



Benitec Ltd (ASX:BLT)

CEO address

Annual General Meeting

November 19th 2008

Forward Looking Statements

This presentation 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.

Benitec Limited – A Positive Story

International, royalty-generating IP estate covering seminal patents in DNA-directed RNA interference (ddRNAi)

Focused on commercially attractive, life-threatening diseases in major cancer and infectious disease indications

Lead product in human trials targeting HIV/AIDS – encouraging results Oct 2008

Third party validation through licensing deals and collaborations with industry-leading partners for research, commercial and therapeutic uses of ddRNAi.

Fire and Mello Nobel Prize provides scientific boost to RNAi

RNAi field validated by recent acquisitions and collaborations with big Pharma

Achievements 2007/2008

Strengthened the Benitec Team

Finalisation of US litigation with Nucleonics Inc in favour of Benitec Ltd

Significant progress with USPTO re-exam

Establishment of high –level network of potential collaborators in the fields of gene therapy, gene silencing and RNAi R&D

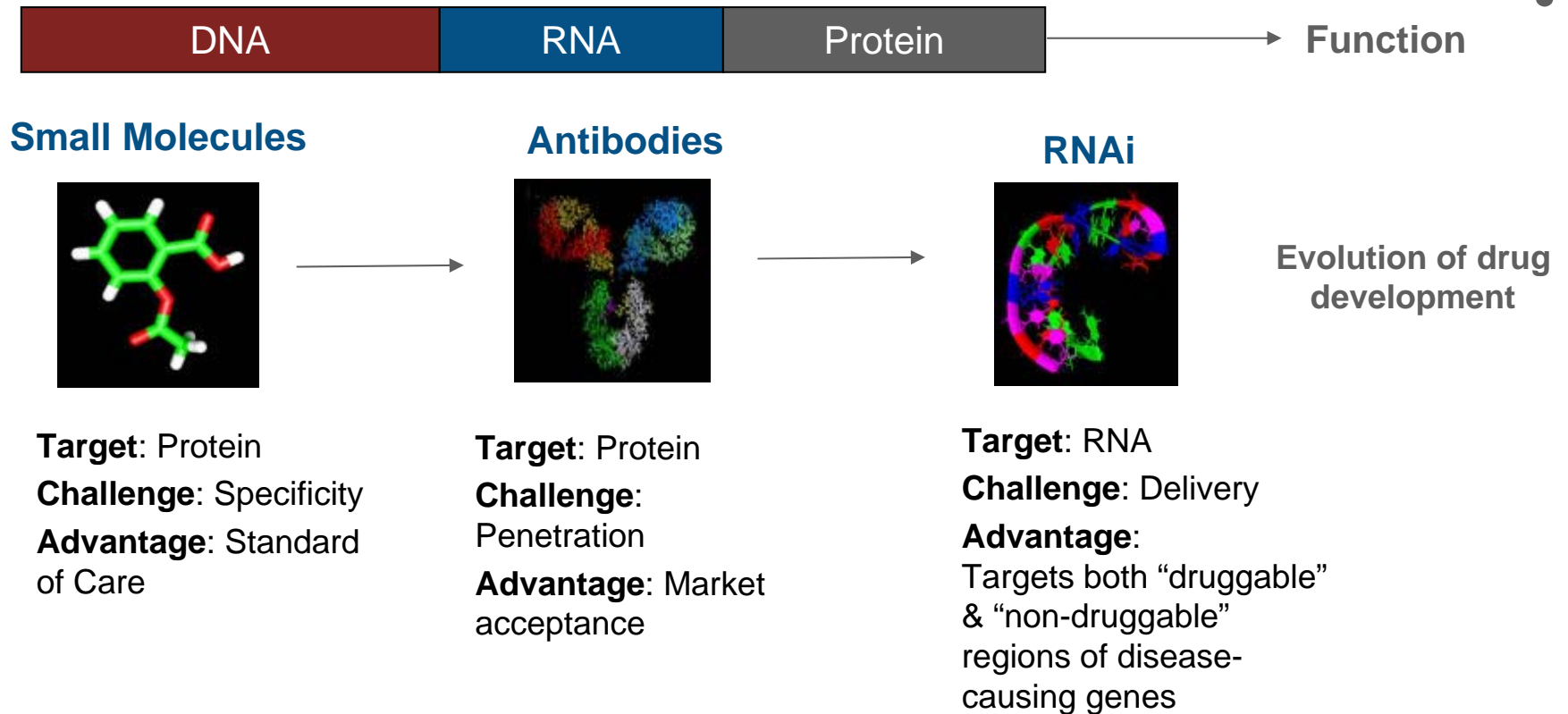
City of Hope HIV study – interim results encouraging

