFACTURER**
- * **US AMA PROVIDES KARMELSONIX TWO CPT REIMBURSEMENT CODES**
- * **PHARMAUST TELLS ASX: DRILLING MAY HAVE PUSHED VOLUME**
- * **SOLAGRAN, BIOPROSPECT FALL OUT OVER BIOEFFECTIVES**

MARKET REPORT

The Australian stock market fell 0.65 percent on Monday June 28, 2010 with the S&P ASX 200 down 28.5 points to 4384.5 points.

Six of the Biotech Daily Top 40 stocks were up, 19 fell, 10 traded unchanged and five were untraded.

Benitec was best, up 0.3 cents or 9.4 percent to 3.5 cents with 636,470 shares traded, followed by Bionomics up 1.5 cents or 5.8 percent to 27.5 cents with 124,584 shares traded. Heartware and Living Cell climbed more than four percent; Nanosonics and Tissue Therapies rose more than two percent; with CSL up 0.9 percent.

Bone led the falls, down two cents or 20 percent to eight cents with 5,533 shares traded, followed by Antisense down 13.3 percent to 1.3 cents with 1.5 million shares traded.

Phylogica lost 8.75 percent; Novogen was down 5.7 percent; Impedimed and Phosphagenics fell more than four percent; Cellestis and Sirtex were down more than three percent; Clinuvel, Genetic Technologies and Viralytics shed more than two percent; with Alchemia, Biota, Cochlear, Optiscan, Pharmaxis, Starpharma, Universal Biosensors and Virax down more than one percent.

PRANA BIOTECHNOLOGY

Prana says Quintiles will subscribe for up to \$US2 million shares and Southern Cross Equities will place up to 225 million shares for its Alzheimer's disease trial.

Prana said the Quintiles clinical research provider had been "intimately involved with Prana for a number of years and acted as the clinical research partner for Prana's last successful clinical trial".

Quintiles will acquire 7,064,749 shares at 16.24 cents a share raising \$1.15 million and will subscribe for a separate \$US1 million (\$A1.15 million) worth of shares in the Southern Cross Equities placement which will place up to 225 million shares at no less than 80 percent of the five-day volume weighted average price (VWAP).

At today's closing price of 14 cents that rate would equate to \$25.2 million.

The company said the placement was subject to shareholder approval and the funds would help fund "a definitive phase II clinical trial of its lead Alzheimer's disease drug PBT2".

Prana said its previous phase IIa clinical trial reported in the Lancet Neurology showed that patients with mild Alzheimer's disease experienced an overall statistically significant improvement in executive function on the neuropsychological test battery within 12 weeks of treatment (BD: Jul 30, 2008).

Prana said the planned II trial would involve 525 patients with mild to moderate Alzheimer's disease over 12 months.

Prana was unchanged at 14 cents.

PROGEN PHARMACEUTICALS

Progen says it has been granted a Japanese patent for the preparation and use of sulfated oligosaccharides which includes its liver cancer compound muparfostat or PI-88. Progen said it had an exclusive licence to muparfostat from the Australian National University, the patent applicant.

Progen chief executive officer Sue MacLeman said Japan was "an important market for liver cancer and the granting of this patent provides additional coverage in this key territory".

Progen said PI-88 was one of a class of multi-targeted cytostatic cancer therapeutics and a novel anticancer compound with a first-in-class mechanism as a heparan sulfate mimetic.

The company said its anti-tumor activity was based on inhibition of angiogenesis or the growth of new blood vessels and metastasis or the spread of cancer to other sites which were critical to the growth and progression of cancer.

Progen said the date of grant was May 21, 2010 and the term was 20 years from April 24 1996.

Last month Progen was granted a European patent for the preparation and use of sulfated oligosaccharides including its former phase III compound PI-88 or Muparfostat.

Progen chief executive officer Sue MacLeman told Biotech Daily at that time that the patent was "the key patent for PI-88". (BD: May 19, 2010).

In April, Progen said Taiwan's Medigen was expected to acquire exclusive global rights to PI-88 for liver cancer (BD: Apr 30, 2010).

Progen's phase III trial of PI-88 was halted following the failure to recruit patients (BD: Jul 23, Nov 21, 2008).

Progen was up 1.5 cents or 3.9 percent.

[CATHRX](#)

Cathrx has raised \$5,111,600 through the placement of 31,947,500 shortfall shares from its entitlement offer at 16 cents each, taking the total raising to \$11.4 million.

Cathrx chairman Denis Hanley told Biotech Daily the company's directors and other investors acquired the shortfall shares.

Cathrx said when it announced the rights issue that it hoped to raise up to \$11.2 million (BD: Mar 18, Apr 21, Jun 3, 2010).

