



Biotech Daily

Tuesday November 23, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PHOSPHAGENICS UP 9.5%; ANTISENSE DOWN 11%**
- * **FEDERAL GOVERNMENT FAREWELLS PROF FRANK FENNER**
- * **FEDERAL R&D TAX CREDIT BILL DEPENDS ON SENATOR FIELDING**
- * **CORRECTION: NOVOGEN'S MARSHALL EDWARDS**
- * **EASTLAND DOSES FIRST PATIENTS IN PAEDIATRIC MALARIA TRIAL**
- * **GENETIC TECHNOLOGIES LICENCE TO LABORATOIRES RÉUNIS**
- * **AGENIX PLEASED WITH RAISING \$479k OF HOPED FOR \$1.2m**
- * **HELICON EGM TO ACQUIRE LEADING EDGE**
- * **AQUACAROTENE BECOMES LEAF ENERGY; DIRECTORS ELECTED**
- * **CALZADA LOSES DIRECTOR GEORGE CAMERON-DOW**
- * **STIRLING TELLS ASX IT WILL HAVE FUNDING; DEALS FALL THROUGH**
- * **FERMISCAN 1-FOR-2 RIGHTS ISSUE TO RAISE \$767k**

MARKET REPORT

The Australian stock market fell 1.2 percent on Tuesday November 23, 2010 with the S&P ASX 200 down 54.4 points to 4589.1 points. Nine of the Biotech Daily Top 40 stocks were up, 18 fell, nine traded unchanged and four were untraded.

Phosphagenics was best, up one cent or 9.5 percent to 11.5 cents with 299,061 shares traded, followed by Optiscan up 7.1 percent to 4.5 cents with 250,000 shares traded. Phylogica climbed 6.8 percent; Cathrx and LBT were up four percent or more; Sunshine Heart was up 3.85 percent; Cochlear, Nanosonics and Viralytics rose more than two percent; with Cellestis up 0.8 percent.

Antisense led the falls, down 0.1 cents or 11.1 percent to 0.8 cents with 7.6 million shares traded, followed by Patrys down 9.1 percent to 10 cents with 450,000 shares traded. Living Cell lost 8.3 percent; Cellmid fell five percent; Chemgenex, Circadian, Pharmaxis, QRX, Tissue Therapies and QRX were down more than three percent; Alchemia, Biota and Psivida shed more than two percent; with CSL, Heartware and Resmed down more than one percent.

[PROF FRANK FENNER \(21.12.1914 - 22.11.2010\)](#)

Statement by Minister for Innovation Industry Science and Research Senator Kim Carr:

Emeritus Professor Frank Fenner was truly a distinguished Australian, a brilliant, generous and passionate researcher. We greatly regret his passing.

He devoted his life to working on the challenges of his time, including the impact of malaria on his fellow servicemen and women during World War II, the global eradication of smallpox and the control of rabbit populations in Australia.

His research career spanned an extraordinary breadth of fields - from malaria as an army doctor, to tuberculosis at the Rockefeller Institute in New York and his work in the emerging field of environmental science towards the end of his career.

Following his time at the Rockefeller Institute, he returned to Australia in 1949 to be the first Professor of Microbiology at the John Curtin School of Medical Research at the Australian National University.

He chaired the Global Commission for the Certification of Smallpox Eradication until 1979.

After he retired as chairman he collaborated on an eight-year writing project to document the eradication program.

He was Director of the John Curtin School of Medical Research before becoming founding Director of the Centre for Resource and Environmental Science at the ANU from 1973 to 1979.

At the John Curtin School, Prof Fenner was involved in broad ranging research into the myxoma virus, used to tackle Australia's rabbit problem from its microbiology to its genetic make-up.

His accolades include the Britannica Australia Award for Medicine, the World Health Organization Medal, the Japan Prize, the Albert Einstein World Award for Science, the 2002 Prime Minister's Science Prize, a Member of the British Empire for his military service, Companion of the Order of St Michael and St George, as well as a Companion of the Order of Australia and Fellowship of the Royal Society.

