

NEWS

BENITEC IMPLEMENTS COST REDUCTIONS

Significantly Reduces Operational Expenses of US Subsidiary

April 17, 2006, Mountain View, California – Benitec Ltd. (ASX: BLT), a leading developer of RNA interference (RNAi)-based therapeutics, announced today that it has implemented a cost reduction plan within its US subsidiary in order to preserve capital while continuing to progress its drug development programs.

Benitec has reduced its workforce by 50%, anticipating a nearly US\$100,000 monthly savings. The Company has implemented further expense reductions associated with its drug development programs as well as significantly reducing its facilities costs, resulting in an additional US\$250,000 monthly savings. The Company expects these cost reduction measures to result in a 50% decrease in monthly spending levels, representing approximately US\$4 million on an annualized basis.

Peter Francis, Chairman of Benitec, stated, “The Directors recognize that Benitec does not currently have the required levels of capital to continue funding a US drug development business at the rate of expenditure to date. However, we believe that Benitec has two primary value drivers: its robust intellectual property portfolio and its drug development programs, and we will seek to develop these two assets, whether separately or together while seeking to preserve Benitec’s cash reserves, in the best interests of our shareholders.”

Sara Cunningham, Benitec CEO, stated, “While these cost reductions will somewhat slow our development timelines in the short-term, we have retained our core scientific team and have thus preserved the current value of our Hepatitis C and HIV drug development programs. Given the tremendous excitement and investment in RNAi, from the pharmaceutical industry and through private and public equity, we will seek to capture the full value of our core assets creatively yet prudently.”

About Benitec

Benitec is an international biotechnology company focused on developing therapeutics to treat serious diseases using its proprietary RNAi technology. Benitec is listed on the Australian Stock Exchange and has its operations in Mountain View, California, USA. Its lead therapeutic programs are for Hepatitis C Virus (HCV) and the 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 2006. Benitec's RNAi therapeutic for HCV will enter clinical trials in 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 necessarily 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.

CONTACTS:

BENITEC LTD.

Sara Cunningham

+1 650 564 9850 ext.1104

scunningham@benitec.com

Peter Francis

+61 3 9642 2252

pf@fal-lawyers.com.au

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