

ASX ANNOUNCEMENT: 25 May 2011**Outlook and Strategic Focus after
Institutional Placement**

Open Briefing with CEO & MD Deborah Rathjen



Bionomics Limited
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Bionomics (ASX : BNO) is a drug discovery and development company focused on new treatments for cancer and serious disorders of the central nervous system (CNS).

Current Market Cap: \$232 million

In this Open Briefing®, CEO & MD Deborah Rathjen discusses

- Outlook and strategic focus after raising capital and repositioning the register
- Sufficiently funded to execute licensing strategy and invest in development pipeline
- Update on development and partnering opportunities for BNC105 and BNC210

Open Briefing interview:**openbriefing.com**

Bionomics Limited (ASX: BNO) has completed an institutional placement of 25 million shares at \$0.57 per share, raising \$14.3 million. The placement was initiated after the sale by Start-up Australia Ventures of 60 million Bionomics shares at \$0.57 uncovered excess institutional demand. Given \$5.8 million in cash on the balance sheet as at the end of March and sale of your headquarters property in Thebarton, SA for net cash of \$4.3 million in April, has this improved cash position changed Bionomics strategy and do you have adequate cash to independently fund your key BNC210 and BNC105 programs?

CEO & MD Deborah Rathjen

Our strategy for licensing the BNC210 and BNC105 programs remains unchanged and our improved cash position enhances our ability to execute this strategy. Our intention is to partner BNC210 on the back of very encouraging, positive data from our recent trials in Europe, which were specifically designed with partnering in mind. We now have the first clinical evidence of the complete lack of side effects on attention and memory by BNC210, in contrast with currently marketed treatments for anxiety and depression. Furthermore, BNC210's rapid action in relieving anxiety in animal studies, together with the recent clinical trial results, bodes well for its further development as a pioneering "first in class" drug. The

best course of action for Bionomics remains to partner BNC210 for Phase II development and beyond with a global pharmaceutical company and we are now in an excellent position to deliver on this plan.

Bionomics' strategy for BNC105 is to partner when we have Phase II clinical trial data. Concurrent Phase II trials are underway, one trial in patients with metastatic renal cancer which is being undertaken in the US; the other trial being undertaken in Australia is in patients with mesothelioma. We anticipate data from both trials over the next quarter. If successful, the Phase II trial data is expected to underpin BNC105 as a successful treatment of solid tumour types and enable consideration by the FDA of fast track designation for BNC105 which would add substantial value to the BNC105 licensing package.

Rather than independently developing all our drug candidates our business model is based on balanced risk mitigation through partnering and diversification within the pipeline. This model is aligned with our strengths in drug discovery and early stage development in our chosen areas. The Board considers that Bionomics not only has sufficient funds to execute its licensing strategy, but also to invest in its pipeline. The current position provides Bionomics with some flexibility to undertake additional clinical trials of BNC210 and BNC105, if this were to enhance partnering discussions and outcome.

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As a result of the repositioning of Bionomics register Bionomics now has a broader range of European and Australian institutional shareholders. What do you think were the key drivers of institutional participation in the placement?

CEO & MD Deborah Rathjen

I believe that a number of factors combined to stimulate institutional interest. With the Company's market capitalisation over \$200 million and increased liquidity, Bionomics now meets basic requirements for investment by many institutional funds.

More importantly our increasingly de-risked lead programs have captured widespread interest with BNC210 set for randomised Phase II clinical trials with a prospective partner and BNC105 is already in Phase II trials in two tumour types.

Our drug pipeline, fuelled by multiple proprietary technology platforms, is exceptionally strong and diverse covering programs in cancer, anxiety and depression, multiple sclerosis and, as recently announced, memory loss in conditions such as Alzheimer's Disease.

Furthermore, the recent positive results from BNC210 Phase Ib trials have some investors very excited about the future prospects of the company. Bionomics is a "proven stayer" with the drug pipeline and the human and financial resources to succeed.

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After repositioning your register and raising capital, how have Bionomics' opportunities for development and partnering changed?

CEO & MD Deborah Rathjen

The combination of the register repositioning and the capital raising has given Bionomics greater flexibility for its partnership discussions as well as more scope for internal discovery and development. The introduction of new domestic and international institutional investors

has strengthened Bionomics' register and broadened the range of long term, supportive shareholders. This, together with the advanced drug pipeline and robust balance sheet bolsters our negotiating position with multinational pharmaceutical companies.

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Over CY2011, what will be the next key steps in the development of BNC210?

CEO & MD Deborah Rathjen

Our focus remains on a licensing deal with a global pharmaceutical company that would take BNC210 into randomised Phase II trials and beyond and potentially provide significant milestone payments to Bionomics. The licensing package is very comprehensive, comprising extensive preclinical data in addition to the standout clinical results from our successful Phase Ia and Ib trials. The results support the design of trials in the next stage of development. These are anticipated to be in patients with anxiety and panic disorder and may involve an induced panic attack as in the Phase Ib trial.

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Bionomics expects results to be available for its Phase II trials of anti-cancer agent BNC105 in the first half of CY2011. Can you update us on the progress of the trials and any key findings to date?

CEO & MD Deborah Rathjen

The metastatic renal cancer trial which is being undertaken with the Hoosier Oncology Group in the US is now recruiting from nine clinical centres in the US with hospitals in New York, New Mexico, Florida and Wisconsin coming on stream this year. This trial will be the subject of a poster presentation by Dr Tom Hutson, the trial's Principal Investigator, at the upcoming ASCO conference in the US which will be attended by the BNC105 development team. The mesothelioma trial undertaken by the Australasian Lung Cancer Trials Group is progressing as planned. BNC105 has been well tolerated by patients in both the renal cancer and mesothelioma trials with some individual patients continuing on treatment for over nine months. Interim data from both trials will be reported over the next quarter.

For more information about Bionomics Limited, visit www.bionomics.com.au or call Dr Deborah Rathjen on +61 8 8354 6101.

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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 and depression based on BNC210 which exhibits strong anxiolytic and anti-depression 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.