Bionomics Limited

ABN 53 075 582 740

ASX ANNOUNCEMENT
15 October 2010

Chairman's AGM Presentation 2010

Again I welcome you to our 10th Annual General Meeting as a listed drug discovery and development company.

Over the past decade Deborah Rathjen and her very talented team have built an outstanding biotech company, with a highly commercial drug pipeline and an exciting drug discovery partnership with Merck Serono.

2011 is shaping up to be one of the most interesting, critical and exciting years in our brief history!

As your representative on the board, and a fellow shareholder, I want to give you a snapshot of BNO today and its medium term future.

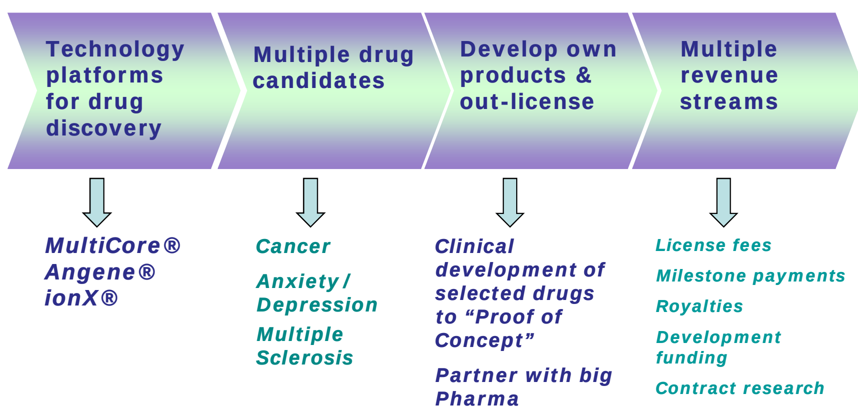
Chairman's letter …..

As for the next decade, our broad objective is to become the world's most successful and admired drug discovery and development company. We aim to continue to discover and develop drugs with the potential to make a real and meaningful difference to healthcare outcomes.

This is a realistic vision for our company. We have the experience, talent and discipline to achieve this goal.

Let me remind you of our simple business model.

Business Model



During the year we reviewed our pier group assessment and benchmarking.

BNO is an international company. One third of our executives and staff are based in Strasbourg. Our customers, that is our prospective partners, are global pharma companies. Consequently, we now benchmark our progress against the following "comparables".

BNO Comparables

Company	Based in	Listed on	Market Capital (M)	Cash (M)	Revenue (M)
Incyte	Delaware	NASDAQ	US$1,760	US$420	US$26
Exelixis	San Francisco	NASDAQ	US$336	US$150	US$170
Array	Boulder, Colorado	NASDAQ	US$170	US$86	US$42

As fellow shareholders it is important for you to know how the "potential" value of our two lead compounds under development has changed over the past 12 months.

Potential of BNC210

- Greater recognition and acknowledgement of absence of development of improved drugs for anxiety and depression
- Growing confidence that BNC210 could be effective for both anxiety (global sales $15 billion) and depression ($11 billion); previously focused potential on anxiety only

Potential of BNC105

- The full potential of BNC105: a drug which destroys all solid cancer tumours
- BNC105 has been tested satisfactorily in animal studies on different solid tumour types
- Our pharma partner on BNC105 has “access” to all solid tumour types

Chairman's letter .....

Your Company commences its second decade with the core objective of partnering, on “industry terms”, our two key potential blockbuster drugs, BNC105 and BNC210.

Over the next 12 months, critical, meaningful data from our clinical trials will be available to support our partnering discussions.

By way of example of “industry terms”:

Illustrative 2009/2010 deals

Drug/Licensee	Licensor	Development Stage	Deal Metrics
XL147, XL765 Exelixis	Sanofi-Aventis	Phase I/II	Global, upfront US$149M, research funding over 3 years US$21M, US$1B milestones, royalties
Belinostat TopoTarget	Spectrum Pharma	Phase II/III	North America, India + right of first offer China, US$30M upfront, US$320M milestones, double digit royalties, US$4M shares
OGX-011 Oncogenix	Teva	Phase II prostate cancer	Global, US$20M upfront, US$10M equity invest (at a premium), US$370M milestones, double digit royalties
ARRY-162 Array Biopharma	Novartis	Phase I	Global, US$45M upfront, US$422M milestone payments, double digit royalties