Licensing and business development – Tacere /Pfizer Inc deal

Progress with CSIRO negotiations

Raising of interim capital

RNAi - The next wave of drug development



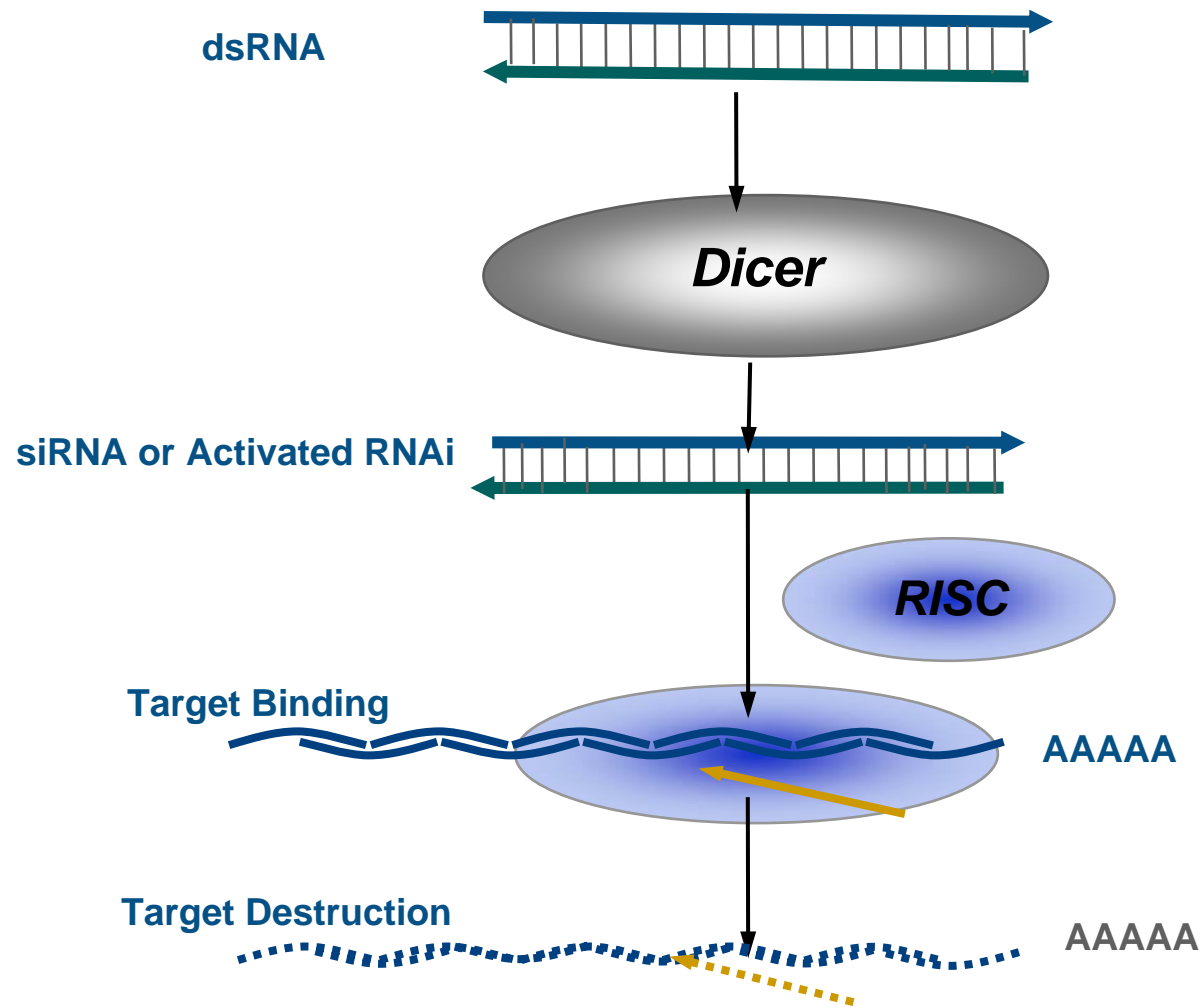
“RNA interference (RNAi) represents the most potent mechanism for target specific knockdown of gene expression discovered to date.”

