



Pacific Biotech Bulletin - The Business of Biotechnology

Pacific Channel, through our seed investments and expertise in the business of biotechnology, combined with our access to further expertise and financial capital, builds commercially viable biotechnology companies in Australasia and New Zealand. Pacific Channel's affiliate is New York-based The Channel Group, LLC, which provides access to the world's largest biotechnology marketplace, the United States.

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About Pacific Biotech Bulletin

Welcome to the November issue of Pacific Biotech Bulletin, Pacific Channel's newsletter. As this is the last Pacific Biotech Bulletin for 2007, we would like to wish you all a safe and happy festive season. We look forward to working with you in 2008, the Chinese year of the rat, which must bode well for those in biomedical research.

In Pacific Biotech Bulletin we share insights that we have gained through our work in building globally competitive biotechnology companies.

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. Our latest updates include [Ecodiesel](#) and a [Securities Act Exemption Notice Case Study of Androgenix](#).

News



Living Cell Technologies appoints The Channel Group to lead commercial and Capital Markets Initiatives

Robert J. Beckman, Dr. Allan R. Goldberg and Philip N. Sussman, Managing Partners of The Channel Group, LLC, a New York-based life science venture development and management company and an affiliate of Pacific Channel, have been appointed to the board of directors of LCT

BioPharma Inc., the U.S. subsidiary of Living Cell Technologies Limited.

The three new directors serve as the U.S. management team for Living Cell and assist in building relationships with pharmaceutical and biopharmaceutical companies and investors. Each new director brings considerable experience across the life sciences sector, including work with private and public pharmaceutical and biotechnology companies.

For more information on The Channel Group please [click here](#)

The Future of Biotechnology

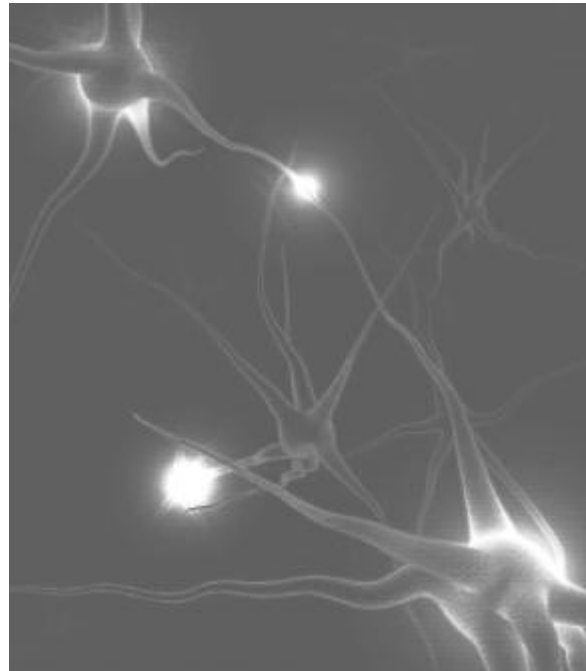
Chris Boalch (NZTE), Brent Ogilvie (Pacific Channel), and Brian Ward (NZBio), stakeholders in New Zealand's biotechnology industry, were interviewed on the future of biotechnology in New Zealand for Ernst & Young's publication *The Entrepreneur*.

Seven questions were asked of each key stakeholder. They ranged from identifying industry trends, to what makes New Zealand an attractive investment option and the challenges that New Zealand faces as a base of operation. Questions also included which areas of biotechnology New Zealand should focus on, where we currently excel on the world stage and why. Each stakeholder identified two company success stories that NZTE has played an influential part in.

They were also asked what current state and

future state does Biotech play in terms of the NZ economy and what role Government should play in developing the biotechnology industry.

The full article is available by [clicking here](#) or in hard copy by request to info@pacificchannel.com





Pacific Channel secures funding of NZ\$1m for Migco Pharmaceuticals Limited

Migco Pharmaceuticals has, with the assistance of Pacific Channel's venture development and corporate advisory services, secured first stage

funding of NZ\$1m from New Zealand based investors.

