

12 May 2011

Start-up Australia Ventures Pty Ltd Sells 60 Million Shares In Bionomics

Please find attached a letter received from Start-up Australia Ventures Pty Ltd dated 12 May 2011.

Yours sincerely



Trevor Thiele
Chief Financial Officer & Company Secretary

12th May 2011

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

Dear Chris,

The purpose of this letter is to confirm that Start-up Australia Ventures Pty Limited ("Start-up Australia") has overnight completed the sale of 60 million Bionomics shares to a range of domestic and international institutional and retail investors through Southern Cross Equities.

Following the release of clinical trial results for Bionomics' anxiety drug, BNC210, on 30 March 2011, Start-up Australia has received numerous approaches from investors seeking to become shareholders in Bionomics. We have been pleased to work closely with Bionomics and its advisers in responding to that demand and believe that today's orderly sale represents a significant milestone in the maturing of the Bionomics' register.

The shares were sold at a price of \$0.57, which is in line with the volume weighted average price of Bionomics shares since the BNC210 results were released at the end of March. Following the sale, Start-up Australia is no longer Bionomics' largest shareholder, with a remaining holding of 8.9%. We are pleased to see that Bionomics' share register will be strengthened with the introduction of major Australian and international investors. We intend to continue to work with Bionomics and Southern Cross Equities to ensure any future liquidity events for our shares take place in an orderly manner.

Start-up Australia believes that near-term value adding milestones, including Phase II clinical trial results for Bionomics' cancer drug, BNC105, and partnering negotiations, will add significant value for shareholders.

We look forward to our ongoing participation as a shareholder in the company's success.

Yours sincerely,



George Jessup
Managing Director