



Biotech Daily

Friday October 8, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: GENERA UP 17%; PSIVIDA DOWN 8%**
- * **QUEENSLAND'S \$700k FOR BIOTECHNOLOGY RESEARCH WITH INDIA**
- * **ANTISENSE RELEASES 18m ESCROW SHARES**
- * **GENERA APPOINTS TWO DIRECTORS TO REPLACE ONE MEL BRIDGES**
- * **QRX VOTES ON PLACEMENTS, DIRECTORS' OPTIONS**
- * **CLINUVEL VOTES ON 10-FOR-1 CONSOLIDATION, EXECUTIVE SHARES**
- * **NEURODISCOVERY LOSES HARRY KARELIS, GAINS KYLE HAYNES**

MARKET REPORT

The Australian stock market slipped 0.21 percent on Friday October 8, 2010 with the S&P ASX 200 down 10 points to 4681.3 points.

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

Genera was best, up seven cents or 16.7 percent to 49 cents with 80,245 shares traded, followed by Benitec up 11.1 percent to four cents with 2.6 million shares traded.

Circadian and Pharmaxis climbed more than seven percent; Cathrx and Patrys were up four percent or more; Alchemia and Prima were up three percent or more; with Cellestis and Chemgenex up more than one percent.

Psivida led the falls, down 40 cents or 8.1 percent to \$4.55 with 1,100 shares traded.

Clinuvel and Virax lost more than seven percent; Optiscan fell 6.8 percent; Cellmid, LBT and Tissue Therapies were down five percent or more; Immuron was down 3.6 percent; Phosphagenics and Phylogica shed more than two percent; Nanosonics, QRX and Starpharma were down more than one percent; with Acrux, Cochlear, CSL, Resmed and Sirtex down by less than one percent.

QUEENSLAND GOVERNMENT

The Queensland Government says it has provided \$700,000 for research into human and plant diseases in joint biotechnology projects with India.

In India, Queensland Premier Anna Bligh said the joint funding of the projects was an important milestone in the memorandum of understanding signed between Queensland and India in June 2008.

“As part of our memorandum of understanding, Queensland and India committed to a collaborative science and technology program that would not only support joint research projects in biotechnology but create opportunities for our researchers,” Ms Bligh said.

“These opportunities will allow them to contribute to important research underway in both countries and broaden their international experience and networks,” Ms Bligh said.

The Queensland Government said it would contribute \$250,000 towards a project identifying new ways to treat depression and anxiety by the Queensland Brain Institute at the University of Queensland and the Tata Institute of Fundamental Research, Department of Biological Sciences in Mumbai.

A further \$160,000 would help fund a project to assess potential new treatments for obesity, heart disease and diabetes by the University of Southern Queensland and the Manipal College of Pharmaceutical Sciences at Manipal University in Karnataka

The Queensland Government said \$248,352 would go towards a project to develop rice and tomatoes resistant to the soil fungus *Rhizoctonia solani* by the University of Queensland and the National Research Centre for Plant Biotechnology in New Delhi

“India is now coming into its own in terms of research capacity with scientific output growing significantly over the past decade and predicted to surpass most G8 nations between 2015 and 2020,” Ms Bligh said.

The G8 is the group of eight leading industrialized economies.

Ms Bligh said the funding would enable early career researchers Dr Abdul Hafeez-Baig and Dr Sharard Rajendaran, both from the University of Southern Queensland, to further their work in Indian institutions.

“We will provide \$32,500 to enable Dr Hafeez-Baig to spend 12 weeks early next year at the PSG Super Speciality Hospital in Coimbatore to fine tune a method to remotely monitor cardiac patients,” Ms Bligh said.

“Dr Rajendaran will receive \$38,000 to spend 16 weeks from November this year at the Manipal College of Pharmaceutical Sciences to investigate new treatments for obesity and diabetes,” she said.

“Queensland and India continue to grapple with rising rates of obesity, heart disease and diabetes - these new collaborations will open up the possibilities of new treatments and ultimately improve the overall health of our communities,” Ms Bligh said.

The Queensland Government media release said that Ms Bligh discussed research projects and the strengthening science relationship between India and Queensland in a meeting with India’s Minister for Science and Technology, Shri Prithvirai Chavan.

ANTISENSE THERAPEUTICS

Antisense says 18,475,000 shares held in voluntary escrow will be released on October 22, 2010.

Antisense said the shares were held by Isis Pharmaceuticals as consideration for the supply of drug compound for a clinical trial.

