

ASX ANNOUNCEMENT: 31 March 2010**CEO on Clinical Trials Update**

Open Briefing with CEO & MD Deborah Rathjen

Bionomics Limited
31 Dalgleish Street
Thebarton, SA 5031**In this Open Briefing[®], CEO & MD Deborah Rathjen discusses**

- the design and anticipated timelines of BNC105 Phase II mesothelioma trial
- implication of final results of BNC210 Phase Ia trial
- potential milestones for BNC105 and BNC210

Open Briefing interview:**openbriefing.com**

Bionomics Limited (ASX: BNO) recently announced the start of a Phase II clinical trial of its anti-cancer agent BNC105 in patients with mesothelioma. Could you tell us about the design of the trial and anticipated timelines? What is your strategy for BNC105?

CEO & MD Deborah Rathjen

This is the second Phase II trial of BNC105, the first is underway in the US for Renal Cell cancer. This Australian mesothelioma trial will evaluate the effectiveness of BNC105 as a single agent in patients who have already been treated with first line chemotherapy. The patients in the trial will have metastatic pleural mesothelioma. The trial design is single arm design which means that BNC105 will be the only treatment regime evaluated. After the completion of the first 24 patients an interim analysis will be undertaken to determine whether BNC105 treatment has achieved sufficient responses to justify continuation of the trial. Up to 60 patients will be enrolled in the trial. In addition to monitoring patient responses to treatment, the trial is designed to look at important aspects such as symptoms, quality of life and breathing function. We anticipate that the results of the interim analysis will be available in the first half of calendar year 2011 with full trial data available in 2012.

If the interim data is positive Bionomics will submit the data to the FDA to gain Fast Track designation for the approval of BNC105 to treat mesothelioma. As there are currently no treatments approved for mesothelioma following treatment with the combination of cisplatin/pemetrexed (first line chemotherapy), this strategy has the potential for early market approval which we believe will be attractive to licensing partners.

There is a strong need for additional treatments for mesothelioma to relieve symptoms or

prolong life. Mesothelioma remains a substantial problem in Australia and other parts of the world. In Australia there are projected to be 740 new cases of mesothelioma diagnosed – in 2005, 640 people were diagnosed with mesothelioma. Mesothelioma incidence is still on the rise and the peak incidence of mesothelioma in Australia has not yet been reached.

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With BNC105 clinical trials underway for renal cell carcinoma and mesothelioma, are you assessing the likelihood of conducting clinical trials in other forms of cancer?

CEO & MD Deborah Rathjen

BNC105 has been shown in animal studies to be an effective vascular disrupting agent (VDA) and anti-tumour agent across a broad range of solid tumour types including lung, prostate, colon and brain cancers.

Whilst we are continuing to investigate other potential clinical trial settings for BNC105 as part of our licensing strategy, no additional trials are currently planned. We are also continuing to monitor the clinical trial activity of competitors with VDAs in development to best position BNC105 for licensing when Phase II clinical trial data is available.

Both of the clinical trials commenced by Bionomics – in mesothelioma and renal cell cancer – are types of cancer not currently being targeted by VDA competitors and both are cancer indications where significant clinical need for additional treatments exists. A path to market has also been identified. In considering any additional clinical trials of BNC105 we will consider the competitive landscape, the feasibility of undertaking a robust clinical trial, the unmet clinical need as well as market opportunity and path to market.

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Bionomics also recently announced final results of Phase Ia clinical trial confirming BNC210 is safe and well tolerated at high dose levels of up to 2000mg. What are the implications of the results for the future of BNC210?

CEO & MD Deborah Rathjen

The first Phase I clinical trial of BNC210 was very successful, providing data which will support the further development of BNC210 for anxiety and depression. Importantly the data indicated that a single, oral dose of BNC210 achieved drug levels required to show anti-anxiety effects and the pharmacokinetic results supported the potential for a once a day tablet. A particularly encouraging result was the preliminary indication that subjects receiving BNC210 had measurably lower stress hormone (cortisol) levels than subjects who received the placebo. These are all valuable findings for inclusion in the BNC210 licensing package. These findings will be confirmed and extended in the next Phase I clinical trial.