He was a Founding Fellow of the Australian Academy of Science.

My condolences go to his daughter Marilyn, his family and his many close friends and colleagues on his passing.

Senator Kim Carr

FEDERAL GOVERNMENT

The Federal Government says the 45 percent research and development tax credit legislation passed the House of Representatives with support from the Greens and the independent Members of Parliament, last night.

The Tax Laws Amendment (Research and Development) Bill 2010 and the Income Tax Rates Amendment (Research and Development) Bill 2010 are expected to be introduced into the Senate this week, the last scheduled sitting week of the year.

Senator Nick Xenophon's media officer told Biotech Daily the Senator supports the legislation.

Biotech Daily believes the Greens are proposing an amendment and should it be agreed, the Bills would need to return to the House of Representatives for approval.

Senator Steve Fielding's media officer told Biotech Daily that Senator Fielding had not yet decided how he would vote.

NOVOGEN

Marshall Edwards' chairman William Rueckert says that the delisting from Nasdaq is highly unlikely (BD: Nov 22, 2010).

Responding to yesterday's edition, Mr Rueckert told Biotech Daily that while delisting "might be a possible outcome, it is highly unlikely".

Mr Rueckert said that Novogen's 71.3 percent subsidiary Marshall Edwards "continues to meet the requirements for listing on the Nasdaq Capital Market which for the [company's] shareholders provides the same trading and reporting requirements as the Global Market listing".

He said that the 180-day grace period would be to allow Marshall Edwards to maintain its position on the Global Market, not to maintain its listing.

Mr Rueckert said the Nasdaq market operated on three tiers with the Global Market having the strictest requirements and the Capital Market was the second tier.

Mr Rueckert said the minimum \$US1 a share and \$US10 million market capitalization were requirements for the Global Market but not the Capital Market.

He said that being moved to the Capital Market "in no way implies that the stock has been delisted".

Mr Rueckert said concern that the stock was at risk of being delisted "is simply not true".

In yesterday's edition Biotech Daily said that the Nasdaq had told Marshall Edwards that it would be delisted for non-compliance with the minimum \$10 million stockholders' equity requirement.

Biotech Daily should have said the company could be removed from the Global Market or potentially be delisted for non-compliance.

Novogen said yesterday that Marshall Edwards intended to request a hearing before the Nasdaq listing qualifications panel, which would stay any further action until the panel issued its decision following the hearing.

The company said the panel could grant an additional 180 days to comply.

Novogen said at that time there was no assurance that the panel would grant the request for continued listing and if it did not, the company's stock might be transferred to the Nasdaq Capital Market or delisted.

In July, the Nasdaq gave Marshall Edwards 180 days to correct its share price falling below \$US1 or face potential delisting for that reason (BD: Jul 23, 2010).

Biotech Daily accepts an error has been made and the sub-editor has been delisted.

Marshall Edwards last traded at 83 US cents.

Novogen fell half a cent or 3.7 percent to 13 cents.

EASTLAND MEDICAL SYSTEMS

Eastland says it has begun dosing the first of 150 paediatric patients in its Rwandan confirmatory trial of sublingual Artimist for malaria.

Eastland said Rwanda was the first of four sites in Africa participating in the randomized, comparative open-label trial, enrolling children up to the age of five years with severe or complicated Plasmodium falciparum malaria, or uncomplicated Plasmodium falciparum malaria with gastrointestinal complications.

The company said the primary objective was to demonstrate the superiority of the sublingual Artimist treatment when compared to intravenous quinine, which is recommended by the World Health Organisation in its current treatment guidelines. Eastland chief executive officer Stephen Carter said the commercial value of Artimist “continues to increase as we successfully execute each element of our development program”.

“We anticipate completing the trial on schedule and in parallel we will continue to identify and engage with prospective partners,” Mr Carter said.

