

ASX ANNOUNCEMENT
24 May 2010

Merck Serono Extends Research Term and Funding for Multiple Sclerosis Project with Bionomics

- **Research term extended for an additional year and research funding increased**
- **Extension signals progress made in identifying potential novel oral drug candidates that allow selective inhibition of the immune cells which cause nerve cell damage in patients with Multiple Sclerosis**
- **Collaboration utilises Bionomics' proprietary chemistry platform MultiCore® and ion channel drug discovery expertise**
- **European subsidiary, Neurofit, is key in the successful R&D collaboration with Merck Serono**

24 May 2010; Adelaide, Australia: Bionomics Limited (ASX: BNO) today announced the extension of its Development and License Agreement dated June 13, 2008 with Merck Serono, a division of Merck KGaA, Darmstadt, Germany.

Under the terms of the amendment to the Development and License Agreement the Initial Research Term is extended for an additional year and Merck Serono increases its research funding.

Merck Serono is actively developing potential new treatments for multiple sclerosis (MS) and other autoimmune conditions based on compounds from Bionomics Kv1.3 program. The R&D collaboration brings together Bionomics' expertise in Kv1.3 biology and Merck Serono's expertise in MS pharmacology in a combination that is hoped will speed up progress in the identification of novel drug candidates for the treatment of MS.

Dr Deborah Rathjen CEO & Managing Director of Bionomics said the collaboration has been working well. "In addition to the close collaboration with Bionomics in Kv1.3 chemistry and biology, our European subsidiary, Neurofit, has forged close links with Merck Serono scientists in delivering our contributions to the development program. The extension is a clear signal of progress being made and validates our decision to partner this program early with Merck Serono, a world leader and pioneer in treatments for multiple sclerosis" she commented.

Under the 2008 agreement, Bionomics received an upfront payment of US\$2 million and committed research funding that has now been extended under the current amendment. Merck Serono will fund all development activities, including clinical development of drug candidates. For each compound that is successfully developed and commercialized as a result of the partnership, Bionomics may receive milestone payments of up to US\$47 million and will be eligible to receive undisclosed royalties on the net sales of licensed products.

The compounds licensed from Bionomics by Merck Serono target the potassium ion channel Kv1.3, a key modulator of the immune system and a target found on human immune cells which are associated with nerve cell damage in patients with MS. Inhibitors of Kv1.3 have been shown to inhibit the proliferation of these immune cells, suggesting that they have application in the treatment of MS and potentially other autoimmune conditions, including arthritis.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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 based on BNC210 which exhibits strong anxiolytic 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.

For more information about Bionomics, visit 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 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.