Dr. John Rossi, City of Hope Comprehensive Cancer Center

“RNA interference (RNAi) has revolutionized biology — it has changed the way in which we view gene regulation and is a heaven-sent tool for studies of gene function” Magdalena Skipper (2003), Nature Reviews Genetics 4, 671

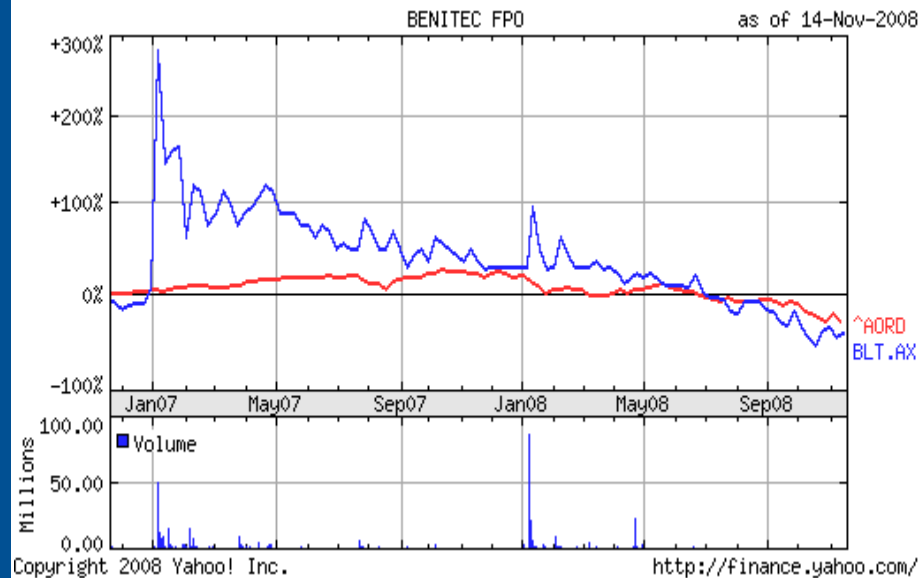
RNAi Mechanism

Rapid, highly specific mechanism for gene silencing



- Natural mechanism
- Rapidly deployed
- Highly specific
- Catalytic

Capital structure



Share price	\$0.045* per share
Market Cap:	AUD \$13.54 million*
Issued Equity:	300,977,101 ord shares [^]
Options:	87,068,450 [^]
Cash position:	AUD \$1.069M [^] (30/9/08)
Avg. Daily Volume:	97,427 shares #

