



NEWS

BENITEC GRANTED EXCLUSIVE WORLDWIDE LICENSE TO CALANDO'S RNAi DELIVERY TECHNOLOGY FOR BENITEC'S HEPATITIS C THERAPEUTIC

June 20, 2005

Mountain View and Duarte, California - Benitec Ltd. (ASX: BLT) and Calando Pharmaceuticals Inc., a majority-owned subsidiary of Arrowhead Research Corporation (NASDAQ:ARWR), announced today that Calando has granted an exclusive worldwide license to Benitec for use of its polymeric nucleic acid delivery technology. Benitec will use Calando's technology in combination with its RNA interference (RNAi)-based therapeutic for hepatitis C virus (HCV). The new technology created by this partnership represents an entirely new therapeutic approach to treating HCV, presently largely incurable. HCV has a market potential in excess of \$US 4 billion per year.

"This collaboration is a major advance in fulfilling the promise of RNAi therapeutics. Benitec, a pioneer and leading IP holder in RNAi, continues to significantly contribute to this field," stated Sara Cunningham, CEO of Benitec, adding, "Drs. Mark Davis and John Rossi, co-founders of Calando, and Dr. Mark Kay, one of the leaders of our Scientific Advisory Board and a strategic advisor to Benitec, have been remarkably productive and creative collaborators in the area of non-viral delivery of novel therapeutics. The Benitec-Calando collaboration is borne of their collective expertise and it is to the benefit of patients and shareholders alike that we are able to move this potential blockbuster drug toward the clinic."

"This outstanding combination of scientific teams promises to advance both companies' technologies, along with the viability of RNAi therapeutics generally, to a new level," stated Calando CEO John Petrovich. "This is consistent with our strategy to bring several RNAi therapeutics to the clinic in the near term."

Calando's non-viral technology breaks new ground in the systemic delivery of RNAi molecules. As RNAi molecules are large from a molecular standpoint and not readily taken up by cells, treating diseases that cannot be accessed topically or by direct injection into a particular organ or at the disease site has been problematic. Calando scientists have shown recently that intravenous injection of nanoparticles comprised of Calando's proprietary cyclodextrin-containing polymers and an RNAi drug had a significant therapeutic effect in a small animal model of Ewing's Sarcoma. Cyclodextrins, used in various forms in several US Federal Drug Administration (FDA) approved drugs, do not trigger an immune response and have shown no toxicity at dosages far in excess of those intended for use with RNAi. Benitec-Calando nanoparticles will be developed to specifically penetrate liver cells infected by HCV and will enable repeat dosing similar to approved small molecule drugs for HCV.

Calando will receive an upfront payment, milestones and royalties on revenue from this HCV therapeutic, however the financial details of the agreement were not disclosed.

About RNAi

RNAi has emerged as a powerful new technology for the treatment of virtually any disease with a genetic basis, whether that be the inappropriate over-expression of genes such as with cancer and autoimmune diseases, or when the disease-causing agent itself is DNA or RNA, for instance HIV and HCV. What RNAi offers is an entirely new approach to treating these unmet medical needs.

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 heart of Silicon Valley 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 late 2006. For additional information, please visit www.benitec.com.

About Calando

Calando Pharmaceuticals Inc. is a privately held biopharmaceutical company funded by Arrowhead Research Corporation and located in a City of Hope research building immediately adjacent to the main campus. Calando is using its proprietary technologies to design and create new, targeted siRNA therapeutics. Calando combines proprietary technologies in targeted polymeric delivery systems and siRNA design to create effective therapeutics. The company is pursuing this goal through its internal research and development and also through collaborations and partnerships with pharmaceutical and biotechnology companies. For more information, visit www.calandopharma.com.

Forward-looking Statements

This press release contains forward-looking statements that reflect the Companies' 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 Companies' 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.

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