Bionomics Limited

ABN 53 075 582 740

18 March 2013

The Manager
Company Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Letter to Ineligible Shareholders

We advise that Bionomics Limited (ASX: BNO) has today sent the attached letter to Ineligible Shareholders in connection with the non-renounceable rights issue announced on 4 March 2013.

Yours sincerely

Melanie Young
Company Secretary

Bionomics Limited

ABN 53 075 582 740

18 March 2013

Dear Shareholder

Letter to Ineligible Shareholders

On 4 March 2013, Bionomics Limited (ASX: BNO) (**Bionomics**) announced a 1 for 8 non-renounceable pro rata rights issue (**Offer**) of up to 45,634,962 fully paid ordinary shares in Bionomics (**New Shares**) at an issue price of $0.36 per New Share to raise up to approximately $16.4 million before costs and expenses.

The Record Date for the Offer was 6.30pm (Adelaide time) on Wednesday, 13 March 2013 (**Record Date**).

Bionomics will use the proceeds of the Offer to advance development programs across Bionomics' pipeline, including BNC105 which is in international Phase II clinical trials in patients with renal cancer and with ovarian cancer, Bionomics' cancer stem cell directed drug candidate BNC101, and BNC375, Bionomics' drug candidate for the treatment of Alzheimer's disease and other conditions where memory is significantly compromised. The funding will improve Bionomics' capacity to independently advance clinical trials of drug candidates in its pipeline and additionally it will strengthen Bionomics balance sheet ahead of potential new licensing deals.

This letter is to inform you about the Offer and to explain why you will not be able to subscribe for New Shares under the Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

The Offer is only being made to shareholders (**Eligible Shareholders**) who are registered on Bionomics' register of members as a holder of ordinary shares in Bionomics as at 6.30pm (Adelaide time) on the Record Date with a registered address in Australia or New Zealand.

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder stated above, Bionomics wishes to advise that you are an Ineligible Shareholder and that Bionomics will not be extending the Offer to you.

Bionomics notes that it has determined not to extend the Offer to persons outside of Australia and New Zealand in accordance with the ASX Listing Rules and the Corporations Act, after considering:

- the legal and regulatory requirements for making or extending the Offer to places outside Australia and New Zealand;
- the cost of complying with those legal and regulatory requirements; and

- the number of Ineligible Shareholders in places outside Australia and New Zealand and the number and value of New Shares which would otherwise be offered to those persons.

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On behalf of the Board and management of Bionomics, thank you for your continued support.

Yours sincerely

Graeme Kaufman
Chairman