Eastland fell 0.1 cents 1.7 percent to 5.7 cents with 2.7 million shares traded.

GENETIC TECHNOLOGIES

Genetic Technologies says it has granted a licence to Luxembourg’s Laboratoires Réunis for its non-coding patents.

The company said the commercial terms of the licence were covered by confidentiality provisions and could not be disclosed.

Separately, Genetic Technologies said it was engaged in settlement discussions with a number of other parties in Europe and the US, relating to their use of its non-coding DNA technology (BD: Feb 16; May 3, 5; Aug 26, 2010).

Genetic Technologies was unchanged at 2.6 cents.

AGENIX

Agenix says it raised \$478,773 through applications for 19,440,235 shares at 2.5 cents a share in its rights issue, which had hoped to raise up to \$1,200,000 (BD: Oct 6, 2010).

Agenix said it had applications for 5,126,686 entitlement shares and 1,025,337 attaching options along with applications for a further 14,313,546 shares and 2,862,709 options.

The company said it reserved the right to place the 28,559,448 shortfall shares and 5,711,954 attaching options.

Agenix said the directors considered this “an excellent result in light of the difficulties from which the company has emerged”.

Agenix was unchanged at 2.3 cents.

HELICON GROUP

Helicon investors will vote to issue up to 500,000,000 shares to the vendors for the acquisition of Leading Edge Instruments.

Earlier this month Helicon said it had a “heads of agreement” to acquire up to 100 percent of the issued capital of Leading Edge, an unlisted public company that controlled two, near-market technologies, Breatheassist and Vibrovein (BD: Nov 10, 2010).

The meeting will be held at the Celtic Club, 48 Ord Street, West Perth on December 23, 2010 at 9.30am (AWST).

Helicon fell 0.1 cents or 2.9 percent to 3.3 cents.

AQUACAROTENE

All resolutions to the Aquacarotene annual general meeting have been passed overwhelmingly including the change of name to Leaf Energy. The company elected Mel Bridges, Hubert Michael Glencross Finney and Kenneth Lionel Richards directors. Aquacarotene was untraded at 14 cents.

CALZADA

Calzada director George Cameron-Dow has resigned effective from today. Calzada said the board composed chairman David Franklyn, Bruce Rathie, Oliver Stevens, Dr John Chiplin and company secretary Chris Mews. All resolutions to yesterday's annual general meeting were passed overwhelmingly. Calzada was untraded at 2.5 cents.

STIRLING PRODUCTS

Stirling has told the ASX that it "fully expects to secure funding arrangements during the current quarter that will adequately address the funding of operations during the current and next several quarters".

Separately, Stirling said it would not proceed with the acquisition of the Halcion Pty Ltd pathology business following changes by the vendors that were unacceptable (BD: Sep 16, 2010).

Stirling said the resolutions relating to the acquisition seeking shareholders approval at the annual general meeting would be withdrawn (BD: Nov 2, 2010).

The company said it had terminated all relationship with Global Trading Strategies and would not proceed with the planned placement of up to a 19.9 percent interest in Stirling as announced to the market on October 25, 2010.

Stirling said the relationship was terminated "following a number of commitments not being met" and the resolution seeking shareholder approval would be withdrawn.

The company said it was finalizing other funding arrangements.

Stirling said the planned \$US10 million raising to acquire Telemedcare through Crucible Capital was "attracting a high level of interest in New York and progressing as expected".

Stirling said the funding was non-diluting as it would be positioned to hold an interest in the Telemedcare business directly.

Stirling was unchanged at 0.8 cents with 4.3 million shares traded.

FERMISCAN

Fermiscan hopes to raise up to \$767,000 through a one-for-two share rights issue at one cent a share.

Fermiscan said the rights issue was at the same price as a placement to raise \$1 million, which requires shareholder approval at the company's December 1, 2010 annual general meeting and all details including the record date would be published before the meeting. Fermiscan is in a suspension and last traded at three cents.