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ASX ANNOUNCEMENT
17 September 2012

Teleconference

11am AEST, 10.30 Adelaide time, today

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Led by Dr Deborah Rathjen, CEO& MD of Bionomics with support from Eclipse founders Dr Peter Chu & Dr Christopher Reyes & new Bionomics director Dr Jonathan Lim

Bionomics Acquires US-Based Cancer Stem Cell Company Eclipse Therapeutics

- *Full scrip \$10m consideration at 41.76 cents per share*
- *Eclipse shareholders, including Biogen Idec, to hold approximately 6.5% of Bionomics*
- *Acquisition provides Bionomics with world-class cancer stem cell technology and antibody drug candidates*

17 September 2012: Bionomics Limited (ASX:BNO, ADR:BMICY) has acquired San Diego-based private biotechnology company Eclipse Therapeutics Inc (Eclipse) in a scrip-based US\$10 million deal. With consideration of approximately 23.9 million shares at 41.76 cents per share, Eclipse shareholders, that include NASDAQ-listed Biogen Idec, will own approximately 6.5% of Bionomics' issued capital.

A spin-off of the Biogen Idec Inc oncology franchise, Eclipse is developing drug candidates that target cancer stem cells (CSCs). CSCs are the seeds at the root of cancer, and CSC technology is thus viewed by many oncologists and pharmaceutical companies as a high priority, new oncology drug frontier.

Eclipse's lead compound ET101 is aimed at an undisclosed CSC target which is over-expressed on most solid tumours. ET101 is expected to move into human trials in 2014. In March 2012 Eclipse

reached a development and manufacturing agreement for production of the ET101 antibody with Swiss life science leader Lonza Group Limited. Oncology antibody drugs had global sales of more than US\$20 billion dollars in 2011.

“This acquisition elevates and expands Bionomics’ oncology pipeline beyond BNC105, our primary cancer drug candidate which is now at advanced clinical stages. It also establishes Bionomics as a global leader at the forefront of cancer stem cell therapeutics,” said Dr Deborah Rathjen, CEO and Managing Director of Bionomics.

“CSC companies in the US have not only attracted the interest of public biotech investors (evidence by Verastem’s NASDAQ listing at a market capitalization exceeding US\$200million) but also interest from large pharma companies (evidenced by the significant partnering deals done by OncoMed with GSK and Bayer with a combined value of approximately US\$3.4 billion).

“The Eclipse acquisition will provide Bionomics with an important strategic base in the US, the world’s largest pharmaceutical market.”

Since 2004, significant resources have been invested in Eclipse’s CSC drug program. Eclipse’s *CSC Rx Discovery™* platform has been used to identify antibody therapeutics that inhibit the growth of CSCs.

Scientific and clinical research supports the concept that CSCs are responsible for tumour initiation and recurrence. Cancer stem cells tend to be resistant to chemotherapy and other conventional forms of cancer treatment.

Eclipse was founded by former Biogen Idec employees Dr Peter Chu and Dr Christopher Reyes along with Dr Jonathan Lim, managing partner of City Hill Ventures and includes a world-class team of scientists.

Dr Lim has been appointed a Non-executive Director of Bionomics.

“Eclipse shares Bionomics’ vision of building a world-class oncology franchise, and integrating our oncology assets with Bionomics strengthens our prospects for success based on their existing depth of oncology expertise and the ability to be part of a larger and highly motivated team”, said Dr Lim.

Dr Peter Chu and Dr Chris Reyes have taken up the positions of Vice President US Operations and Cancer Biology and Vice President R&D Biologics respectively for Bionomics.

In addition to acquiring Eclipse’s world-class assets, Bionomics’ expansion into the US will enable it to benefit from a number of synergies as well as bring greater profile to its business development activities and accelerate its small molecule and antibody programs.

Eclipse shareholders may qualify for cash earn-outs based on achieving late stage development success or partnering outcomes based on Eclipse assets. Eclipse has a strong intellectual property position in CSCs. It acquired Biogen Idec’s patent applications covering the isolation of CSCs for drug discovery and has continued to expand its portfolio of product-related patent applications.

Bionomics’ Chairman Mr Chris Fullerton said, “Bionomics is a company that continues to marry a high value drug development pipeline with strong commercial partners and pathways. Despite difficult financial markets our company signed the ground-breaking US\$345 million Ironwood anxiety therapy deal, expanded and accelerated our Kv1.3 program with new targets, initiated a BNC105 ovarian cancer clinical trial and has now grabbed a foothold in a highly promising cancer stem cell technology.”

“With the acquisition of Eclipse, Bionomics also achieves a key corporate goal of establishing a meaningful and prospective presence in the US”.

For the purposes of ASX Listing Rule 3.10.3, Bionomics advises that it proposes to issue a maximum of 23,890,718 fully paid ordinary shares (ranking equally with ordinary shares on issue) at a price of 41.76 cents per share to Eclipse shareholders in connection with the transaction described above (no shareholder approval will be sought in relation to this proposed issue). Recipients of the shares are bound by escrow arrangements which extend from 6 to 12 months.

Bionomics was advised by Johnson Winter & Slattery and Curtis, Mallet-Prevost, Colt & Mosle LLP. Eclipse advisors were Morrison & Foerster LLP, DLA Piper, Agiletic Law Group, P.C. and Aquilo Partners, L.P.

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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, Alzheimer's disease, 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. BNC105 offers blockbuster potential if successfully developed. A clinical program is also underway for the treatment of anxiety disorders and depression based on BNC210, a novel compound which stimulates neurite outgrowth. BNC210 is partnered with Ironwood Pharmaceuticals.

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. These platforms underpin Bionomics' established business strategy and Bionomics is committed to securing partners for its key compounds.

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 1995. 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 BNC105 or BNC210, our partnership Ironwood Pharmaceuticals, our acquisition of Eclipse Therapeutics and ability to develop products from their platform, 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.