30 March 2011

Mr Christopher Fullerton
Chairman
Bionomics Limited
31 Dalgleish Street
THEBARTON SA 5031

Dear Chris,

RE: Invitation to Tender for Shares

You will be aware that the "Invitation to Tender", announced by Start-up Australia Pty Limited ("Start-up Australia") on November 10, 2011, will close at 5:00pm on March 31, 2011.

Start-up Australia will not be seeking to extend the period of this tender and therefore the tender process will be terminated as of 5:00pm on March 31, 2011.

We were delighted today to see the results of the clinical trials on the new anti-anxiety drug (BNC210). These results were above our expectations. We view this drug as an extremely valuable asset which should result in a high value partnering deal for Bionomics.

Start-up is aware that Bionomics is nearing some near term value adding milestones later this year which will add substantial value for shareholders. We keenly await the clinical results on the cancer drug (BNC105) and the outcomes of the various partnering negotiations.

Yours sincerely

George Jessup
Managing Director

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