

23 May 2006

HALF YEARLY REPORT CLARIFICATION

It has been brought to our attention by our auditors RSM Bird Cameron Partners that the Consolidated Cash Flow Statement for the Half Year ended 31 December 2005 is not mathematically correct. The amount shown as *Payments to suppliers and employees* should be (\$8,448,820) and, when amended, *Net cash provided by (used in) operating activities* is (\$5,208,691). This was purely a typographical error, and *Cash at end of the period* of \$4,256,479 remains unchanged.

We would also like to clarify the differences between the Consolidated Cash Flow Statement for the Half Year ended 31 December 2005 and the Appendix 4C – Quarterly Report for Entities Admitted on the Basis of Commitments for the quarter and year-to-date ended 31 December 2005. The amounts in the Appendix 4C were determined prior to audit review and as such, certain adjustments and reclassifications had not yet been posted to the accounts. While the ending cash under both reports was materially the same, there were three primary offsetting differences.


Receipts from customers in the Appendix 4C is \$2,248,000, \$901,000 lower than the Consolidated Cash Flow Statement. This difference is due primarily to revenue sharing payments made associated with licensing revenues received. In the Appendix 4C, these payments were netted against cash received.

Proceeds from issue of shares in the Appendix 4C is \$3,112,000, \$288,000 lower than the Consolidated Cash Flow Statement. This difference is due primarily to capital raising fees paid that were netted against the proceeds in the Appendix 4C.

Payments to suppliers and employees in the Appendix 4C is (\$7,179,000), (\$1,270,000) lower than the Consolidated Cash Flow Statement, as amended above. This difference is due primarily to the differences noted above in *Receipts from customers* and *Proceeds from issue of shares*.

About Benitec

Benitec is an international biotechnology company focused on developing therapeutics to treat serious diseases using its proprietary RNAi technology. Benitec (ASX: BLT) 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.


Benitec Forward-looking Statements

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