Following the release of the shares, Antisense will have 592,327,999 shares available for trading on the ASX.

Antisense was untraded at 1.5 cents.

GENERA BIOSYSTEMS

Genera says Jim Kalokerinos and Lou Panaccio will be appointed as non-executive directors to replace outgoing director Mel Bridges.

Genera said the changes would take effect from the conclusion of the annual general meeting on November 25, 2010.

Genera said Mr Bridges intended "to scale-back external board positions in a move to allow him more time to focus on personal interests".

Mr Bridges is the chairman of Alchemia and Impedimed and is a director of Benitec and Tissue Therapies.

Genera said that Mr Kalokerinos had credentials in diagnostics and corporate leadership and held senior management and board roles in large international diagnostics businesses and smaller local operations over the last 30 years.

Between 1999 and 2005 Mr Kalokerinos was the Asia-Pacific region director for San Diego's Quidel Corp, a manufacturer and marketer of in-vitro diagnostics.

Genera said Mr Kalokerinos held board roles in ASX-listed and private businesses since 1987 including Panbio and is a director of in-vitro diagnostics company Athlomics.

Genera said Mr Panaccio was a board member of Sonic Healthcare which was a substantial shareholder in Genera.

The company said Mr Panaccio was a director and chief executive of the Melbourne Pathology Group, which was acquired by Sonic Healthcare in 2000.

Genera said Mr Panaccio had been a director of Sonic Healthcare since 2005 and was the chief executive of Monash IVF, between 2007 and 2009.

Genera was up seven cents or 16.7 percent to 49 cents.

QRX PHARMA

QRX shareholders will vote on the issue of options to directors along with their right to participate in the second tranche of the company's recent placement.

The resolutions propose issuing 150,000 options each to Dr Peter Farrell, Peter Campbell, Dr Gary Pace, Michael Quinn and 250,000 options to chief executive officer Dr John Holaday.

Two resolutions ask for ratification of the prior issue of the first tranche of 3,871,250 placement shares and approval of the second tranche of 12,611,103 shares – all at 85 cents a share, with further resolutions to allow directors to participate in the placement.

QRX shareholders will also vote on the reelection of Dr Pace and Mr Quinn and two amendments to the company's constitution.

The meeting will be held at the offices of Dibbs Barker, Level 8, 123 Pitt Street, Sydney on November 8, 2010 at 10am (AEDT).

QRX fell one cent or 1.14 percent to 87 cents.

NEURODISCOVERY

Neurodiscovery director Harry Karelis has retired from the company and been replaced on the board by Kyle Haynes.

Neurodiscovery did not make an announcement of the board changes but filed initial and final directors interest notices.

Mr Karelis told Biotech Daily that he had departed the company which would benefit from "fresh faces and new ideas".

Neurodiscovery was unchanged at 2.8 cents.

CLINUVEL

Clinuvel's annual general meeting will vote to reduce the number of shares on offer through a 10-for-one share consolidation.

Clinuvel said it had "a disproportionately high number of shares on issue compared to its market capitalization".

"Additionally, the board contends the continuous progress of the company's development is currently not yet being translated in support from institutional investors," Clinuvel said. Clinuvel said the consolidation would reduce share price volatility, enable better comparison with companies with a similar share value and "enable a broader range of ... institutions to enter the company's register".

Clinuvel said that "many institutional investors and investment funds are reluctant to invest in lower-priced shares and often have investment restrictions in companies with a low share price".

The company said the consolidation would reduce administrative time and transaction costs and "reduce negative market perceptions associated with a low share price relative to company progress".

Clinuvel said it had 303,443,165 shares on offer and 4,100 shareholders of which 850 were holders of non-marketable parcels.

The meeting will also vote on the issue of 3,000,000 performance rights (or 300,000 if the consolidation resolution is passed) to chief executive officer Dr Philippe Wolgen, along with 1,500,000 (or 150,000 consolidated) performance rights to executive director Dr Helmer Agersborg.

Clinuvel said the conditional performance rights would be issued at no cost and with no charge to convert into ordinary shares.

The meeting will also vote on the reelection of chair Brenda Shanahan as a director.

The meeting will be held at the Trade Room, Rialto Building, 495 Collins Street, Melbourne, on November 10, 2010 at 10am (AEDT).

Clinuvel fell 1.5 cents or 7.5 percent to 18.5 cents with 1.1 million shares traded.