



Pacific Biotech Bulletin - The Business of Biotechnology

Pacific Channel, through our expertise in biotechnology and business capability, combined with our strong partnerships and access to further expertise and financial capital, facilitates the growth of commercially viable biotechnology companies in Australia and New Zealand.

CONTENTS

1. About Pacific Biotech Bulletin
2. Escalator accreditation
3. News
4. Investment opportunities – *for investors*
5. Investors seeking opportunities – *for biotechnology companies*
6. Technologies wanted – *for science providers*
7. Future investment opportunities – *for investors*
8. Escalator case study – Androgenix
9. US angel market grows 10 per cent in 2006
10. Translational Research Forum to explore philanthropy and drug development – 6 May 2007
11. Biotech publications
12. Seeking executive
13. Biotechnology conferences and events
14. Your feedback
15. Subscribe/unsubscribe

1. About Pacific Biotech Bulletin

Welcome to the second issue of Pacific Biotech Bulletin, Pacific Channel's quarterly newsletter.

To enable you to select relevant information quickly we have identified, in our content index, areas of interest for you either as an investor, science provider or biotechnology company.

We are continually updating our website www.pacificchannel.com to enable you to easily find

new investment opportunities, information on our services and the publications we offer. Our website also links to our affiliate and portfolio companies.

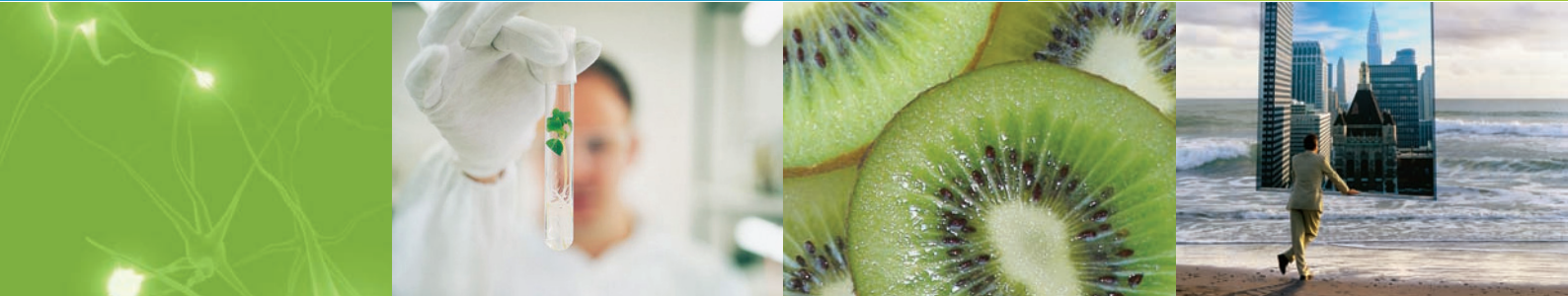
2. Escalator accreditation

Brent Ogilvie, Director of Pacific Channel, has become an accredited broker under New Zealand Trade and Enterprise's Escalator Service. Escalator provides specialist skills and assistance to help a business expand, diversify or commercialise a product or service. These skills may include raising equity funding or completing a strategic relationship for example.

3. News

Pacific Channel has advised CEO John Galvin of **CG Surgical Limited** in securing NZ\$850,000. CG Surgical is a medical device company developing a cervical laminoplasty plate system for use in cervical spinal stenosis. Pacific Channel is also providing CG Surgical with ongoing advice and operational assistance including IP strategy and preparation for its US FDA application.

Pacific Channel client, **Living Cell Technologies Limited**, after rigorous international review has received authorisation from the New Zealand regulator MedSafe to advance its program to conduct a Phase I/IIa clinical trial of its DiabeCell® diabetes product in New Zealand. Pacific Channel assisted Living Cell Technologies secure over NZ\$2.5m to further build the company's cell production capability to meet such clinical trial demands.



4. Investment opportunities - for investors

Pacific Channel facilitates investment in companies that have developed innovative products in the biomedical and agricultural biotechnology fields.