Cathrx was untraded at 25 cents.

[PHARMAXIS. ACORN CAPITAL](#)

Acorn Capital has sold 4,789,154 Pharmaxis shares for \$10,277,597.09 or an average price of \$2.16 a share.

On March 10, 2010, Acorn reduced its holding from 15,125,283 shares (7.78%) to 14,924,313 shares (6.71%).

Pharmaxis fell four cents or 1.8 percent to \$2.23.

[CLINUVEL](#)

Clinuvel says Stan McLiesh will replace Brenda Shanahan as chair effective from July 1, 2010.

Clinuvel said Mr McLiesh was formerly CSL's pharmaceuticals general manager, where he "led the negotiations for various in-licencing agreements which expanded the company's international markets" and was expected to lead the evaluation of the opportunities available to distribute and effectively commercialize its photo-protective drug Scenesse, formerly known as afamelanotide and CUV1647.

Clinuvel said Ms Shanahan would preside over the audit and risk committee.

Clinuvel fell half a cent or 2.1 percent to 23 cents.

[TYRIAN DIAGNOSTICS](#)

Tyrian Diagnostics has appointed Pacific Biotech as its manufacturing partner for all partnered and proprietary Diagnostiq tests.

Tyrian said Pacific Biotech was a rapid diagnostics test kit manufacturer and part of the larger Bria Group of Companies based in Thailand.

The company said Pacific Biotech's facilities and operations were certified to the international good manufacturing practice standard of ISO 13485 for medical diagnostic products require before placing on the market.

Tyrian said its primary internal program was the development of biomarkers for molecular and protein-based diagnostic tests for active tuberculosis and respiratory disease.

Tyrian was untraded at 0.9 cents.

[KARMEISONIX](#)

Karmelsonix says the American Medical Association has awarded two category III current procedural terminology (CPT) codes for its acoustic respiratory monitoring technology.

Karmelsonix said the codes were for intermittent and continuous measurement of wheeze rates and the insurance reimbursement codes were "a key milestone and critical step" to providing third-party payment for US doctors.

Karmelsonix was up 0.1 cents or 5.3 percent to two cents with 1.3 million shares traded.

PHARMAUST

Pharmaust has told the ASX that it was not aware of any information it had not announced which, if known, could explain recent trading in its securities.

The ASX said the company's 25-day average share volume rose from 349,330 shares to 6,362,899 on June 25, 2010 but did not note any change in the company's share price.

Pharmaust has recently invested in an oil and gas project and said the commencement of drilling was imminent (BD: Mar 24, 2010).

Pharmaust owns Epichem which has laboratories in Western Australia and Victoria and supplies of products and services in synthetic and medicinal chemistry.

Pharmaust fell 0.2 cents or 2.3 percent to 8.6 cents with 2.6 million shares traded.

SOLAGRAN, BIOPROSPECT

Solagran says it is in dispute with Bioprospect over a development agreement and Solagran representative Kamran Shamsi has resigned from the Bioprospect board.

Solagran said 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).

At that time Solagran said the relationship was "an excellent strategic move for both companies" and would allow it to maintain its focus on human health, but at the same time unlock the value of Bioeffectives in other applications.

In 2007 Solagran said Bioprospect would develop a product range complementing its existing activities and "generate significant commercial opportunities for both companies". Solagran would be entitled to two seats on the Bioprospect board which initially were to be filled by chairman Dr Vagif Sultantov and director Denis Kilroy. The positions were taken up by Solagran's Charles Pellegrino and the late Peter Stedwell in September 2008.

Mr Kilroy is no longer directly associated with either company.

Most recently Solagran's former employee and director Charles Pellegrino was a representative on the board and until this announcement Mr Shamsi.

Solagran company secretary Justyn Stedwell told Biotech Daily that there were no Solagran representatives on the board.

Mr Pellegrino continues as Bioprospect's managing director (BD: Nov 10, 2009).

Mr Pellegrino remains on the Bioprospect board along with Dr Michael Quinlan, Elias Leo 'The Gun' Khouri and Sen Sgt Anthony Langdon of Victoria's Water Police.

Solagran told the ASX that it and Bioprospect were "in dispute in relation to the parties' rights and the performance of obligations under the development agreement".

Solagran said it was entitled to nominate two representatives to the Bioprospect board and Mr Shamsi was the sole representative.

Solagran said he has formally resigned as a director of Bioprospect effective from today.

The agreement expired on February 22, 2010 and on February 25, 2010 Bioprospect told the ASX the companies would agree to a commercialization plan.

Solagran was unchanged at 15 cents.

Bioprospect was untraded at 1.7 cents.