



# Biotech Daily

Tuesday September 30, 2008

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECHS WAY DOWN: PHYLOGICA UP 15%, BENITEC DOWN 27%**
- \* **ARANA FILES ART621 IND FOR RHEUMATOID ARTHRITIS**
- \* **ADVANCED OCULAR SELLS LENS PATENTS FOR \$US2m**
- \* **NEURODISCOVERY'S PART-TIME CEO STARTS ON \$203k**
- \* **PROF PENNY SACKETT APPOINTED AUSTRALIA'S CHIEF SCIENTIST**
- \* **HEALTHLINX OVARIAN CANCER TEST DELAYED ONE MONTH**
- \* **NEUREN UNDERWRITERS BUY \$1.5m OF \$2.05m SHARE PLAN**
- \* **SOLAGRAN'S ROPREN SELLS AT \$3k PER 3-MONTH COURSE**
- \* **NORWOOD ABBEY RECEIVES 2<sup>nd</sup> TRANCHE OF \$250k**

## MARKET REPORT

The Australian stock market tumbled 4.3 percent on Tuesday September 30, 2008 with the All Ordinaries down 207.9 points to 4,631.3 points.

Six of the Biotech Daily Top 40 stocks were up, 24 fell, seven traded unchanged and three were untraded.

Phylogica was best, up 1.4 cents or 15.38 percent to 10.5 cents on modest volumes followed by Genetic Technologies up 15.0 percent to 6.9 cents on very small volumes and Bone Medical up 9.62 percent to 28.5 cents on the sale of one single share. Cellestis climbed 4.37 percent; Acrux, Heartware and Resmed rose more than two percent; with Cochlear up 0.51 percent.

Benitec led the falls, down 1.7 cents or 26.56 percent to 4.7 cents, followed by Psivida down 24.53 percent to \$2.00 and Living Cell down 20.51 percent to 15.5 cents.

Proteome lost 17.65 percent; Circadian fell 13.04 percent; Cytopia shed 11.11 percent; Chemgenex, Optiscan and Starpharma were down 10 percent or more; Mesoblast, Phosphagenics and Polartech were down more than nine percent; Labtech lost 8.82 percent; Universal Biosensors fell 6.67 percent; Prana and Ventracor fell more than five percent; Sirtex and Sunshine Heart fell more than four percent; Antisense, CSL, Novogen and Viralytics were down more than three percent; Progen shed more than two percent; with Biota and Peplin down more than one percent.

### ARANA THERAPEUTICS

Arana has submitted an investigational new drug application to the US Food and Drug Administration for its anti-inflammatory ART621 for a rheumatoid arthritis indication. Arana said the investigational new drug application includes a phase II dose-ranging study of ART621 in rheumatoid arthritis which is planned to be an international multi-centre trial of 200 patients.

Arana said ART621 was an anti-tumor necrosis factor drug

The study is designed to establish the appropriate dosing for ART621 in rheumatoid arthritis and will compare three doses of ART621 with a placebo in patients also taking methotrexate.

Arana expects to commence recruitment for the study by the end of 2008, subject to FDA feedback.

The company said that the management of the study was awarded to Quintiles Transnational, the world's largest contract research organization.

Arana chief executive officer Dr John Chiplin said ART621 had reached an "important milestone ... Arana's first IND".

"We are now a confirmed clinical stage company and with our strong pipeline look forward to filing more INDs in the future," Dr Chiplin said.

Arana was unchanged at 82 cents.

### ADVANCED OCULAR SYSTEMS

Advanced Ocular says it will sell its intra ocular lens patents supporting the Tetraflex product licences, to Lenstec Inc for \$US1 million cash and \$US1 million in shares.

Advanced Ocular said Lenstec was the holder of the manufacturing rights for the intra ocular lens design and the manufacturer of the Tetraflex lens.

The company said the agreement followed "lengthy discussions with Lenstec Inc and consideration amongst other things of the long term royalty potential of the patent licences and the competitive nature of the IOL segment".

Advanced Ocular said settlement was scheduled within the next seven days when the payment would be made.

If Lenstec is successful in achieving an accommodating label for the Tetraflex with the US Food and Drug Administration and a Medicaid reimbursement, Advanced Ocular said it would receive a further \$US2 million in Lenstec shares.

Advanced Ocular said Lenstec was a private ophthalmic company based in St Petersburg, Florida, and there was limited liquidity in Lenstec shares.

Advanced Ocular said the value of its shareholding was "sound and that over the medium to long term appropriate value will be released".

The company said it continued to hold the triamcinolone acetonide (TA or Triesence) licence with Alcon and the Omnifocal development project in its asset portfolio.

Advanced Ocular was untraded at 0.5 cents.

### NEURODISCOVERY

Neurodiscovery says incoming chief executive officer Dr Chris Moyses will be paid a base salary of £90,000 (\$A203,000) for the three days a week part-time position.

Neurodiscovery said either party could terminate the relationship with one month's notice.

The company said an incentive and bonus package was yet to be agreed and would be subject to shareholder approval.

Neurodiscovery was untraded at nine cents.

## CHIEF SCIENTIST

Prof Penny Sackett has been appointed Australia's full-time Chief Scientist, replacing Dr Jim Peacock.

The Minister for Innovation, Industry, Science and Research, Senator Kim Carr, announced the appointment saying Prof Sackett would provide "high-level advice to Government, foster relationships with science organizations and industry groups and stimulate community thinking on the big scientific issues of our time".

"Boosting the role from part-time to full-time demonstrates the store the Rudd Government places in high-calibre, independent, scientific advice," Senator Carr said.