If you would like more information and a full list of our opportunities, please [register](#) and you will be contacted to determine your eligibility to receive investment information under New Zealand's investment regulatory requirements.

- i) **Migco Pharmaceuticals Limited** intends to develop its lead compound as a botanical drug to prevent migraine headaches. With 28 million sufferers in the US alone – Migco's patented bioactive entity (MGX-001) will address a significant medical need. Migco's intended botanical based drug development route requires significantly less time and money than chemical or biologic based drug development yet provides for a registration that allows for prescription sales through physicians. [Migco](#) intends to seek expressions of interest from suitably qualified investors to invest NZ\$1,000,000 to complete the US FDA process of IND registration for MGX-001. This investment will also fund the background preparation for a formal clinical trial.
- ii) **Iatris Pharmaceutical Corporation** is a specialty pharmaceutical company formed to acquire, develop and commercialise drug candidates for the treatment of gastrointestinal diseases and cancer. Iatris is based in the New York Metropolitan Area and was founded by Pacific Channel's affiliate company, The Channel Group, LLC, a New York based life sciences venture development and management firm. Iatris has prepared a US\$35m

private placement memorandum describing the drug candidates to be developed by Iatris. The initial drug candidates are being licensed to Iatris from a publicly-traded billion-dollar market capitalisation biopharmaceutical company.

Further information will be provided to qualified investors by request at info@pacificchannel.com

5. Investors seeking opportunities – for biotechnology companies

- i) A private consortium seeks lead investment opportunities in the NZ\$500k to NZ\$2m range with a strong intellectual property strategy in biotech including agbio and medical devices. The investor will consider opportunities prior to patent application and from university/research institutes. Pacific Channel is organising presentations in June.
- ii) A US\$600m per annum natural resources firm seeks sustainable growth through algae production and non-food crop biofuels. Investment range is between US\$10-100m. This investor prefers to be the principal shareholder and have control, but would consider a minority investment for a compelling technology.

6. Technologies wanted – for science providers

Pacific Channel seeks the following technologies in Animal Biotechnology for which it or associated companies have an interest in acquiring:

- Livestock reproduction especially conception enhancing agents;
- Development of new products through feeds and immuno stimulation that confer consumer benefit
- Pastoral dairy production and processing;



- Skeletal muscle growth
- Marker assisted breeding for production characteristics;

Appropriate technologies will benefit from significant research funding and expert development resources to fully exploit their commercial potential for mutual benefit.

7. Future investment opportunities – for investors

Auctus Limited, a bioactivities venture, is developing a proprietary suite of pharma-nutra antibody therapeutics for human consumption, animal consumption and finfish aquaculture. Auctus intends to seek expressions of interest from qualified investors in the third quarter of 2007.

8. Escalator Case Study - Androgenix

The following case study on Androgenix has been prepared by the Economic Development Association of New Zealand as delivery partners in New Zealand Trade and Enterprise's Escalator Service (www.escalator.co.nz). Escalator makes it easier for firms and entrepreneurs to access independent specialist advice and raise the capital needed to grow by providing expert evaluation of selected business opportunities.

In this case study the NZTE Escalator Service, The Economic Development Association of New Zealand (EDANZ) and a private sector advisor combined to offer tools and external advice which enabled a private sector broker to assist a company raise \$1m.