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What are the next steps towards the next trial?

CEO & MD Deborah Rathjen

Our BNC210 development team has held discussions with both Australian and European groups regarding the design of the next Phase I clinical trial of BNC210 which we anticipate will start next quarter. In the next Phase I trial we would like to further investigate the effect of BNC210 on stress hormone levels and other Central Nervous System (CNS) parameters, including evaluating the effects of food intake. We are currently in the process of seeking

approval to start the first stage of this trial which will evaluate the effects of food intake on BNC210 drug levels and will advise the details of this trial as soon as approval for the trial is received.

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Can you detail the market and opportunity for BNC210?

CEO & MD Deborah Rathjen

We are extremely excited by the commercial potential of BNC210 based on the scientific and clinical data generated to date. Anxiety is one of the most prevalent mental health disorders. It is commonly reported that one in ten Australians will be affected by an anxiety disorder within a 12-month period. An extensive WHO study estimated that 40 million American adults suffered from these disorders in a given year. The economic impact of anxiety disorders in the US is close to a third of the annual \$150 billion expenditure attributed to mental health.

Bionomics has positioned BNC210 for the treatment of chronic forms of anxiety such as generalised anxiety disorder, primarily because of its apparent lack of side-effects and safety profile. Generalised anxiety disorder (or GAD) is a particular subset accounting for 12 percent of anxiety disorders and is one of the more responsive to pharmacological treatments. Almost 7 million Americans suffer from GAD and this disorder is very likely to be co-morbid with other disorders, particularly depression, bipolar disorder and alcohol dependence.

The potential for the use of BNC210 in the treatment of depression is also being investigated by our scientists. Recent data reported by us indicates that BNC210 has properties classically associated with marketed antidepressants. These hallmarks include activity in animal models of depression and the ability to stimulate nerve cell growth. If this data is borne out in clinical trials, it means that the market opportunity for BNC210 is much expanded. Depression affects an estimated 121 million people worldwide. Depression, like anxiety is one of the largest segments of the pharmaceutical market achieving total sales of US\$11 billion in 2008. Several antidepressants are also used for the treatment of GAD and may provide an indicator of the market opportunity for BNC210 if successfully developed. For example, Effexor, an anti-depressant used for the treatment of GAD achieved sales of US\$3.9 billion in 2008.

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You mentioned previously that your strategy is to partner the BNC210 program prior to Phase II trials. Do you still intend to pursue this strategy?

CEO & MD Deborah Rathjen

We are continuing to execute our strategy for partnering BNC210 prior to Phase II trials. The recently completed trial provided a great deal of support not only for the continued development of BNC210 but also for the BNC210 licensing package generated by Bionomics. We anticipate that the additional Phase I clinical trial activities to be undertaken throughout this year will further strengthen the BNC210 package.

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What are the potential milestones for BNC105 and BNC210 for the calendar year 2010?

CEO & MD Deborah Rathjen

Bionomics has a very strong calendar of news flow for its key clinical assets throughout this year. The major milestones anticipated for BNC105 this year include presentation of new BNC105 data at the American Association for Cancer Research conference in April and at the American Society for Clinical Oncology (ASCO) conference in June. Initial data from stage I of our clinical trial of BNC105 in patients with renal cell carcinoma are anticipated at the end of this year.

Anticipated BNC210 milestones include initiation of the second Phase I clinical trial in the second quarter of this year, with results being reported in the third and fourth quarters of this year. In addition we anticipate the release of new BNC210 data at international neuroscience conferences in the second half of the year.

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Thank you Deborah.

For more information about Bionomics Limited, visit www.bionomics.com.au or call Dr. Deborah Rathjen on +61 08 8354 6101.

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Factors Affecting Future Performance

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