"Prof Sackett comes to the position with a long list of professional achievements and credibility in the innovation, science, engineering and technology communities," he said.

Prof Sackett was director of the Australian National University's Research School of Astronomy and Astrophysics and Mount Stromlo and Siding Spring Observatories (2002 – 2007).

She remains a professor in the School of Astronomy and Astrophysics.

Prof Sackett is a member of the Australian and American Astronomical Societies, the International Astronomical Union and the Association for Women in Science.

Prof Sackett is an elected international fellow of the Royal Astronomical Society and is involved in governance of the Gemini Observatory and the Hubble Space Telescope Science Institute.

She is also currently a director of the Giant Magellan Telescope, a project to build the world's most powerful optical telescope.

In a media release, the Australian Government said Prof Sackett was a physicist by training and an astronomer by profession and she "considers herself an educator by inclination".

She holds a PhD in theoretical physics and has received certification to teach science and mathematics at primary and secondary school levels.

In addition to research on three continents, her career includes science journalism and service on Australian, Dutch, European, and US science advisory panels.

Prof Sackett has extensive experience in managing large and complex science projects involving broad international partnerships.

Her work was some of the first to observationally demonstrate that dark matter in galaxies is aligned with, though more broadly distributed than, the visible stars in galaxies.

Dark matter is believed to make up most of gravitational mass of the cosmos.

Prof Sackett was also instrumental in the innovative use of microlensing, a phenomenon predicted by Albert Einstein, to search for planets orbiting distant stars in our galaxy.

This led to the discovery of some of the lowest-mass extrasolar planets known, and the first indication that small planets such as Earth may be much more common than large, massive Jupiter-like planets.

Prof Sackett's previous appointments include the J Seward Johnson Fellow at the Institute of Advanced Study in Princeton, program director at the US National Science Foundation, and chaired professor at the University of Groningen, Netherlands.

In an interview today with the ABC Radio National current affairs program, The World Today, Prof Sackett was directly asked her views on nuclear power and genetically modified food crops.

Her detailed answers revealed no information.

## HEALTHLINX

Healthlinx says the launch of its Ovplex ovarian cancer test will be delayed until October 27, 2008 "due to minor technical issues outside of Healthlinx and ARL Pathology control". The company had previously expected the test to be available by today.

Healthlinx managing director Nick Gatsios told Biotech Daily he was bound by confidentiality, but said it was no more than a minor technical problem.

Mr Gatsios said in a media release to the ASX that he was "confident that this minor setback will quickly be resolved and ARL Pathology will begin selling the Ovplex test".

"This is a strategic milestone for the company, one that will enhance the earning ability for Healthlinx as a small Australian diagnostic company with world wide appeal," he said.

He said Healthlinx was seeking to licence the Ovplex test outside Australia and the company had "the most advanced ovarian cancer test available on the market today".

Healthlinx was untraded at 3.2 cents.

## NEUREN

Neuren's share purchase plan has raised \$2.05 million, mostly from its underwriters.

Neuren said it received applications for 7,350,000 shares at eight cents a share amounting to \$588,000.

The share plan was underwritten by Taylor Collison to \$2.05 million.

Neuren said the underwriter and sub-underwriters have subscribed for 18,275,000 ordinary shares raising \$1,462,000.

Neuren was unchanged at seven cents.

## SOLAGRAN

Solagran says sales of its Ropren product in countries outside Russia have begun "with prices realized at or above a baseline level of \$3,000 for a standard three month course".

Solagran has said that the conifer needle extract Ropren can be used to treat a range of conditions, especially chronic liver disease, neurodegenerative diseases and substance abuse (see Biotech Daily; September 7, 2008).

Solagran said the announcement was made to "provide the market with a brief update in relation to matters discussed at the information evening held on September 3, 2008".

Following the meeting, Solagran's share price fell 32 percent (see Biotech Daily September 5, 2008).

The company said volume sales of Ropren in Russia were expected "within weeks".

Solagran said the Bioeffective R (polyprenols) production plan presented by the managing director of Sibex, Alexander Kurganov, was on track.

"Formal documents confirming Solagran's participation in the Tomsk special economic zone with its many benefits including an attractive concessional tax regime are still expected to be signed by the Russian Prime Minister in October," the Solagran media release to the ASX said.

"However the company has now received documentation from the [special economic zone] authority that will enable the Russian end of its international corporate structure to be finalized. Implementation has begun and Solagran's advisors have indicated the entire structure should be operational within eight weeks."

Solagran said the company's directors were "confident that both the demand and the price per course in Russia will match or exceed the levels indicated at the shareholder meeting on September 3".

Solagran climbed nine cents or 29.03 percent to 40 cents with 1.4 million shares traded.

## NORWOOD ABBEY

Norwood Abbey has received the second tranche of \$250,000 in the form of a cash advance under its recently announced funding agreement.

Norwood Abbey said the funding came from an unnamed Australian private investor (see Biotech Daily September 15, 2008).

Norwood Abbey said the cash advance provided a right of conversion to shares and options upon approval by shareholders at a forthcoming extraordinary general meeting. The terms of the advance and proposed conversion are the same as in the previously announced cash advance.

This brings to \$500,000 the funding that has been injected by this party, a demonstration of confidence by the investor, Norwood Abbey said.

The investor has indicated that further financial support may be forthcoming as the company progresses its restructuring program, the company said.

Norwood Abbey fell 0.4 cents or 28.57 percent to one cent with 1.85 million shares traded.