

NEWS

BENITEC SUCCESSFULLY RESOLVES PATENT INFRINGEMENT LITIGATION

Benitec's Motion for Dismissal Granted

October 3, 2005

Mountain View, California - Benitec Ltd. (ASX: BLT), a leading developer of RNA interference (RNAi)-based therapeutics, announced today that the lawsuit between Benitec and Nucleonics, Inc. previously pending in the United States District Court for the District of Delaware has been dismissed without prejudice to future rights. Benitec filed a motion to dismiss the suit in light of the Supreme Court's recent decision in *Merck KGAA v. Integra Lifesciences I, Ltd.* in which the Court changed the nature and scope of the "safe harbor" exemption for drug development. In March 2004, Benitec sued Nucleonics for infringement of U.S. Pat. No. 6,573,099. However, once Benitec determined that the Supreme Court's ruling brought Nucleonics' drug development activities within the safe harbor exemption, it filed the motion to voluntarily dismiss on the grounds that no case or controversy existed. As stated in the Memorandum Opinion, "the Court concluded that Nucleonics has not demonstrated that it has produced or prepared to produce a product that would be the target of an infringement lawsuit by Benitec" and therefore "no actual controversy" exists, making dismissal of the case the most prudent course of action.

Sara Cunningham, Chief Executive Officer of Benitec, stated, "We are pleased with the ruling in this case and look forward to focusing our attention, efforts, and resources toward developing RNAi therapeutics. With the recent settlement of the Promega contract dispute, the reinforcement of our patent estate in Australia following re-examination, and now the conclusion of this litigation, we can continue our drug development efforts without undue distraction."

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 centered in the Silicon Valley in Mountain View, California, USA. Its lead therapeutic programs are designed to create novel RNAi-based therapies for the 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. 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.

CONTACTS:**BENITEC**

United States:

Laurie Reisinger

+650 564 9850 ext.1101

lreisinger@benitec.com

THE RUTH GROUP

John Quirk

+646 536 7029

jquirk@theruthgroup.com