



Biotech Daily

Monday October 4, 2010

Daily news on ASX-listed biotechnology companies

*** ASX UP, BIOTECH DOWN: PRIMA UP 19%; PATRYS DOWN 7%**

*** COURT DISMISSES BIOPROSPECT'S SOLAGRAN INJUNCTION**

*** CBIO RELEASES 6.6m ESCROW SHARES**

*** CELLESTIS AGM TO RAISE DIRECTORS' PAY BY 33%**

MARKET REPORT

The Australian stock market climbed 1.01 percent on Monday October 4, 2010 with the S&P ASX 200 up 46.1 points to 4625.3 points.

Eight of the Biotech Daily Top 40 stocks were up, 15 fell, nine traded unchanged and eight were untraded. All three Big Caps were up.

Prima was best, up two cents or 19.05 percent to 12.5 cents with 18.7 million shares traded, followed by Chemgenex up 7.5 cents or 18.5 percent to 48 cents with 1.1 million shares traded.

Antisense climbed 7.1 percent; Cellmid was up five percent; Cellestis was up 3.4 percent; Clinuvel rose 2.5 percent; Alchemia was up one percent; with Cochlear, CSL, Pharmaxis and Resmed up by less than one percent.

Patrys led the falls, down half a cent or 6.7 percent to seven cents with 120,000 shares traded.

Living Cell and Viralytics lost more than five percent; Mesoblast and Universal Biosensors fell more than three percent, Acrux, Phosphagenics and Tissue Therapies shed more than two percent; with Bionomics, Cathrx, Heartware and LBT down more than one percent.

BIOPROSPECT. SOLAGRAN

Solagran says that on October 1, 2010 the Federal Court of Western Australia dismissed an interim injunction application brought by Bioprospect.

Solagran said that the Court discharged a temporary order made on September 7, 2010 that restrained Solagran from selling part of its shareholding in Bioprospect.

Solagran said it held 54,839,041 Bioprospect shares, representing 9.75 percent of the company.

Solagran said it was "confident of success when the balance of Bioprospect's claim comes to trial".

Bioprospect brought the action following a dispute between the two companies over a 2007 collaboration agreement.

The matter has been set for further directions on October 6, 2010.

According to the Federal Court a defence and "cross-claim" has been filed by Solagran against Bioprospect, but no further details were available.

Bioprospect said in its claim that it "was misled by conduct, which contravened sections 52 and 53(f) of the [Commonwealth] Trade Practices Act 1974, into entering into the [development agreement]" (BD: Aug 23, 2007; Jun 28, Jul 8, 2010; Sep 7, 2010).

Bioprospect alleged that during the negotiations that ultimately culminated in the execution of the development agreement, Solagran "falsely represented to it that it held patents in Australia and the US (or would eventually hold such patents) that covered the manufacture of CGNC".

Bioprospect said that conifer green needle complex was sold by Solagran as Bioeffective A and it had recently found a cheaper source of similar material (BD: Sep 20, 2010).

In a separate legal matter brought by Gun Capital Management, a directions hearing has been set for November 25, 2010.

Gun Capital is controlled by former Bioprospect director Leo Elias 'The Gun' Khouri and the company has alleged misleading or deceptive conduct against Solamind, Solagran and Solagran chairman Vagif Soultanov.

Bioprospect fell 0.1 cents or 10 percent to 0.9 cents with 3.1 million shares traded.

Solagran fell 1.5 cents or 10.3 percent to 13 cents.

CBIO

CBio says 6,645,335 shares held in escrow will be released between October 9 and October 30, 2010.

CBio said 775,000 options would be released on from escrow on October 9 and 12, 2010.

The company said 4,276,918 shares and 4,005,460 options would be released from escrow on November 9, 2010 with a further 3,359,744 shares and 15,087,494 options to remain in escrow until February 15, 2012.

Following the release of all shares and options from escrow, CBio will have 81,604,121 shares and 29,374,849 options available for trading on the ASX, with a further 3,652,258 options not quoted.

Separately, CBio said there were four convertible notes being released from escrow between October 12 and 28, 2010.

Should they be converted to stock, 7,750,000 shares and 3,875,000 options would be issued.

CBio was up two cents or 11.1 percent to 20 cents.

CELLESTIS

The Cellestis annual general meeting will vote to increase the maximum aggregate non-executive directors' fees from \$300,000 to \$400,000.

The meeting will also vote on the re-election of director Ronald Pitcher.

The meeting will be held at the RACV Club, Level 2, 501 Bourke Street, Melbourne, on November 15, 2010 at 2pm (AEDT).

Cellestis was up eight cents or 3.4 percent to \$2.45.