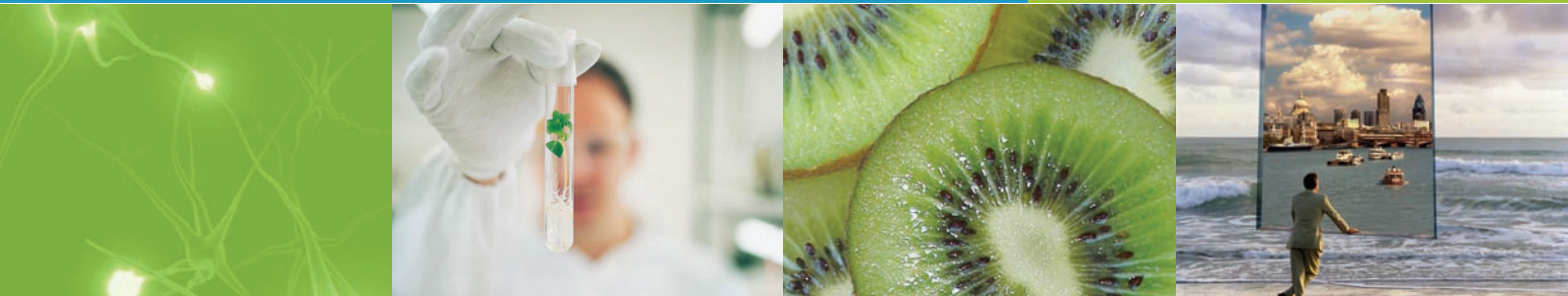
The company, Androgenix, is a biotechnology company that applies genomic technology for the development of products with application in the world-wide livestock industry. The broker who facilitated raising funds for Androgenix utilising the EDANZ Securities Act Exemption Notice, was the Escalator accredited broker Brent Ogilvie of Pacific Channel Limited. Brent Ogilvie assisted Androgenix by analysing the company's business needs and providing advice on investment documentation.

The Exemption Notice gave the Androgenix board confidence that Pacific Channel was following correct processes in complying with the Securities Act. There was good interest in the offer, so there was a filtering process of investors who registered to review the offer. This yielded very high quality investors, able to contribute both cash and expertise, including financial expertise and technical understanding of the processes involved in Androgenix's product development.

Brent Ogilvie, Director, Pacific Channel, says "using the Exemption Notice created a significant body of work, but good outcomes". Regarding the Exemption notice, "We may have got there without it, but it resulted in a better quality plan and offer document," concluded Ogilvie.

9. US angel market grows 10 per cent in 2006

The US angel investor market experienced steady growth in 2006, with total investments of \$25.6 billion, an increase of 10.8 percent over 2005, according to



the 2006 Angel Market Analysis released in March 2007 by the Center for Venture Research at the University of New Hampshire.

A total of 51,000 entrepreneurial ventures received angel funding in 2006.

As in 2005, healthcare services and medical devices and equipment accounted for the largest share of angel investments, with 21 percent of total angel investments in 2006, followed by software (18 percent) and biotech (18 percent). The remaining investments were approximately equally weighted across high-tech sectors.

Source: CVR Press Release: March 2007

10. Translational Research Forum to explore philanthropy and drug development – 6 May 2007

Philip N. Sussman, Managing Partner, The Channel Group, LLC, has organised and is co-chair of the Translational Research Forum. Translational research, which translates scientific discoveries into practical applications, and the individuals who help to support it will be the focus of the Medical Foundation and NIH Translational Research Forum, on May 6, 2007 at the Boston Convention and Exhibition Center in Boston, Massachusetts. The Forum will focus on the funding that medical research foundations have been providing to biotechnology companies for diseases such as Parkinson's, juvenile diabetes, and cystic fibrosis. Panel sessions will include Philanthropic – Driven Drug Discovery, Foundation Supported Pre-Clinical and Clinical Development and NIH Funding of Translational Research. The Forum is part of the 2007 BIO International Convention 6-9 May in Boston, Massachusetts. For more information visit www.bio2007.org

Please refer also to 11. Pacific Channel's report – Biotechnology Grant Capital of the EU and the United States 2007 below.

