



Biotech Daily

Friday October 17, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECHS RUDDERLESS: OPTISCAN UP 18%, BIOTA DOWN 7.5%**
- * **INCITIVE MEETS THE ROUGH END OF THE BIOTECH PINEAPPLE**
- * **CYCLOPHARM RIGHTS ISSUE TO RAISE \$3.18 MILLION**
- * **PSIVIDA VOTES ON 258% DIRECTORS' PAY HIKE**
- * **AVANTOGEN VOTES ON 215m OPARA-DILUTING SHARES, NAME CHANGE**
- * **PROF IAN FRAZER WINS, GIVES AWAY \$300k PRIME MINISTER'S PRIZE**
- * **NZ GRANTS BENITEC GENE SILENCING PATENT**
- * **EVADO LAUNCHES CLINICAL TRIAL SOFTWARE IN SE ASIA**
- * **FERMISCAN APPOINTS DR RON SHNIER CHIEF MEDICAL OFFICER**
- * **ADVANCED OCULAR APPOINTS STUART USHER DIRECTOR**

MARKET REPORT

The Australian stock market climbed 133.4 points then closed down 43.3 points on Friday October 17, 2008 with the All Ordinaries down 1.1 percent to 3,944.8 points.

Eleven of the Biotech Daily Top 40 stocks were up, 12 fell, six traded unchanged and 11 were untraded.

Optiscan was best, recovering 1.5 cents of yesterday's 5.5 cents loss, up 17.65 percent to 10 cents on modest volumes, followed by Living Cell up two cents or 16.67 percent to 14 cents and Cytopia up 1.5 cents or 13.04 percent to 13 cents.

Viralytics climbed 8.7 percent; Clinuvel was up 6.67 percent; Sirtex rose 5.12 percent; Antisense and Ventracor were up four percent or more; Peplin put on 2.86 percent; with Circadian up 1.48 percent and Acrux up half a cent or 0.67 percent.

Biota led the falls, down 3.5 cents or 7.53 percent to 43 cents with 527,335 shares traded, followed by Polartech and Alchemia down 7.22 percent and 7.14 percent respectively.

Mesoblast lost 5.68 percent; Prana fell 4.88 percent; CSL and Universal Biosensors shed more than two percent; with Cellestis and Arana down more than one percent.

INCITIVE

Incitive is reviewing its business including the possibility of exiting the sector.

In an announcement to the market late yesterday, Incitive said directors Dr Tracie Ramsdale and Dr Kim Wright would resign at the company's annual general meeting on November 20, 2008.

They will be replaced on the board by Winton Willesee, who was appointed Psivida's Australian company secretary earlier this year (see Biotech Daily; March 27, 2008).

Incitive chairman Mel Bridges welcomed Mr Willesee's "contribution in extracting value for shareholders from the existing ... compounds we have in development, including the lead compound ICV0019, whilst also evaluating other business opportunities".

"The ICV0019 program has been very successful and demonstrated that it has the potential to be a significant drug in the treatment of anti-inflammatory and autoimmune diseases," Mr Bridges said.

"However, the current economic climate has reiterated the importance of developing Incitive's assets in a way that will maximize the return for shareholders and hence our decision to look at the structure of the board and increase our capabilities to ensure the correct direction of the company is taken," Mr Bridges said.

Mr Willesee said the ICV0019 development program was "nearing its animal model completion after reaching numerous successful milestones".

"While the ICV0019 program has delivered strong results, it is crucial that we continue to systematically evaluate our strategic options and future plans in order to stay focused on maximizing value for all shareholders"

Incitive chief executive officer Don Home told Biotech Daily that the company could not rule out departing the biotechnology sector.

"We'll do what we have to do to maximize value to shareholders," Mr Home said.

"Nothing is ever ruled out," Mr Home said. "All options are open."

Incitive has said it aimed to be a leader in the development of drugs that treat inflammation and auto-immune diseases.

Lead compound ICV0019 is a purified protease isolated from bromelain, an extract from pineapple stems.

Incitive said ICV0019 acts by blocking the MAP kinase pathway to inhibit T cell activation and is being developed at the Queensland Institute of Medical Research.

Mr Willesee has a Master of Commerce, Post-Graduate Diploma in Business, a Diploma in Education and a Bachelor of Business and is a director of Newera Uranium, Future Corporation Australia, Base Iron, and Boss Energy.

Incitive's annual general meeting will vote on prior share and option issues as well as the reelection of Mr Bridges and Mr Willesee as directors.

