



Biotech Daily

Thursday November 6, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECHS DOWN: GENETIC TECHNO UP 20%, NEUREN DOWN 15%**
- * **FDA EXTENDS VENTRACOR TRIAL; OCTOBER REVENUE 'A RECORD'**
- * **ARANA LOSES CEO DR JOHN CHIPLIN TO AMERICA**
- * **CORRECTION: AVEXA**
- * **METABOLOMICS AUSTRALIA RESEARCH FACILITY OPENED**
- * **SINGAPORE PATENT FOR BENITEC'S RNAI**
- * **US PATENT NOTICE FOR VIRALYTICS EVATAK**
- * **EUROPEAN PATENT FOR ROCKEBY'S THRUSH TEST**
- * **ATCOR BACKS DIRECTOR OPTIONS; DIVIDES ON MICHAEL O'ROURKE**
- * **MEDICAL DEVELOPMENTS BEGINS SHARE BUY-BACK**

MARKET REPORT

Despite the historic election of Barack Obama as the next US President, Wall Street fell overnight and the Australian stock market followed it down 4.2 percent on Thursday November 6, 2008 with the All Ordinaries down 180.8 points to 4,106.5 points.

Eight of the Biotech Daily Top 40 stocks were up, 15 fell, five traded unchanged and 12 were untraded.

Genetic Technologies was best, up one cent or 20.0 percent to six cents with 229,000 shares traded, followed by Viralytics up 0.6 cents or 13.04 percent to 5.2 cents. Benitec climbed 7.14 percent; Living Cell and Stem Cell were up five percent or more; Polartech was up 4.65 percent; Acrux rose 3.82 percent; with Arana up 2.58 percent.

Neuren led the falls, down one cent or 15.38 percent to 5.5 cents, followed by Avexa down 13.89 percent to 15.5 cents and Labtech down 10.71 percent to 12.5 cents.

Universal Biosensors lost 7.32 percent; Psivida and Starpharma were down more than six percent; Alchemia and Chemgenex fell five percent or more; Novogen fell 4.71 percent; Bionomics and Biota were down more than three percent; Resmed shed 2.23 percent; with Cellestis, Cochlear, CSL and Progen down more than one percent.

VENTRACOR

Ventracor has received US Food and Drug Administration approval to extend its 140 patient bridge-to-transplant heart pump trial.

In a telephone investor conference Ventracor chief executive officer Peter Crosby said that the continued access protocol was requested by the company and would allow for up to a further 95 patients.

Ventracor receives revenue for each Ventrassist left ventricular assist device implanted in patients in its US trials.

Mr Crosby said the FDA continued access protocol was designed to ensure that between the end of a pivotal trial and registration the device continued to be available and used to retain the skills and familiarity required for its use.

Mr Crosby said that he similarly expected to receive continued access protocol approval for the company's destination therapy.

He told the investor conference that October was a record month for revenue with \$2.8 million received and 27 implants conducted.

He said that in the four months to October 31, the company received \$8.6 million.

Mr Crosby said the company needed a further \$10 million to continue its trials.

Ventracor's chief financial officer Graeme Fallet said the company hoped to raise about \$3.6 million through a placement of up to 15 percent of its shares.

A share purchase plan was announced last week offering shareholders up to \$5,000 worth of shares at 8.1 cents a share.

Mr Crosby said that today's share price (10 cents a share) made the plan attractive.

Ventracor closed unchanged at 10.5 cents.

ARANA

Arana has announced the resignation of chief executive officer and managing director Dr John Chiplin.

In a media release to the ASX, Arana chairman Robin Beaumont said that in his three years at the company Dr Chiplin had led it "through a period of rapid change and significant progress, including the sale of Peptech's Domantis shareholding, the successful merger last year of Peptech with Evogenix and the rationalization and focusing of the technology portfolio".

"The board and John have now determined that this is an appropriate time to transition the CEO role and we will now focus on ensuring that his replacement will be the best available person to lead Arana in its next stage of development," Mr Beaumont said.

Mr Beaumont told Biotech Daily that Dr Chiplin had been intending to return to the US for some time.

Mr Beaumont said Arana would begin a search for a new chief executive officer, as well as appointing an acting CEO.

Arana climbed two cents or 2.58 percent to 79.5 cents.

AVEXA

Biotech Daily yesterday reported that three Avexa executives were in Sydney together when the company's share price jumped as much as 70 percent.

Avexa's chief executive officer Dr Julian Chick told Biotech Daily today that he was not in Sydney, yesterday.

Avexa fell 2.5 cents or 13.89 percent at 15.5 cents with 1.9 million shares traded.

METABOLOMICS AUSTRALIA

The Victoria Government says the Victorian node of Metabolomics Australia has opened to further research into the study of metabolites.

A media release from the office of Innovation Minister Gavin Jennings said that Metabolomics Australia was based at the University of Melbourne and would “lead the way in a promising new field of research opened up by the human genome project”.

The Victoria Government has provided \$2.7 million of the \$9.5 million to open the Melbourne node of Metabolomics Australia.

“This facility will be an important resource for Victorian universities as well as industry, hospitals, research institutes, and government departments,” Mr Jennings said.

The media release said metabolomics was the study of metabolites - the products of chemical reactions from metabolic processes and first emerged as a discipline in 1999, as a result of the human genome project along with genomics and proteomics.

The facility is funded through the National Collaborative Research Infrastructure Strategy and will have subsidiary nodes at research institutions in Western Australia, Queensland and South Australia.

The media release said Metabolomics Australia would “focus on the medical, agricultural and environmental applications of metabolomic research”.