This initial funding will be used to secure approval from the US Food and Drug Administration (FDA) for an Investigational New Drug (IND) trial of Migco's compound (MGX-008) for migraine prevention and to prepare for formal clinical trials. The proposed initial post IND clinical trial on MGX-008 will likely be a Phase II safety and efficacy study.

Pacific Channel advised Migco on the shape and size of investment offer and created an Investment Statement, for which it secured an Exemption Notice, under the Securities Act (New Zealand): prepared due diligence files and identified and presented to potential investors. Pacific Channel also advised Migco on investor selection as there was significantly more interest generated than could be accepted.

Migco will be seeking further staged funding of NZ\$5M within 6-12 months to undertake its clinical trials programme. Interested investors should contact Pacific Channel to [register](#) their interest. The first stage investment was fully taken up by an experienced business angel investment firm.

Pacific Channel secures funding of NZ\$3m for Ecodiesel Limited to build commercial production



Ecodiesel Limited, co-founded by Pacific Channel, has developed a proprietary manufacturing process to convert tallow (purified animal fat) into biodiesel at a lower capital and operating cost than alternative processes. Ecodiesel has already built an operational 23,000 litre reactor demonstration plant, which is half of the intended reactor size for full scale commercial production.

Within four months of Pacific Channel's seed investment into Ecodiesel Pacific Channel secured a further NZD3m of new equity funding. These funds will be utilised to build a biodiesel manufacturing plant. The plant is projected to be the first commercial-scale biodiesel facility in New Zealand capable of supplying the biofuel sales obligations of a major oil company(s) in New Zealand.

From July 2008 these oil companies will be required by Government to sell biofuels as an increasing percentage of their annual fuel sales or face significant penalty payments.

Ecodiesel also seeks partners in other countries with suitable supplies of tallow or vegetable oil and where the Ecodiesel process is most suited, such as small markets and/or markets where the qualified labour that is required for competing production systems is only available at significant expense.

Ecodiesel is managed by experienced chemical engineering, biotechnology, and finance professionals with experience in successful plant construction, operation and sales who have personally funded the establishment of the Company. For more information [click here](#)

Urban Ecoliving Trust and TLC (Tread Lightly Centre)

The Urban Ecoliving Trust is a new not for profit organisation. The Trust aims to promote an understanding of how New Zealanders can adapt their lifestyles to live more sustainably. The Trust is establishing the Tread Lightly Centre (TLC) to demonstrate what individuals can do to make a difference through an interactive hands-on environmental educational facility. The TLC will focus initially on educating Auckland youth, on how they and their families can 'tread lightly' and make a positive and sustained difference to our environment.

The TLC will inform youth how they can live their daily lives in a more sustainable way. It will increase awareness of how to minimise the negative impacts of our consumption-driven lives on our environment.

Pacific Channel, as part of its commitment to environmental issues, has provided a founding donation to the start up charity. It has also provided Brent Ogilvie as Trustee.

For more information [click here](#)

Sleep Limited secures seed funding

Pacific Channel co-founded Sleep Limited with Professor Robert Elliot. Sleep secured seed funding in the third quarter of 2007. The company is developing a sleep enhancement tonic. Clinical trials are currently being undertaken. Additional equity is anticipated to be raised for Sleep Limited in early 2008 to fund market development and commercialisation activity.

Professor Elliott has just been made New Zealand Entrepreneur of the Year for 2007 - Finalist. For further information on the award please [click here](#) . Professor Elliott trained as a paediatrician at Adelaide University. He became the Foundation Professor, Department of Paediatrics at the University of Auckland and later co-founded Living Cell Technologies Limited. He is an Emeritus Professor of child health research and a world leader in diabetes and autoimmune related research.

Guide to Accessing International Life Sciences Grants now available in Australia

Pacific Channel's guide to accessing biotechnology grants from the EU and the US is now available in Australia through Innovation Dynamics Pty, Limited.

