

BENITEC LIMITED
ABN 64 068 943 662

NOTICE OF GENERAL MEETING

Incorporating **Explanatory Statement** and **Proxy Form**

to be held on 13 February 2007
at 11.00 am (registration commencing at 10.45 am)
at Level 1, 123 Camberwell Road, Hawthorn East Vic 3123

BENITEC LIMITED
ACN 068 943 662

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Benitec Limited [ACN 068 943 662] ("the Company") will be held at Level 1, 123 Camberwell Road, Hawthorn East Vic 3123 on 13 February 2007 at 11.00 am ("the Meeting").

Further information about the resolution the subject of this General Meeting is contained in the Explanatory Statement accompanying and forming part of this Notice of General Meeting.

AGENDA

BUSINESS

RESOLUTION – ISSUE OF SHARES TO DR CHRIS BREMNER

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Company approve the issue to Dr Chris Bremner of up to 45,096,188 ordinary shares in the capital of the Company deemed fully paid at an issue price of 2.1 cents per share."

Voting Exclusion Statement:

The Company will disregard any votes cast on the Resolution by:

- *the person who is to receive the securities in relation to the entity;*
- *a person who may participate in the respective proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary shares, if the respective resolution is passed; or*
- *an associate of that person.*

However, the Company need not disregard a vote on the Resolution if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Further details in respect of the shares the subject of this Resolution are set out in the Explanatory Statement accompanying and forming part of this Notice of General Meeting.

Dated: 9 January 2007

By the order of the Board



Paul A. McMahon
Company Secretary

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company at Level 1, 123 Camberwell Road, Hawthorn East Vic 3123 or sent by facsimile transmission to the Share Registry of the Company, or by facsimile to the Company on +61 3 9813 1201 not less than 48 hours before the time for holding the General Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

The Chairman intends voting undirected proxies in favour of all resolutions.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the General Meeting) a natural person to act as its representative at any general meeting.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members at close of business on 10 February 2007 are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

BENITEC LIMITED
ACN 068 943 662

**EXPLANATORY STATEMENT TO
NOTICE OF GENERAL MEETING**

This Explanatory Statement accompanies the Notice of General Meeting of Benitec Limited ("the Company") dated 9 January 2007.

RESOLUTION - PLACEMENT OF SHARES TO DR CHRIS BREMNER

This Resolution is proposed to obtain approval for a proposed issue of shares to Dr Chris Bremner.

Dr Chris Bremner is a sophisticated investor with fund management experience. Dr Bremner has indicated he may participate in future capital raising activities proposed by the Company in this capacity.

Under ASX Listing Rule 7.1, a company must obtain the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period. The proposed allotment of shares to Dr Bremner involves an increase in the issued capital of the Company. As such authority for that increase is required in order to comply with ASX Listing Rule 7.1. Also, by obtaining shareholder approval for the issues of shares to Dr Bremner, the Company retains the ability to issue further shares or options up to fifteen (15%) of its ordinary shares under Chapter 7 to take advantage of opportunities to obtain further funds if required and available in the future.

Subject to shareholder approval, Dr Bremner will be issued with a total of 45,096,188 ordinary shares in the capital of the Company deemed fully paid at an issue price of 2.1 cents each in lieu of cash for part repayment of a loan made by Dr Bremner to the Company.

Pursuant to a loan agreement ("the Loan Agreement"), Dr Bremner has agreed to loan the Company the sum of \$1 million, which has already been advanced to the Company ("the Loan").

In lieu of cash for the repayment of \$947,019.95 of the Loan, Dr Bremner has, subject to shareholder approval, agreed to accept the issue of shares 45,096,188 ordinary shares in the capital of the Company deemed fully paid at an issue price of \$0.021 (2.1 cents) each.

Dr Bremner has the right to convert the balance of the Loan, being \$52,980.05, into ordinary shares in the capital of the Company deemed fully paid at an issue price of \$0.021 (2.1 cents) each subject to the Corporations Act 2001 and ASX Listing Rules.

Shareholders should note that Dr Bremner agreed to provide funds to the Company at a time when there was a paucity of funds. If it was not for the funds that Dr Bremner has agreed to advance pursuant to the Loan Agreement the Company may not be in a position to fund some or all of its activities. On or about October 2006, when the terms of the Loan Agreement were initially negotiated, the value of the Company's shares traded on ASX were less than 3 cents each. Given these circumstances, the Directors consider that the issue price to Dr Bremner is reasonable.

If shareholders do not approve this resolution, the Company will issue to Dr Bremner the maximum number of shares that it may issue without obtaining shareholder approval in accordance with the Corporations Act 2001 and ASX Listing Rule 7.1. Dr Bremner has the right to convert the balance of the Loan then due and payable into ordinary shares in the capital of the Company deemed fully paid at an issue price of \$0.021 (2.1 cents) each subject to the Corporations Act 2001 and ASX Listing Rules.

If after 12 months from the date of execution of the Loan Agreement Dr Bremner has not exercised his right to convert the balance of the Loan into shares then the balance of the Loan is repayable by the Company to Dr Bremner on the terms and conditions of the Loan Agreement (“the Balance”). The terms of the Loan Agreement are that the Company must pay interest on the balance of the Loan commencing on date which is the first anniversary of the date of the Loan Agreement, at an agreed rate of interest, and failing such agreement at a rate which is equal to the London Inter-Bank Offered Rate (LIBOR) plus 2% and the balance is repayable at the discretion of the Company based on the Company’s assessment of its liquidity.

The proposed issue of shares to Dr Bremner will increase his voting power in the Company from approximately 0.73% to approximately 19.95% of the issued shared capital in the Company.

The shares proposed to be issued to Dr Bremner will rank equally (pari passu) with existing ordinary shares in the Company and subject to shareholder approval will be issued upon the Company’s receipt of the outstanding \$650,000 from Dr Bremner. As such, Dr Bremner may participate in any entitlement issue proposed by the Company.

The Company intends to use the funds received from Dr Bremner for exploiting its Gene Silencing intellectual property portfolio through co-investment, licensing and collaborations under its low cost business model.