



Biotech Daily

Wednesday September 24, 2008

Daily news on ASX-listed biotechnology companies

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- * **DR RUEDIGER NAUMANN-ETIENNE WANTS ELLEX BOARD SEAT**
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- * **CYGNET TAKES 62% OF ADVANCED OCULAR'S OPTION RIGHTS ISSUE**
- * **ROCKEY EXTENDS TRADING HALT TO SUSPENSION**

MARKET REPORT

The Australian stock market climbed 1.0 percent on Wednesday September 24, 2008 with the All Ordinaries up 50.5 points to 5,008.2 points.

Ten of the Biotech Daily Top 40 stocks were up, 11 fell, eight traded unchanged and 11 were untraded.

Genetic Technologies was best, up 0.9 cents or 14.06 percent to 7.3 cents on very small volumes, followed by Antisense up 13.21 percent to six cents, Phylogica up 11.11 percent to 10 cents and Sirtex up 10.34 percent to \$2.24.

Progen was up 7.46 percent; Cochlear climbed 5.07 percent; Alchemia, Novogen and Pharmaxis were up more than four percent; Viralytics was up 3.92 percent; with CSL and Neuren up more than one percent.

Avexa led the falls, down 1.5 cents or 7.89 percent to 17.5 cents with 1.5 million shares traded, followed by Universal Biosensors down five percent to 76 cents.

Phosphagenics and Polartech fell more than four percent; Arana lost 3.17 percent; Chemgenex shed 2.41 percent; with Acrux, Mesoblast, Prana and Starpharma down more than one percent.

BIOTECH DAILY EDITION TIMES

Biotech Daily will be published later than usual on Thursday and Friday this week, due to circumstances beyond our control. The editor's youngest son, Joshua Langsam aged 6¾, has won the right to play in the Auskick games at half-time at the Australian Rules Football Grand Final as well as attend numerous related events. This has required an alteration to the normal publishing schedule.

SUNSHINE HEART

Sunshine Heart director Nicholas Callinan will replace Malcolm McComas as chairman at the October annual general meeting, which will vote to issue him 2,000,000 options. The company said Mr McComas who has been chairman of the company since listing on the ASX in September 2004, would retire as chairman at the conclusion of the meeting. Mr McComas said that with the approval from the US Food and Drug Administration to conduct a US clinical trial, "it's time to pass the role on".

"My successor Nicholas Callinan is well qualified, an experienced chairman and an outstanding choice" Mr McComas said.

Mr McComas will continue as a non executive director.

Mr Callinan was appointed a director on July 10, 2008 to fill a casual vacancy. If elected at the coming annual general meeting, the board has resolved to appoint him chairman.

Sunshine Heart said Mr Callinan was the founder and managing partner of Collins Hill Pty Ltd which provides advice to institutional investors and funds managers in private equity and venture capital markets.

In the early 1990s, he set up investment funds in the former communist countries of Central Europe. Previously, he was founder and chief executive of the Advent group of companies which was one of the first venture capital investment groups in Australia. He has degrees in engineering and business administration.

After the AGM, the eight member board will have six non-executive directors: Mr Callinan, John Brennan, Dr Geoff Brooke, Malcolm McComas, Crispin Marsh and Donal O'Dwyer; and two executive directors: medical director Dr William Peters and chief executive officer Don Rohrbaugh.

The meeting will vote on resolutions to issue four million options to Dr Peters, Mr Rohrbaugh and Mr Callinan.

The resolutions propose 1,015,918 options to Mr Rohrbaugh and 945,101 options to Dr Peters vested over four years and exercisable at eight cents each.

The 2,000,000 options for Mr Callinan vest over three years, with half exercisable at eight cents and half at 10 cents.

The meeting will also vote on a resolution to double Sunshine Heart's authorized capital.

The company has a total issue of 291,724,429 shares and authorization to issue up to 300,000,000 shares of common stock and 20,000,000 shares of "preferred stock".

The proposal calls for authorization up to 600,000,000 shares of common stock and 40,000,000 shares of preferred stock.

The company said there were no preferred shares on issue.

Sunshine Heart chief financial officer Brian Bolton told Biotech Daily that Australia no longer required authorized capital resolutions, but it was a requirement of being a Delaware incorporated company. He said there was no intention at the present to issue preferred stock, but the company may need to raise capital in the future.

The AGM will be held at the offices of Henry Davis York, Level 10, 44 Martin Place, Sydney on October 30, 2008 at 12pm.

Sunshine Heart was untraded at 10 cents.