The 123 page report covers funding available from the EU and US Governments, US philanthropic foundations, public/private partnerships and supranational government funded entities. The guide includes extensive case studies on Australian companies and institutions that have demonstrated success in receiving EU and US grant funding.

It provides comprehensive information including in depth profiles on each fund to clarify its research and development interests. Value, size and key focus of each fund, how and who to contact and information which will assist in the development of an application for funding is also included.

For more information on obtaining the guide in Australia visit www.innovationdynamics.com.au

Investment opportunities - *for investors*

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

A current example is **Androgenix Limited** : a New Zealand biotechnology company that applies genomic technology for the development of products that apply to the global livestock industry. Pacific Channel was the seed co-founder of Androgenix for which it raised NZ\$1m in the third quarter of 2006.

Androgenix will seek expressions of interest in its planned second round of investment funding, in the first quarter of 2008. Androgenix intends to use investor funds to finalise a high value animal reproduction product that it intends to commercialise globally.

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.

Investors seeking opportunities - *for biotechnology companies*

- i) Lead investment opportunities in the \$500k to \$5m range with established management and a track record of commercialization success in medical devices or biotechnology including agbiotech.
- 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.

For more information [click here](#)

Technologies wanted:

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

- Animal reproduction enhancement;
- Conception enhancing agents; and
- Sperm related technologies such as enhanced sperm extenders.
- Marker assisted breeding for production characteristics;
- Reducing sheep and cattle emissions of methane and nitrous oxide
- Skeletal muscle growth
- Pastoral dairy production & dairy processing;
- Development of new products through feeds and immuno stimulation that confer consumer benefit

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

For more information [click here](#)

Future Investment Opportunities

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

For more information [click here](#)

From around the Water Cooler

Phil Handford, Director of Androgenix and Ecodiesel, two companies co-founded by Pacific Channel, has just released Grasshopper Rock Pinot Noir 2006 from the Central Otago vineyard of Grasshopper Rock.

The award winning Grasshopper Rock Pinot Noir has a soft, supple and silky palate with intense cherry fruits. It mixes aromas of Central Otago cherries with hints of Turkish delight, red licorice, chocolate and spice. It was fermented in small open top fermentation vats, and then put to



French oak barrels, where the wine underwent malolactic fermentation and aging for ten months.

Central Otago is fast becoming recognised as one of the few places in the world capable of producing great Pinot Noir. Grasshopper Rock is one of the latest wineries dedicated to the production of first class, single vineyard Pinot Noir. In establishing the vineyard, the family company searched for land that would provide the best conditions for consistently producing a premium Pinot Noir in a classic Central Otago style. The site needed to have high sunshine hours and mean temperatures and also be sufficiently harsh and difficult to make the vines work their hardest. At 45°15' south, near Alexandra, Grasshopper Rock is one of the southern most vineyards in the world. 38,000 vines planted in 2003 have already produced medal winning wine in their first vintage. Grasshopper Rock Central Otago Pinot Noir is available direct through the website (www.grasshopperrock.co.nz) or from New Zealand wine shops.

Biotechnology Conferences and Events

17-20 June 2008 - Bio2008, San Diego, California

Brent Ogilvie, Pacific Channel's Director has been invited to speak on key innovations from the private sector of the New Zealand biotechnology industry. The BIO International Convention is hosted by the Biotechnology Industry Organization; a trade association. BIO is the world's largest biotechnology organization and more than 20,000 from 70 countries are projected to attend. For more information on BIO2008 visit <http://www.bio2008.org/>

Your feedback

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

Unsolicited Electronic Messages Act

The Unsolicited Electronic Messages Act came into force in New Zealand on 5 September 2007. The Act sets out new compliance requirements for sending electronic messages. In line with those requirements, if you would like to continue to receive Pacific Biotech Bulletin and other information from Pacific Channel you do not have to do anything. If you wish to be removed from our database, please reply to this email with unsubscribe in the subject line as below in our standard clause.

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