



Biotech Daily

Thursday May 27, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: SUNSHINE HEART UP 9%; BONE DOWN 20%**

- * **FRAUNHOFER TO PRODUCE PRIMA'S EUROPEAN PHASE III CVAC**

- * **PROGEN'S PHARMASYNTH SHANGHAI MANUFACTURING CONTRACT**

- * **SELECT VACCINES AGM BACKS DIRECTORS**

- * **GENERA RELEASES 7.3m ESCROW SHARES**

MARKET REPORT

The Australian stock market climbed 1.7 percent on Thursday May 27, 2010 with the S&P ASX 200 up 72.0 points to 4379.2 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 12 fell, eight traded unchanged and five were untraded.

Sunshine Heart was best, up 0.3 cents or 8.6 percent to 3.8 cents with 1.9 million shares traded, followed by Starpharma up four cents or eight percent to 54 cents with 125,000 shares traded.

Antisense and Phosphagenics climbed more than six percent; Cathrx was up 5.6 percent; Universal Biosensors was up 4.6 percent; Bionomics and Prima were up more than three percent; Tissue Therapies and Viralytics rose more than two percent; with Biota, Chemgenex, Impedimed and Mesoblast up more than one percent.

Bone led the falls, down three cents or 20 percent to 12 cents with 40,000 shares traded, followed by Patrys down 1.5 cents or 13.0 percent to 10 cents with 20,000 shares traded and Phylogica down one cent or 12.5 percent to seven cents with 11,000 shares traded.

Avexa lost 5.9 percent; Acrux, Compumedics and Prana were down more than three percent; with Genera, Heartware and Sirtex down more than one percent.

PRIMA BIOMED

Prima says Germany's Fraunhofer Institute for Cell Therapy and Immunology will produce its CVac cancer product for a European phase III trials expected in early 2011.

Prima's executive director Martin Rogers told Biotech Daily that the first step towards a planned 440-patient phase III ovarian cancer trial was the Leipzig-based Fraunhofer Institute preparing the CVac production facility.

Mr Rogers said the company had applied for orphan drug status for the trial and was awaiting a meeting with European regulators.

In a media release Prima said it the preparation for production was "a significant milestone on the pathway to commercialization of CVac in the European market".

Prima said the agreement allowed it to be eligible "for millions of Euros" in research and development grants from Sächsische Aufbaubank or Saxony Bank.

The company said the grants were intended to assist small companies in product development "and would subsidize a significant part of Prima's production cost".

Prima said the Fraunhofer agreement provided other benefits to Prima.

The company said Fraunhofer was "among the foremost [research and development] institutes in Europe" with strong collaborative networks throughout academia, government, and industry that would help enhance the visibility of the CVac clinical program.

Prima was up half a cent or 3.85 percent to 13.5 cents with 3.7 million shares traded.

PROGEN PHARMACEUTICALS

Progen says its manufacturing subsidiary Pharmasynth has been contracted by Zensun (Shanghai) Sci & Tech to manufacture one of its drugs in development.

Progen said Zensun had developed two drugs, which have been through human clinical trials - recombinant human neuregulin-1 (rhNRG-1) injection, an anti-heart failure drug and recombinant human ErbB3 fragment injection, a therapeutic vaccine against tumors.

The company said Pharmasynth had been contracted to manufacture rhNRG-1 for a US-based phase II clinical trial.

Progen said the commercial details of the agreement were confidential.

The company said Pharmasynth had expertise in recombinant proteins, bacterial and viral vaccines, whole cell therapeutics and small molecule synthesis and had previously manufactured this product for use by Zensun.

Pharmasynth chief executive officer Les Tillack said the new contract demonstrated his company's position "as an important Australian based contract manufacturer operating in the global market".

"The opportunity to manufacture rhNRG-1 is an exciting one for Pharmasynth," Mr Tillack said.

"We consider it a privilege to be involved with the development project for such a promising new drug," Mr Tillack said.

"This project fits well with our core skills in recombinant protein manufacture and demonstrates our abilities as a world class biopharmaceutical contract manufacturing organization," Mr Tillack said.

Progen was untraded at 42.5 cents.

SELECT VACCINES

Select Vaccines directors Dr Ian Cooke and George Weber were re-elected with overwhelming majorities at the company's annual general meeting.

Both Dr Cooke and Mr Weber have been directors for more than four years and both received 5,692,782 proxy votes in favor of their re-election with 11,000 proxy votes against.

The remuneration report was passed by a similar majority.

Last month, Select Vaccines former chief executive officer Martin Soust was disqualified from managing corporations for 10 years and fined \$80,000 for creating an artificial price for trading in shares (BD: Apr 23, 2010).

Select Vaccines fell 0.1 cents or 16.7 percent to half a cent.

GENERA BIOSYSTEMS

Genera says 7,276,723 shares held in escrow will be released on June 11, 2010.

Genera said 330,00 options exercisable at 50 cents and 1,100,000 exercisable at 40 cents a share, all expiring on February 7, 2013, would also be released.

Following the release, Genera will have 62,670,279 shares available for trading on the ASX.

There are no other shares in escrow.

Genera was down one cent or 1.7 percent to 58 cents.