“Metabolomics has great potential in the development of new drugs as well as the assessment of patient responses to disease,” Mr Jennings said.

“It could also lead to the development of new crops and biofuels, and shed light on the effects of climate change and salinity on farmland,” he said.

Mr Jennings also launched Proteomics and Metabolomics Victoria, a consortia designed to strengthen and expand the development of proteomics capability in Victoria as a key platform technology, supported by the State Government.

BENITEC

Benitec says Singapore has granted a key patent on producing double-stranded nucleic acid constructs for therapeutic and related applications of RNA interference.

Benitec chief executive officer Sue MacLeman said the patent offered “broad coverage and leverage in the field of RNAi therapeutics”.

“We have already licenced this patent family for use in pre-clinical and clinical development of a hepatitis C therapeutic construct and will look to further licencing opportunities,” Ms MacLeman said.

“Through our own Benitec patent portfolio and also licenced technology from our partners, we have access to many pending and issued patent claims in the RNAi space,” Ms MacLeman said.

“This is a fully owned Benitec patent that comes from work undertaken by the Benitec team,” she said.

Benitec said the granted claims of the patent included an invention directed towards producing constructs for RNAi techniques.

The invention provides a ribonucleic acid (RNA) for use as interfering RNA in gene silencing techniques to silence a target gene.

The Singapore patent was filed on June 3, 2004 and has an expiry of June 3, 2024.

Inventors include Dr Michael Graham, Dr Ken Reed, Dr Robert Rice, Dr Peter Roelvink, Dr Bruce Harrison, Dr David Suhly and Dr Alexander Kolykhalov.

Benitec said the patent was pending in a number of other jurisdictions and further grants were expected in the coming months.

Benitec was up 0.3 cents or 7.14 percent to 4.5 cents.

VIRALYTICS

The US Patent Office has given a notice of allowance for Viralytics application for the use of Echoviruses in the treatment of all cancers bearing expression of the integrin $\alpha 2\beta 1$. Viralytics said cancers expressing high surface levels of the integrin $\alpha 2\beta 1$ included ovarian and prostate cancer, two of the most commonly occurring cancers.

The company said that, when granted, the US patent would provide protection over the exclusive use in the US of integrin $\alpha 2\beta 1$ -binding echoviruses, including its proprietary formulation of the Echovirus Type 1 or Evatak until 2023.

Mosby's Medical Dictionary says an Echovirus is an enteric cytopathogenic human orphan virus and defines it as "a picornavirus associated with many clinical syndromes but not identified as the causative organism of any specific disease".

Viralytics said a notice of allowance was formal advice that the US Patent Office had completed its final examination of the patent application and intended to issue a patent subject to the completion of administrative matters.

Viralytics' chief scientist and inventor of the technology Prof Darren Shafren said that numerous cancers had elevated surface levels of integrin $\alpha 2\beta 1$.

"The presence of integrin $\alpha 2\beta 1$ allows our family of Echoviruses to lock onto the surface of cancer cells, leading to rapid infection and cellular destruction," Prof Shafren said.

"The patent, when granted, also covers the right to use Evatak in conjunction with other oncolytic viruses such as the company's lead product Cavatak," he said.

Viralytics climbed 0.6 cents or 13.04 percent to 5.2 cents.

ROCKEBY

Rockeby says it has been granted a European patent relating to its Candia5 candida assay patent.

Rockeby said its Candia5 test was "the world's first and only blood-based professional point-of-care test kit to detect vulvo-vaginal candidiasis" or thrush.

The company said Candia5 would be promoted as a screening test for vulvo-vaginal candidiasis during pregnancy, because pregnant women were at a high risk of developing the illness during their pregnancy and vulvo-vaginal candidiasis during pregnancy was significantly associated with intrauterine growth retardation.

Rockeby said there was evidence that screening and treatment of vulvo-vaginal candidiasis during pregnancy significantly reduced the prevalence of preterm labor.

The patent relates to a method and a means of diagnosing Candida infection. In particular the present invention relates to a method of diagnosing Candida infection which is both sensitive and rapid.

Rockeby said most women of reproductive age suffered from one or more episodes of vulvo-vaginal candidiasis.

Up to five percent of healthy women of reproductive age may suffer from recurrent vulvo-vaginal candidiasis, which is defined as four or more episodes a year.

Rockeby said symptoms were non-specific and neither self-diagnosis, nor diagnosis by a physician was reliable without laboratory confirmation.

The company said Candia5 can be used as an accurate test aiding doctors in the diagnosis of recurrent vulvo-vaginal candidiasis.

Rockeby markets and distributes Candia5 in Australia, New Zealand, Italy, Singapore and United Arab Emirates.

Rockeby was unchanged at 0.2 cents.

ATCOR

A significant minority of Atcor shareholders have opposed the reelection of founding director Prof Michael O'Rourke.

The Atcor annual general meeting overwhelmingly approved all other resolutions including the grant of options to chief executive officer Duncan Ross and an increase in options available under the employee options plan.

The resolution to reelect Prof O'Rourke was supported by 29,995,755 proxy votes, with 6,397,333 proxy votes opposed.

Prof O'Rourke is the inventor of the Sphygmocor central blood pressure technology.

A total of 36,049,530 proxy votes supported the increase in employee options with 622,385 proxy votes against.

Atcor climbed half a cent or 2.86 percent to 18 cents.

MEDICAL DEVELOPMENTS

Medical Developments will buy up to \$500,000 worth of its shares on issue.

The company said it had a total issue of 56,223,494 shares and the buy-back was for "capital management".

Medical Developments said the buy-back would begin on November 26, 2008 and continue for up to six months.

Medical Developments was unchanged at 23 cents.