The meeting will be held at Pitcher Partners, Level 21, 300 Queen Street, Brisbane on November 20, 2008 at 11am.

Incitive was untraded at three cents.

CYCLOPHARM

Cyclopharm hopes to raise \$3.18 million through a one-for-4.4 non-renounceable rights issue of up to 31,800,000 shares at 10 cents a share.

Cyclopharm said the funds and other debt facilities, would go to expenditure on the Macquarie University Private Hospital positron emission tomography nuclear pharmacy.

The offer opens on October 30, 2008 and closes on November 21, 2008, with a record date of October 27, 2008.

Cyclopharm was untraded at 10 cents.

PSIVIDA

Psivida shareholders will vote on the increase in the directors' remuneration pool from \$A280,000 to \$US500,000 (\$A721,400) along with the grant of 620,000 directors' options. According to Psivida's US Schedule 14A form the company proposes to increase chairman David Mazzo's fees from \$US35,000 a year to \$US55,000 a year with other directors' pay increasing from \$US30,000 to \$US35,000 a year.

The meeting will vote on the granting of 280,000 options to managing director Dr Paul Ashton with 120,000 options for Mr Mazzo, 100,000 options for Michael Rogers, and 60,000 options each to Paul Hopper and Peter Savas.

Psivida said the options would vest in a variety of tranches but no exercise price was cited for any of the option grants.

Psivida's annual general meeting will vote on the re-election of directors Dr Ashton, Mr Mazzo, Mr Hopper, Mr Rogers and Mr Savas.

In the 12 months to September 30, 2008, Psivida's market capitalization fell from \$80 million to \$21 million.

The meeting will be held at the Sofital Wentworth Hotel, 61 Phillip Street, Sydney on November 19, 2008 at 11am.

Psivida fell one cent or 0.76 percent to \$1.31.

AVANTOGEN

Avantogen's annual general meeting will vote on the prior and potential issue of 215,421,387 shares and 20,000,000 options and a name change to Acuvax Limited.

Avantogen shareholders will vote to ratify the prior issue of 42,421,387 shares to existing shareholders and in a placement and 20,000,000 options to brokers BBY for managing the placement.

The company has also proposed that 150,000,000 shares be made available for future placements.

The meeting will consider the issue of 10,000,000 shares to chief executive officer Dr William Ardrey, with 6,000,000 shares for director Patrick Elliott, 4,000,000 for Yvonne Foong, 2,000,000 for David Sanders and 1,000,000 shares for company secretary Phillip MacLeod.

Avantogen said the milestone-dependent share issue to directors and the company secretary was "in recognition of the fact that the company does not generate revenues and does not have sufficient cash reserves to remunerate the directors and company secretary at a market rate in cash".

Should major shareholder Dr Richard Opara and his related companies Chopin One and Chopin Holdings not participate in any of these share issues, his holding would be reduced from the 75.68 percent cited in his substantial shareholder statement of September 12, 2008, to 55.0 percent.

Dr Opara owns 449,927,500 Avantogen shares of the total issue of 602,376,179 shares. Dr Ardrey told Biotech Daily that Dr Opara had made the transition "from strategic investor to a financial investor" indicating that Dr Opara was unlikely to be involved in further share acquisitions.

Shareholders will also vote on the re-election of Mr Elliott as a director.

The meeting will be held at 3 Spring Street, Sydney, New South Wales on November 20, 2008 at 9am.

Avantogen was unchanged at 4.2 cents.

PRIME MINISTER'S SCIENCE PRIZES

The \$300,000 Prime Minister's Prize for Science has been awarded to Prof Ian Frazer, for his work in cancer immunology and metabolic medicine.

A media release from the Prime Minister's office said the award and \$300,000 grant recognized Prof Frazer's "ground-breaking work in the creation of vaccines which protect against the virus that causes cervical cancer".

The Prime Minister's media release said two of these, Gardasil and Cervarix, were available commercially.

"Every year, approximately 230,000 women worldwide die from cervical cancer," Prime Minister Kevin Rudd said.

"Prof Frazer's work provides invaluable protection against cervical cancer and makes an enormous contribution to the health of women around the world," Mr Rudd said.

"In collaboration with the late Jian Zhou, Prof Frazer created virus-like particles using proteins from the shell of the human papilloma virus," he said.

"This breakthrough led to the development of the vaccines which prevent infection from the virus responsible for most cervical cancers," Mr Rudd said.