ASX

Proteome is the most recent biotechnology company to respond to an ASX query regarding late director's interest statements.

Biotech Daily is aware that the ASX has been requiring responses from companies that have been late in filing director's interest statements.

Proteome told the ASX the statement was two days late due to "an administrative oversight".

On September 5, 2008 Circadian told the ASX it was one day late in filing an Appendix 3Y director's interest statement "due to an inadvertent omission".

Circadian said it was the first time in the company's history that it was late in filing a director's interest statement.

Biotech Daily has accepted these explanations and deemed them so minor as to not be newsworthy.

However, all chief financial officers and company secretaries should be aware of this recent change of pattern of inquiry by the ASX.

In April, Biotech Daily questioned the ASX about absent and/or late director's interest statements in relation to the Opes Prime Stockbroking collapse.

At that time, the ASX said filings were required if they were "material" but was unable to provide a meaningful definition of "material" (see Biotech Daily April 10, 2008).

ELLEX MEDICAL LASERS

Ellex Medical Lasers says it has a members' resolution from Intertec Healthcare Partners and Dr Matthias Maus proposing Ruediger Naumann-Etienne be appointed as a director. Ellex said the proposal would be an item in the notice of meeting for the annual general meeting to be held on November 25, 2008.

The company's directors said they would further consider the nomination at its next meeting and provide the ASX with further information as and when required.

The company did not provide further information about Dr Naumann-Etienne, but the Kia Ora Foundation website says he is the owner and managing director of Intertec Group, an investment company specializing in the medical technology field.

Dr Naumann-Etienne is a member of the Kia Ora board of trustees.

The website (www.kiaora.org) said the Intertec Group has supported the implementation of new growth strategies for companies such as Cardiac Science, Quinton Cardiology, OEC Medical Systems, Laserscope and Dasonics.

Dr Naumann-Etienne is vice-chairman of the Cardiac Science, Bothell, Washington.

Ellex was unchanged at 25 cents.

BIOSIGNAL

Biosignal says it has raised \$257,500 through its share purchase plan at 3.5 cents a share.

Biosignal said 65 shareholders had applied for 7,357,122 shares which would be allotted and issued this week.

Biosignal was untraded at four cents.

BONE MEDICAL

Bone Medical says it has finalized an in-licencing agreement for oral delivery technology from Proxima Concepts.

Proxima owns about 55 percent of Bone Medical.

Bone said it would use Proxima's Axxess IV technology under the same terms and conditions as the currently licenced formulation technology.

The company said Axxess IV was "an improved formulation for the oral delivery of large peptides that Bone will use to launch new treatments for osteoporosis and osteoarthritis".

Bone said the agreement would not delay its clinical trial program and improved its prospects for a planned phase III trial for Capsitonin or oral calcitonin.

Bone said its business development "continues at an elevated level with generally high interest in Bone's late stage clinical portfolio".

The company said the previously announced draft heads of agreement with Hyundai Pharma of South Korea (see Biotech Daily; June 19, 2008) led to a due diligence visit to Bone Medical's research and development laboratories and offices in London.

Hyundai will review the upcoming clinical trial performance of Capthymone as well as the outcome of discussions with the US Food and Drug Administration.

Bone said it was involved in discussions with other parties in other territories for its portfolio of projects and will advise of further developments as they occur.

Bone was untraded at 26 cents.

ADVANCED OCULAR

Advanced Ocular will issue 431,078,857 options to shareholders and option-holders, but the majority will be acquired by the rights issue underwriter Cygnet Capital.

Advanced Ocular said that the total entitlements accepted was 164,845,979 options (38.2%) with a shortfall of 266,232,878 options (61.8%) to be taken up by Cygnet Capital.

The August 8, 2008 prospectus offered one new option exercisable at 2.5 cents on or before September 30, 2010 for every two shares held at the record date at an issue price of 0.1 cents per new option to raise \$260,770.

The prospectus also offered one new option exercisable at 2.5 cents on or before September 30, 2010 for every two expired options or for every two eligible options held at the record date at an issue price of 0.1 cent per new option to raise \$170,309.

Advanced Ocular said the funds were for working capital and to "provide a future opportunity to raise new proceeds of up to \$10.6 million, if the options are exercised".

Advanced Ocular climbed 0.1 cents or 25 percent to 0.5 cents.

ROCKEY BIOMED

Rockey has requested a suspension to follow on from the trading halt requested on September 22, 2008 relating to a capital raising.

Rockey last traded at 0.4 cents.