11. Biotech publications

i) Pacific Channel's just released report - **Biotechnology Grant Capital of the EU and United States 2007** – provides a detailed review of grant resources available internationally for Australia and New Zealand life sciences research. The Report provides:

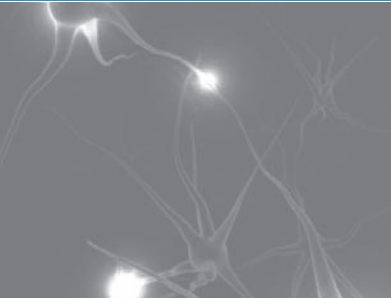
- Relevant background information
- Overall value and size of the fund
- Minimum and/or maximum quota of applications
- Specific relevant criteria for grant applications
- Contact names for further information
- Relevant information to assist with applications

Profiles of each grant entity are coded to clarify the research and development financed by each fund for example:

- Fundamental research e.g. molecular basis of juvenile diabetics
- Clinical trial research
- Research and technology in the farming or environmental science sector

The cost of the publication is AU\$249. To order the report please email info@pacificchannel.com

ii) Innovation Dynamics is an Australian corporate advisory firm that provides independent advice to technology-based organisations. Innovation Dynamics also produces the **2007 BioIndustry Review – Australia & New Zealand**. Now in its sixth year, this independent report is a commentary on the biotech/medical devices sector in Australia and New Zealand.



This year's report contains a detailed analysis of trends in the biotech sector in both countries including information on new start-up companies, significant government initiatives, changes in regulatory framework and commentary on listed public companies and industry growth. The cost of the publication is AU\$249 and it can be ordered by downloading an [order form](#).

12. Seeking executive

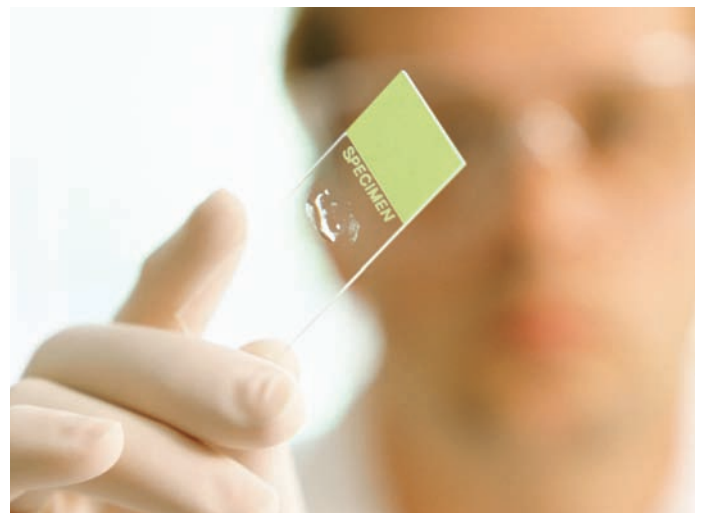
A CEO or COO is sought for a consumer diagnostics company. Experience in successfully launching consumer products from product sourcing through to customer relationship management is required. For selection criteria and a full job description please contact bogilvie@pacificchannel.com

13. Biotechnology conferences and events

21 - 24 October 2007 - AusBiotech National Conference 2007 - National Biotechnology and Business Partnering and Investment Forum, Brisbane, Queensland, Australia. For more information visit www.ausbiotech.org

14 - 16 November 2007 - The Biotechnology Industry Organization and the American Chemical Society will host the Second Annual Pacific Rim Summit on Industrial Biotechnology and Bioenergy, 14 - 16 November 2007, at the Hilton Hawaiian Village in Honolulu, Hawaii. The summit will provide a unique forum for interaction between business, government representatives and academics. This 3-day event will feature presentations on topics such as industrial biotech for pharmaceutical production, new enzyme biocatalysts, cellulosic ethanol production, advances in

marine biotechnology, and development in biopolymers and bioplastics. For more information visit www.bio.org/pacrim



14. Your feedback

We welcome your feedback. Please send your thoughts to info@pacificchannel.com

15. Subscribe/unsubscribe

Want to subscribe?

To receive email bulletins from Pacific Channel, please email your full name, institution/company name, city and email address to info@pacificchannel.com

You can unsubscribe at any time and we will not release your email address to any third party.

Want to unsubscribe?

We have sent you Pacific Bulletin because we have had contact with you and hoped that you would find it of interest. We would be sorry to see you unsubscribe, but if you would rather not receive another issue, please reply to this email with 'Remove' in the subject line.