



Biotech Daily

Wednesday March 17, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: PHOSPHAGENICS UP 29%; GENETIC TECHNO DOWN 7%**
- * **NUSEP \$5m RIGHTS ISSUE FOR ACQUISITION, COMMERCIALIZATION**
- * **PHOSPHAGENICS EXPLAINS SHARE PRICE, VOLUMES TO ASX QUERY**
- * **LIVING CELL PLEADS SCHULTZ TO ASX 70% PRICE QUERY**
- * **COCHLEAR APPOINTS RICK HOLLIDAY-SMITH CHAIRMAN**
- * **WILSON HTM REDUCES 1% IN IMPEDIMED**
- * **FERMISCAN DEED OF COMPANY ARRANGEMENT EXECUTED**
- * **OBJ TELLS ASX DETAILS OF GSK DEAL 'NOT MATERIAL'**

MARKET REPORT

The Australian stock market climbed 1.17 percent on Wednesday March 17, 2010 with the S&P ASX 200 up 56 points to 4853.2 points.

Nineteen of the Biotech Daily Top 40 stocks were up, seven fell, 10 traded unchanged and four were untraded. All three Big Caps were up.

Phosphagenics was best, up two cents or 28.6 percent to nine cents with 6.3 million shares traded, followed by Viralytics up 17.3 percent to 6.1 cents with 2.5 million shares traded and Living Cell up 15.9 percent to 25.5 cents with 5.3 million shares traded.

LBT climbed 9.9 percent; Benitec and Clinuvel were up more than four percent; Avexa, Cellmid and Patrys were up more than three percent; Acrux, Cochlear, Mesoblast and Novogen rose two percent or more; with Alchemia, Bionomics, Cellestis, Circadian, CSL, Pharmaxis and Starpharma up more than one percent.

Genetic Technologies led the falls, down 0.3 cents or 7.1 percent to 3.9 cents with 335,250 shares traded, followed by Optiscan down 6.9 percent to 6.7 cents.

Impedimed and Nanosonics lost more than one percent; with Biota, Heartware and Sirtex down by less than one percent.

NUSEP

Nusep will hold an extraordinary general meeting to approve a rights issue to raise up to \$5 million to acquire Bioinquire, issue shares to directors and ratify a previous share issue. Nusep said the funds would also assist the commercialization of its in-vitro fertilization Spermsep instrument.

Nusep said the one-for-two rights issue at 20 cents a share with a one-for-three attaching option exercisable at 35 cents was underwritten to \$3 million, including \$1 million by directors.

Nusep said other matters for approval included the conversion of director loans and a change of name to Nusep Holdings, as well as the issue of securities to directors. The company said Bioinquire was purchased on February 18, 2010 and was forecast to contribute \$500,000 profit this financial year and \$US1.2 million in the full year to December 31, 2010.

Nusep said that as it had about 1,100 shareholders with less than 250 shares the company had provided a \$10,000 oversubscription facility to allow these shareholders to top-up their holding, but this part of the fund raising was not underwritten.

Nusep's chief financial officer Prakash Patel told Biotech Daily that the record date and opening date for the pro rata rights issue was April 23, 2010 and the issue would close in early May, as per the prospectus to be published soon.

The meeting will be held at Level 18, 133 Castlereagh Street, Sydney, on April 14, 2010 at 10am.

Nusep was up 1.5 cents or 6.5 percent to 24.5 cents.

PHOSPHAGENICS

Phosphagenics has provided a detailed account of previous share price movements and volumes to an ASX query.

Phosphagenics 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 share price rose from seven cents on March 16, 2010 to nine cents on March 17, 2010 and noted an increase in trading volume.

Phosphagenics told the ASX that in February 2010 a total of 157,960,969 shares were traded with six trading days recording volumes in excess of 10.7 million shares with the highest daily volumes being 43.3 million (Feb 1); 30.7 million (Feb 11) and 24.5 million (Feb 24).

In February 2010 the closing market prices ranged between 6.9 cents (Feb 1) and eight cents (Feb 26) with the highest closing price 9.9 cents (Feb 11).

Phosphagenics said it released announcements to the market on Feb 1 and 19 referring to oxycodone transdermal trials due to begin later this year.

Phosphagenics was up two cents or 28.6 percent to nine cents with 6.3 million shares traded.

LIVING CELL

Living Cell 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 share price rose from 16.5 cents on March 15, 2010 to 28 cents, a 69.7 percent increase, on March 16, 2010 and noted an increase in trading volume.

Living Cell was up 3.5 cents or 15.9 percent to 25.5 cents with 5.3 million shares traded.

COCHLEAR

Cochlear says director Rick Holliday-Smith will replace Tommie Bergman as chairman, effective from June 30, 2010.

Mr Bergman was appointed a director on January 1, 2002 and chairman in October 2002. Cochlear said Mr Holliday-Smith was appointed a director in March 2005 and is the chairman of the audit committee and a member of the nominations and remuneration committees.

Mr Holliday-Smith is a director of Servcorp and chairman of the Federal, Victoria and New South Wales Governments-owned Snowy Hydro corporation.

Cochlear said Mr Holliday-Smith had "extensive international business experience" and was president of Chicago's Nationsbank-CRT and managing director of HSBC Bank's London based merchant bank.

He has held non-executive directorships including chairman of SFE Corp and Exco Resources and director of St George Bank, DCA Group and MIA Group.

Cochlear was up \$1.91 or 2.9 percent to \$67.91.

FERMISCAN

Administrators Woodgate & Co say that a deed of company arrangement to extract value from the company's shell was executed on March 8, 2010.

Fermiscan failed to advance Prof Veronica James's hair x-ray diffraction test for breast cancer and lost its appeal to the New South Wales Supreme Court in its long running legal battle against Prof James (BD: Nov 11, 12, 2009).

The company also failed to complete a merger with Polartechnics (BD: Jul 16, 2009) which contributed to Polartechnics going into voluntary liquidation (BD: Jul 31, 2009).

There have been expressions of interest in the intellectual property around the breast cancer test.

Woodgate partner Richard Rowley previously told Biotech Daily that a "prospective purchase has been identified and negotiations are continuing".

Fermiscan last traded at three cents.

OBJ, GLAXOSMITHKLINE

OBJ has told the ASX that it does not regard the details of Glaxosmithkline's evaluation of its transdermal technology "as material to the price or value of the company's securities".

Last month OBJ said Glaxosmithkline signed a further agreement to evaluate its technology "in a non-prescription consumer healthcare application" (BD: Feb 18, 2010)

The company said at the time the results, application field and drug used in the current program were, by agreement, to remain confidential.

Today, OBJ told the ASX that it did not anticipate "that the results of the program will necessarily be material" and that the program was "not intended to be conclusive or determinative [so] disclosure of certain results may result in shareholders being misled or deriving false expectations".

The ASX told OBJ that "a confidentiality agreement must not prevent an entity from complying with its obligation to give ASX information for release to the market where required by the rules".

In its query the ASX referred to an announcement of February 8, 2010, but this appears to be a different announcement from the one concerning Glaxosmithkline evaluation's of OBJ's technology.

OBJ fell 0.4 cents or 6.25 percent to six cents with 205.6 million shares traded.

IMPEDIMED

Wilson HTM Investment Group has reduced its substantial holding in Impedimed from 8,221,503 shares (8.12%) to 7,713,79 shares (7.09%). Impedimed fell one cent or 1.11 percent to 89 cents.