

Benitec Executes RNAi Licence Deal with US Company

11th October, Melbourne, Australia: Benitec Limited (ASX:BLT) has secured upfront payments, a scale of milestone payments and a potential future royalty stream by licensing its gene silencing technology for treating Hepatitis C. Benitec will also receive a 5 percent equity stake in California-based Tacere Therapeutics, Inc.

The license and material transfer agreement allows Tacere to use Benitec's materials, rights and know-how to develop and commercialise an RNAi-based therapeutic for treating Hepatitis C in humans.

Benitec's gene silencing technology known as DNA-directed RNAi (ddRNAi) works by selectively "shutting down" abnormally functioning genes that cause harm.

"This is a significant Australian biotechnology licence deal," said Sue MacLeman, CEO of Benitec. "This substantially improves our chances of success in the commercialisation of a Hepatitis C treatment utilising our ddRNAi intellectual property."

"The Tacere team has significant expertise with RNAi in Hepatitis C and recognises the strength of Benitec's intellectual property. We feel confident that Tacere is well suited to successfully commercialise a Hepatitis C treatment utilising our ddRNAi technology."

Tacere was founded by two ex Benitec staff Mike Catelani and Sara Cunningham Hall along with Dr. John Monahan of Avigen Inc. and Dr. Amit Kumar of CombiMatrix Corporation. The license deal is effective immediately with the first materials transfer currently taking place.

"We look forward to resuming IND-enabling studies and we believe that our expertise in both RNAi and Hepatitis C will allow us to advance our drug development programs rapidly and successfully," stated Sara Cunningham Hall, President and CEO of Tacere.

Hepatitis C is a blood-borne infectious viral disease. The infection can cause liver inflammation often without immediate symptoms, but ensuing chronic hepatitis can result later in cirrhosis and liver cancer.

Hepatitis C is spread by blood-to-blood contact with an infected person's blood. Many infected people have no symptoms and so do not seek treatment. About 150-200 million people worldwide are infected with hepatitis C and it is a leading cause of liver transplant.

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About Benitec

Benitec is an Australian biotechnology company focused on licensing its extensive intellectual property portfolio and developing therapeutics to treat serious diseases using its proprietary RNAi technology. Its therapeutic program is for 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.

About Tacere Therapeutics, Inc.

Tacere is an innovative biotechnology company focused on developing therapeutics to treat serious infectious diseases using its proprietary knowledge in the screening and development of both novel and traditional compounds. Tacere is located in San Jose, California, USA. Its lead therapeutic compound is TT-033i, an RNA interference (RNAi) drug for the treatment of Hepatitis C. For additional information, please visit www.tacerebio.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.