

ASX/Media Announcement

Rights Issue to raise up to \$6.5m

Fully Underwritten - Record Date 6 March 2007

5 March 2007, Melbourne, Australia: Benitec Limited (ASX: BLT) has lodged a prospectus to raise between \$5.3-6.5 million in a fully underwritten non-renounceable rights issue. A copy of the prospectus will be sent to shareholders (record date 6 March 2007) this week for consideration.

Shareholders are being offered one share at \$0.10 cents and a free option for every 4.4 shares already owned. Options are exercisable at \$0.15 cents and expire in 2011.

Funds raised will provide essential working capital. More specifically, funds will be used to build and support Benitec's active out-licencing collaboration discussions, patent portfolio, support costs associated with US patent litigation and co-investment in projects such as Benitec's Phase I HIV study in Los Angeles.

"Benitec has rationalised its business, closed overseas offices and selected a new team that is getting the company back on track. The priorities are to exploit the value of Benitec's technology with more licensing collaborations this year while strongly defending our substantial intellectual property," said Sue MacLeman, CEO of Benitec.

"We understand that the greatest shareholder value will come from licenses and collaborations based on Benitec's valuable intellectual property portfolio."

The rights issue has been underwritten by Findlay & Co Stockbrokers.

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About Benitec

Benitec is an Australian biotechnology company focused on licensing its extensive intellectual property portfolio and developing therapeutics to treat serious diseases using its proprietary ddRNAi technology. Its current therapeutic program is focused on Human Immunodeficiency Virus (HIV). Benitec's RNA-based HIV therapeutic, co-developed with the Center for Biomedicine & Genetics at the City of Hope in Los Angeles, California, will enter Phase I clinical trials in early 2007. For additional information, please visit www.benitec.com.

Forward-looking Statements

This press release contains forward-looking statements that reflect the Company's current expectations regarding future events. Forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors including the success of the Company's research strategy, the applicability of the discoveries made therein, the successful and timely completion of clinical studies and the uncertainties related to the regulatory process.