A specific example of BNC105 and the VDA space is as follows:

BNC105 – The VDA Space

- Interest remains high in VDA space;
- BNC105 now the leading global VDA candidate
- Recently work stopped on previous front runner ASA404 in Phase III

ASA404 Deal - Novartis	
Up Front Payment	US$75m
Milestone Payments	US$890m
Royalty	Double digit

BNC105 Superior to ASA404		
	BNC105	ASA404
Mechanism of Action	Dual	Single
Known	Yes	No

Onto finance, in September 2009, in support of our $15m fundraising, we announced a two year cash flow forecast. I'm sure that our bold action remains a unique event, certainly among the 130 odd AXS listed biotechs!

Use of Funds

Projected Cash Flow to 30 June 2011	A$M
Capital raise $15M+ Cash 30 June 2009	19.7
Projected income (contracted R&D revenue + net Neurofit contribution)	7.1
Expenses:	20.4
BNC105 Phase II Clinical Program:	
- Kidney cancer: $8.1M - Mesothelioma (lung cancer): $5.5M	
BNC210 Phase Ib Clinical Trial: $3.6M	
Working Capital: $3.2M	
Projected cash 30 June 2011	6.4*

* Does not include equity position in building

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I'm delighted to advise that, overall, we have remained on target, and we expect to close the 2011 financial year on target.

Shareholders should note that this projected cashflow excludes any upfront payment from a partnering deal.

Further, substantial additional working capital would be released by a sale and leaseback of our building.

On behalf of all the shareholders, I wish to thank, whole heartedly, our world class CEO Deborah Rathjen. She celebrated her 10th Anniversary at the BNO helm earlier this year. I am personally disappointed that the option issue to Deborah will not proceed at this time.

However, as a result of earlier discussions between the Board and Deborah, quite independent of the issue to her of further options, I am delighted to advise that Deborah has extended her contract, as Managing Director & CEO of Bionomics, for a further 5 year period, commencing today. Deborah's current contract expires August next year. After 10 years of building a solid base of opportunity, shareholders will be delighted to know that Deborah will be leading our Company over, what will be, an outstanding 5 year period.

Again, on your behalf, I wish to thank our outstanding management team, and our professional and helpful advisors. Linwar Securities and Baker-Young remain strong and valued stock broker supporters.

Finally, to our loyal shareholders, I reconfirm our commitment to create strong and growing shareholder value.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About Bionomics Limited

Bionomics (ASX: BNO) is a leading international biotechnology company which discovers and develops innovative therapeutics for cancer and diseases of the central nervous system. Bionomics has small molecule product development programs in the areas of cancer, anxiety, epilepsy and multiple sclerosis. BNC105, which is undergoing clinical development for the treatment of cancer, is based upon the identification of a novel compound that potently and selectively restricts blood flow within tumours. A clinical program is also underway for the treatment of anxiety disorders based on BNC210 which exhibits strong anxiolytic activity without side effects in preclinical models. Both compounds offer blockbuster potential if successfully developed.

Bionomics' discovery and development activities are driven by its three technology platforms: Angene®, a drug discovery platform which incorporates a variety of genomics tools to identify and validate novel angiogenesis targets (involved in the formation of new blood vessels). MultiCore® is Bionomics' proprietary, diversity orientated chemistry platform for the discovery of small molecule drugs. ionX® is a set of novel technologies for the identification of drugs targeting ion channels for diseases of the central nervous system.

For more information about Bionomics, visit www.bionomics.com.au

Factors Affecting Future Performance

This announcement contains "forward-looking" statements within the meaning of the United States' Private Securities Litigation Reform Act of I995. Any statements contained in this press release that relate to prospective events or developments are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "projects," "forecasts," "will" and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward-looking statements, including risks related to the clinical evaluation of either BNCI05 or BNC2I0, our available funds or existing funding arrangements, a downturn in our customers' markets, our failure to introduce new products or technologies in a timely manner, regulatory changes, risks related to our international operations, our inability to integrate acquired businesses and technologies into our existing business and to our competitive advantages, as well as other factors. Subject to the requirements of any applicable legislation or the listing rules of any stock exchange on which our securities are quoted, we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.