

7 August 2006

Dear Shareholder

Share Purchase Plan

I am pleased to advise you that the directors of Benitec Limited (**Benitec** or the **Company**) have established a share purchase plan (**SPP**) to provide the Company's shareholders with an opportunity to purchase additional fully paid ordinary shares in Benitec. This letter sets out the terms of the SPP and is in replacement of the Company's letter of 26 July 2006 released to the ASX (**Original Letter**). The main change to the the Original Letter relates to the change in the proposed price at which shares are to be issued under the SPP. The revised methodology for calculating the issue price is set out below.

Under the SPP, all shareholders with a registered address in Australia or New Zealand (except persons acting for the account or benefit of any U.S. Person (as defined in the U.S. Securities Act of 1933) (**U.S. Person**) or any person within the United States and certain other jurisdictions) may apply for a maximum of A\$5,000 worth of fully paid ordinary shares in Benitec (**Shares**). Shares purchased under the SPP will not attract brokerage, stamp duty or any other transaction costs.

This letter sets out the terms of the offer made under the SPP.

Terms of the Offer

Subject to Benitec's discretion to reject certain applications as described below and on the accompanying Application Form, the SPP is open to all shareholders with a registered address in Australia or New Zealand who are the registered holders of Shares as at 5.00 pm Brisbane time on 7 August 2006 (**Record Date**). Participation in the SPP is entirely optional. However, the offer is non-renounceable, which means that you cannot transfer your right to apply for Shares under the offer to anyone else. Details of how to apply for Shares under the SPP are set out in the Application Form.

Applications must be made for a minimum of \$1,000 worth of Shares, with multiples thereafter of \$1,000, up to a maximum of A\$5,000 worth of Shares. The Shares to be issued under the SPP will be issued at the greater of \$0.02 per Share and the lesser of:

- (a) \$0.04 per share which is less than (but at least 80% of) the market price of shares in Benitec in the 5 trading days before the SPP was announced on 26 July 2006 (i.e. 19 to 25 July 2006 inclusive); and

- (b) 80% of the Average Market Price of Share in Benitec, with the Average Market Price equal to the average of the closing price on SEATS (excluding special crossings, overnight sales and exchange traded option exercises) of Shares in Benitec over the last 5 days on which sales in Benitec shares are recorded, before Shares taken up under the SPP are issued.

The issue price of Shares taken up under the SPP will therefore be no more than \$0.04 per Share and no less than \$0.02 per Share, depending on the market price in the 5 trading days (on which sales in Benitec Shares are recorded) before Shares taken up under the SPP are issued,

The issue price calculation method was determined by the directors of Benitec so as to comply with the requirements of ASIC Class Order 02/831 and the applicable ASX listing rules. Note that there is a risk that the market price may change between the date of this offer and the date when shares are issued to applicants. Such change may correspondingly change the value of those shares so that it may be more or less than their issue price.

If you have a fractional entitlement to shares, it will be rounded down to the nearest whole number of shares. All surplus application moneys will be refunded (without interest).

The offer under the SPP has been structured to comply with ASIC Class Order 02/831. As such, the maximum investment of A\$5,000 worth of Shares offered under the SPP applies to all eligible shareholders even if they receive more than one offer from Benitec (for example, because they are a joint holder of Shares or because they hold more than one shareholding under separate accounts). Benitec reserves the right to reject any application for Shares where it believes this requirement has not been complied with.

In addition, in order to comply with the ASX Listing Rules the maximum number of Shares that will be issued under the SPP is 30% of the number of Shares already on issue. Benitec reserves the right to scale back applications on a pro rata basis if the total amount subscribed for by eligible shareholders exceeds this amount. For example, if total applications were received for 10 Shares and the maximum number of shares to be issued under the SPP was 5 Shares, each application for 2 Shares would be scaled back in equal proportion to 1 Share.

In addition, this offer is subject to a condition that a minimum of \$500,000 is raised pursuant to this offer to you and other eligible shareholders. No shares will be issued pursuant to this offer unless this minimum is received by way of acceptances on or before the Closing Date (see below).

Also Benitec reserves the right to reject any application for Shares under the SPP which the Board believes is completed by:

- (a) a U.S. Person or a person acting for the account or benefit of a U.S. Person; or
- (b) a person within or acting for the account or benefit of any person located within the United States;

(collectively, **Prohibited Persons**) or

- (c) a person within, or acting for the account or benefit of any person located within, a jurisdiction other than Australia or New Zealand.

The Shares offered under the SPP have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any U.S. state, and therefore, may not be, directly or indirectly, offered, sold or resold to Prohibited Persons. Eligible Shareholders under the Offer will be required to make certain representations as set out on the Application Form before being issued any Shares under the Offer, including a representation that they are not a Prohibited Person.

Persons or nominees acting for the account or benefit of any person are specifically prohibited from extending the Offer to persons who are Prohibited Persons and are not themselves eligible to participate if they act for the account or benefit of a Prohibited Person.

Benitec may, in its discretion, amend, suspend or terminate the SPP or this offer at any time and adopt any administrative procedures it thinks appropriate in relation to the SPP.

Benitec may issue to any person fewer Shares than subscribed for under the SPP (or none at all) if Benitec believes that the issue of those Shares would contravene any law (in any jurisdiction) or the rules of any stock exchange on which Shares are quoted.

What to Do?

The offer closes at 5.00 pm (Brisbane time) on 25 August 2006 (**Closing Date**). To apply for Shares under the SPP, you must return your completed Application Form (together with your cheque in Australian dollars for the full amount for which you have accepted the offer) to Computershare Investor Services Pty Ltd (as detailed in the Application Form) no later than 5.00 pm (Brisbane time) on the Closing Date. Applications received after the Closing Date may not be accepted.


It is expected that the Shares issued under the SPP will be quoted on ASX on or about 31 August 2006 and you should receive your holding statement shortly after this date.

Importantly, in deciding whether to take up the enclosed offer of Shares, you should:

- (a) seek your own independent financial, legal and taxation advice in respect of the offer and your participation in the SPP; and
- (b) be aware that the market price of Shares on ASX may rise or fall, including between the date of the offer and the date that Benitec issues Shares to you under the SPP. This means that the price you pay per Share under this offer may be more than the market price of Shares at the time the Shares are issued to you under the SPP or subsequently.

If you have any questions in relation to the SPP, please contact the Company's share registry, Computershare Investor Services Pty Limited on 1300 552 270.

Yours faithfully
BENITEC LIMITED



PETER FRANCIS
Chairman