"Prof Frazer is also developing two further two vaccines, now in clinical trials, which are designed to treat women who have already been infected with the virus," he said.

Mr Rudd said Prof Frazer and his team were working to make the vaccines available in developing countries.

Prof Frazer told ABC Radio News that he would donate the money to the University of Queensland "to help further research on cervical cancer and other vaccines that we're trying to develop".

According to a media release from the Science in Public group, the \$50,000 Science Minister's prize for life scientist of the year went to the Australian National University's Dr Carola Vinuesa, for her work on the human immune system.

Dr Vinuesa's research has shown how the immune system produces high quality, long lasting antibodies to fight disease.

According to Science in Public Dr Vinuesa discovered that a single letter change in the genetic code is enough to create poor quality antibodies and trigger autoimmune diseases like lupus, juvenile diabetes and certain cancers.

The \$50,000 Malcolm MacIntosh prize for physical scientist of the year was awarded to the University of Adelaide's Prof Tanya Monro for work on optical fibres telecommunications.

The \$50,000 Prime Minister's prize for excellence in science teaching in primary schools was awarded to Adelaide teacher Bronwyn Mart who "developed an innovative approach to teaching science which capitalizes on children's natural curiosity about the world around them".

The \$50,000 Prime Minister's prize for excellence in science teaching in secondary schools was awarded to Clay Reid, a teacher in South Australia's Clare Valley.

Science in Public said Mr Reid had "forged a reputation as a respected and inspirational teacher and leader, both in his rural community and in the wider science teaching community".

"A passion for the science of wine making has proved topical and popular with students in this famous wine making region," the media release said.

BENITEC

Benitec says New Zealand has granted a key patent 'Control of Gene Expression' which is part of the Graham family of RNA interference patents.

Benitec said the patent was in the foundational Graham RNAi patent family and related to the patent currently under reexamination at the US Patent and Trademark Office.

Benitec chief executive officer Sue MacLeman said the company was pleased the New Zealand patent office "recognized the importance of these patent claims and accepted this important patent".

"This patent has broad coverage and leverage in the field of RNAi therapeutics," Ms MacLeman said. "We have already licenced this patent family for use in reagent products already on the market, research use and non exclusively for pre-clinical and clinical development of a hepatitis C therapeutic construct."

"We will continue to evaluate further licensing opportunities," she said.

Benitec said it assigned this patent family to the Commonwealth Scientific and Industrial Research Organisation in 2006 but retained a worldwide non-revocable right to the human field, including human therapeutics, reagent and research use.

The inventors include Dr Michael Graham, Dr Robert Rice, Dr Peter Waterhouse and Dr Ming Bo Wang.

Benitec was untraded at four cents.

EVADO

Evado will launch its web-based computing software for clinical trials at the Clinical Trials and Excellence conference and trade exhibition in Kuala Lumpur next week.

Evado said the software system would be distributed and supported by global clinical research organization Seerpharma from Singapore.

The company said that despite the advances in web-based computing and mobile technology, many clinical trials used paper-based data collection systems which slowed the process and could increase the possibility of errors.

Evado said its system met US Food and Drug Administration requirements and gave clinicians in multiple locations the ability to view real-time clinical records anytime during the study or trial.

Evado chief executive officer Jennie Anderson said the clinical trial software was created "to provide a simple, easy-to-use, economical alternative to the expensive clinical trial software currently sold by the big US-based multi-nationals".

Evado is a private company.

FERMISCAN

Fermiscan has appointed director Dr Ron Shnier as chief medical officer.

Dr Shnier chairs the company's scientific and medical advisory board.

Fermiscan said Dr Shnier was a senior radiologist at Symbionhealth and president of the Australian Diagnostic Imaging Association.

Fermiscan's managing director David Young said Dr Shnier had made a significant contribution to the company as a director.

"His decision to take on the additional role of chief medical officer on a part time consulting basis will provide the company with substantial clinical input into the development of the Fermiscan test and its positioning within the continuum of breast cancer diagnostic testing," Mr Young said.

Fermiscan fell 1.5 cents or 5.66 percent to 25 cents.

ADVANCED OCULAR SYSTEMS

Advanced Ocular has appointed chief financial officer and company secretary Stuart Usher as an independent director of the company.

Mr Usher is a chartered company secretary and is executive director of Epic Corporate Solutions.

Advanced Ocular said Mr Usher had “extensive experience in the management and governance of public companies”.

Advanced Ocular was unchanged at 0.4 cents.