



Biotech Daily

Tuesday September 7, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH EVEN: NOVOGEN UP 8%; GENETIC TECHNO DOWN 13%**
- * **COURT STOPS SOLAGRAN SELLING BIOPROSPECT SHARES OVER IP**
- * **HUNTER HALL TAKES 13% OF BIOTA**
- * **HEALTHLIX LICENCES OVPLEX CANCER TEST TO ISRAEL'S MEDISON**
- * **MEC RESOURCES TAKES 23.4% OF BPH CORP**
- * **JM FINANCIAL REDUCES 1.9% IN GENERA**
- * **BIODIEM AGM VOTES ON DIRECTORS**

MARKET REPORT

The Australian stock market and biotechs were flat on Tuesday September 7, 2010, the day Julia Gillard became the country's first elected woman Prime Minister in a minority Government, with the ASX200 slipping 2.3 points or 0.05 percent to 4573.2.

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

Novogen was best, up one cent or 8.3 percent to 13 cents with 63,500 shares traded, followed by Optiscan up 8.1 percent to four cents with 99,000 shares traded.

Mesoblast climbed 6.1 percent; Benitec was up four percent; Cellestis was up 3.45 percent; Clinuvel and Living Cell rose more than two percent; with Acrux, Phosphagenics and Universal Biosensors up more than one percent.

Genetic Technologies led the falls, down 0.4 cents or 13.3 percent to 2.6 cents with 435,000 shares traded, followed by Antisense down 6.7 percent to 1.4 cents with 1.1 million shares traded.

Prima and Virax lost more than three percent; Alchemia, Heartware and Patrys shed two percent or more; with Nanosonics, Pharmaxis and Resmed down more than one percent.

BIOPROSPECT. SOLAGRAN

Bioprospect says the Federal Court in Western Australia granted an interim injunction restraining Solagran from selling any of its Bioprospect development agreement shares. The order also restrains Computershare from transferring any of the 45,000,000 shares in question, worth \$540,000 at today's closing price.

Other parties named in the injunction are former Solagran director Denis Kilroy and Solagran chairman Dr Vagif Soultanov and distribution company Nova Vita.

Bioprospect said the application has been relisted for September 15, 2010, at the Perth District of the Federal Court of Australia, where the Court will decide whether it is necessary to keep the injunction in place until trial.

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).

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".

The company said that conifer green needle complex was sold by Solagran as Bioeffective A.

Solagran and Bioprospect entered into an agreement to test Bioeffective A on horses and that study is ongoing.

Bioprospect said that independent expert, Dr Stuart Boyer, an experienced patent attorney told the Federal Court that the manufacture of CGNC "does not fall within the claims of [Solagran's] existing Australian extraction process patent or its pending US extraction process patent application".

Bioprospect said it was seeking final orders for damages against Solagran, Dr Soultanov and Mr Kilroy, who negotiated the development agreement.

Bioprospect said it was also seeking orders that the agreement be rescinded in whole, alternatively in part and that the allotted securities be cancelled.

Bioprospect said Computershare and Nova Vita had been joined as parties to the proceedings, but it did not allege that either of those parties has been involved in any wrongdoing.

The company said that Solagran was a major shareholder of Bioprospect and held more than 54 million shares of which 45 million shares were granted under the agreement.

Bioprospect said the interim injunction was necessary to prevent Solagran dealing with the shares so it would be able to obtain the cancellation order at trial and to prevent any damage that might arise by Solagran dealing the shares in significant volumes at an unfavorable price while the dispute was being resolved.

Bioprospect was unchanged at 1.2 cents.

Solagran fell one cent or 5.88 percent to 16 cents.

BIOTA

Hunter Hall Investment Management has increased its substantial shareholding in Biota from 21,178,635 shares (12.10%) to 23,639,738 shares (13.14%).

Hunter Hall traded the shares between October 27, 2009 and September 3, 2010.

Biota was unchanged at 90 cents.

HEALTHLINX

Healthlinx has licenced its Ovplex ovarian cancer test to Israel's Medison Pharma to register and develop the test in that country.

Healthlinx said Medison was a marketing company "focused on high quality pharmaceuticals, medical devices and diagnostics" and was active in personalized medicine, marketing molecular tests for cancer, genetics, pharmaco-genomics and infectious diseases.

The company said Medison was granted exclusive rights for 10 years to market, distribute and sell the Ovplex panel in Israel and Healthlinx would receive double-digit royalties per unit on net sales.

Healthlinx said Israel was the fourth jurisdiction to secure an Ovplex licence following Australia, UK and Singapore and Israel had 7.5 million people "with a relatively high incidence of the disease".

"Compared with Australia, Israel has double the rate of incidence of ovarian cancer," Healthlinx said.

The company said it had begun its second larger study for Ovplex aiming to prove a diagnostic accuracy of more than 97 percent for early stage ovarian cancer.

The study is based on 1150 new samples using existing Ovplex biomarkers and including two novel biomarkers AGR2 and HTX010, Healthlinx said.

Healthlinx was unchanged at 8.4 cents.

BPH CORPORATE

MEC Resources has increased its substantial shareholding in BPH from 23,318,379 shares (11.26%) to 62,455,069 shares (23.38%).

The North Perth-based MEC acquired the 39,151,690 shares through a rights issue and as a sub-underwriter at eight cents a share.

BPH was up 0.2 cents or 2.5 percent to 8.3 cents with 1.1 million shares traded.

GENERA BIOSYSTEMS

JM Financial Group has reduced its substantial holding in Genera from 5,549,113 shares (8.85%) to 4,333,492 shares (6.92%).

Genera was unchanged at 49 cents.

BIODIEM

Biodiem's annual general meeting will vote on the reelection of directors Prof Arthur Kwok Cheung Li and Donald Books.

The meeting will be held at the Trade Room, Intercontinental Hotel, Rialto Tower, 495 Collins Street Melbourne on September 23, 2010 at 3pm.

Biodiem was untraded at 15 cents.