

## COMMENTARY ON BENITEC SHARE PRICE

**7<sup>th</sup> November 2006, Melbourne, Australia.** The Directors of Benitec Limited (ASX:BLT) provide the following commentary on factors that may have influenced the rise in the Benitec share price over the period 24<sup>th</sup> October to 6<sup>th</sup> November 2006:

- In the last two months the Company has communicated to the market: the Benitec team recovery plan to build shareholder value; a strengthening of our relationship with CSIRO; the Promega Inc and Tacere Therapeutics Inc deals; and the investment support of Dr Chris Bremner. The Company is of the view that shareholders and the broader market can see the results of the implementation of the turnaround plan and that the Company is on track to restore shareholder value.
- In the last month RNA interference (RNAi) has been validated by the global science community, with Fire and Mello awarded the 2006 Nobel Prize for Medicine for their work in gene silencing technology. Benitec has been actively involved in the gene silencing space and Benitec's US patent 6,573,099 (currently under re-exam with USPTO) was the first granted with specific application to mammalian cells and follows seminal work in the '90s by Graham, Waterhouse and Wang on the related phenomenon of co-suppression in plants.
- RNA interference (RNAi) has also been validated by global business. It was announced on 31 October AEDT that the pharmaceutical giant Merck bought Sirna Therapeutics for \$US1.1 billion, more than double Sirna's market value. Merck has steadily increased its investment in RNAi as the technology has moved quickly from discovery to a uniquely powerful enabling technology for drug discovery, drug development and therapeutics. This transaction has generated comment in the Australian financial press (the Melbourne Age 6<sup>th</sup> November and the Australian 7<sup>th</sup> November). The central theme of these articles was that, as Benitec Ltd holds a number of patents relating to gene silencing, the purchase of Sirna Therapeutics by Merck could be seen as an endorsement of Benitec's intellectual property estate.

Benitec acknowledges that, whilst the Benitec share price had significantly risen on the 27<sup>th</sup> & 30<sup>th</sup> October (prior to Merck's purchase), the purchase has been noted by the investment community, and this transaction may be a contributing

factor in the maintenance of the Benitec share price over the period 31 October to 6<sup>th</sup> November.

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**About Benitec**

Benitec is an Australian biotechnology company focused on developing therapeutics to treat serious diseases using its proprietary ddRNAi technology. The company's main therapeutic program is in the area of 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](http://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.*