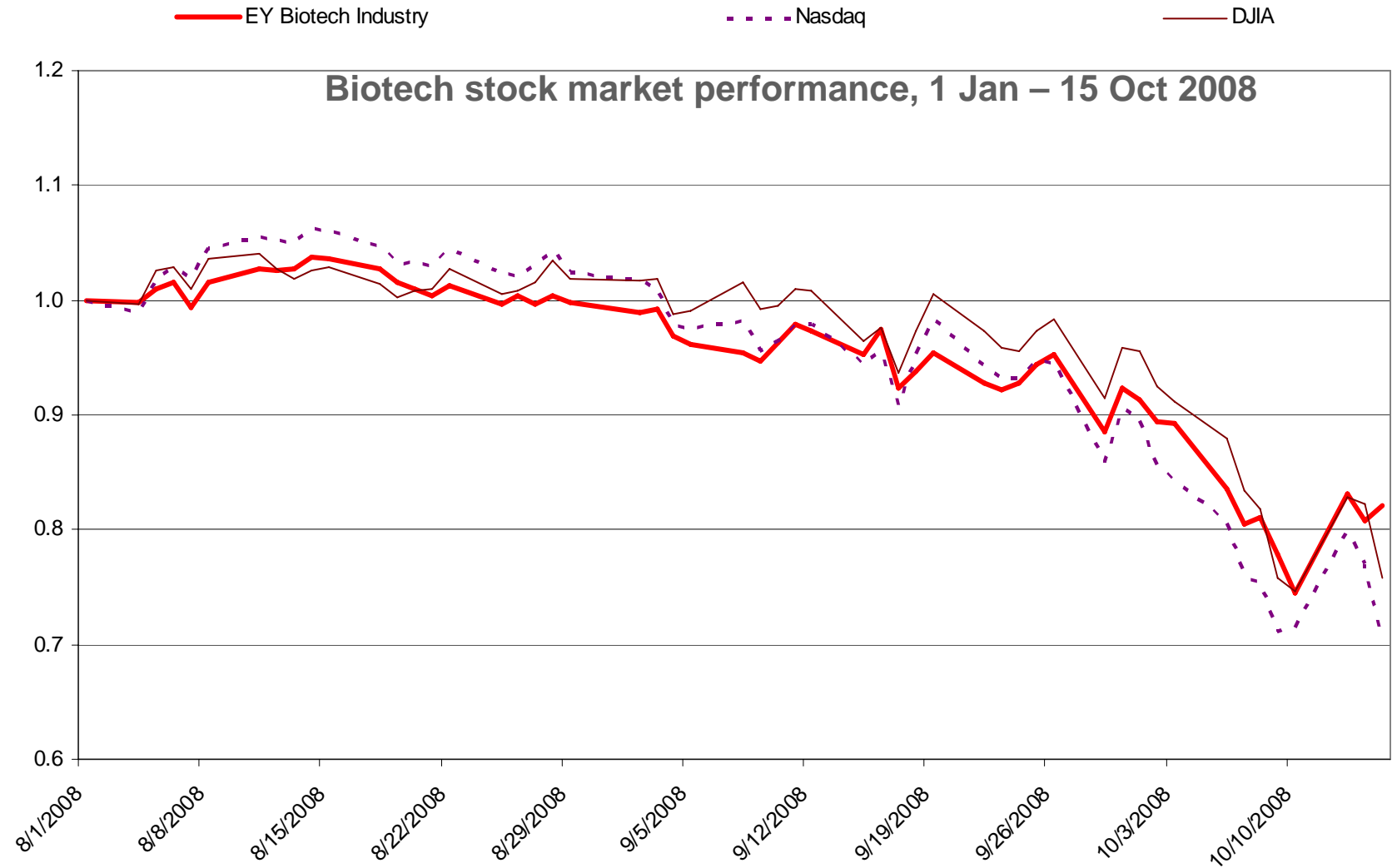
Key shareholders:

• Dr. Christopher Bremner	22.13%
• Merrill Lynch Nominees	6.98%
• Sigma Aldrich	6.49%
• Promega Corp	5.31%
• Citicorp Nominees	4.70%

•AUD\$ as at 18Nov 2008

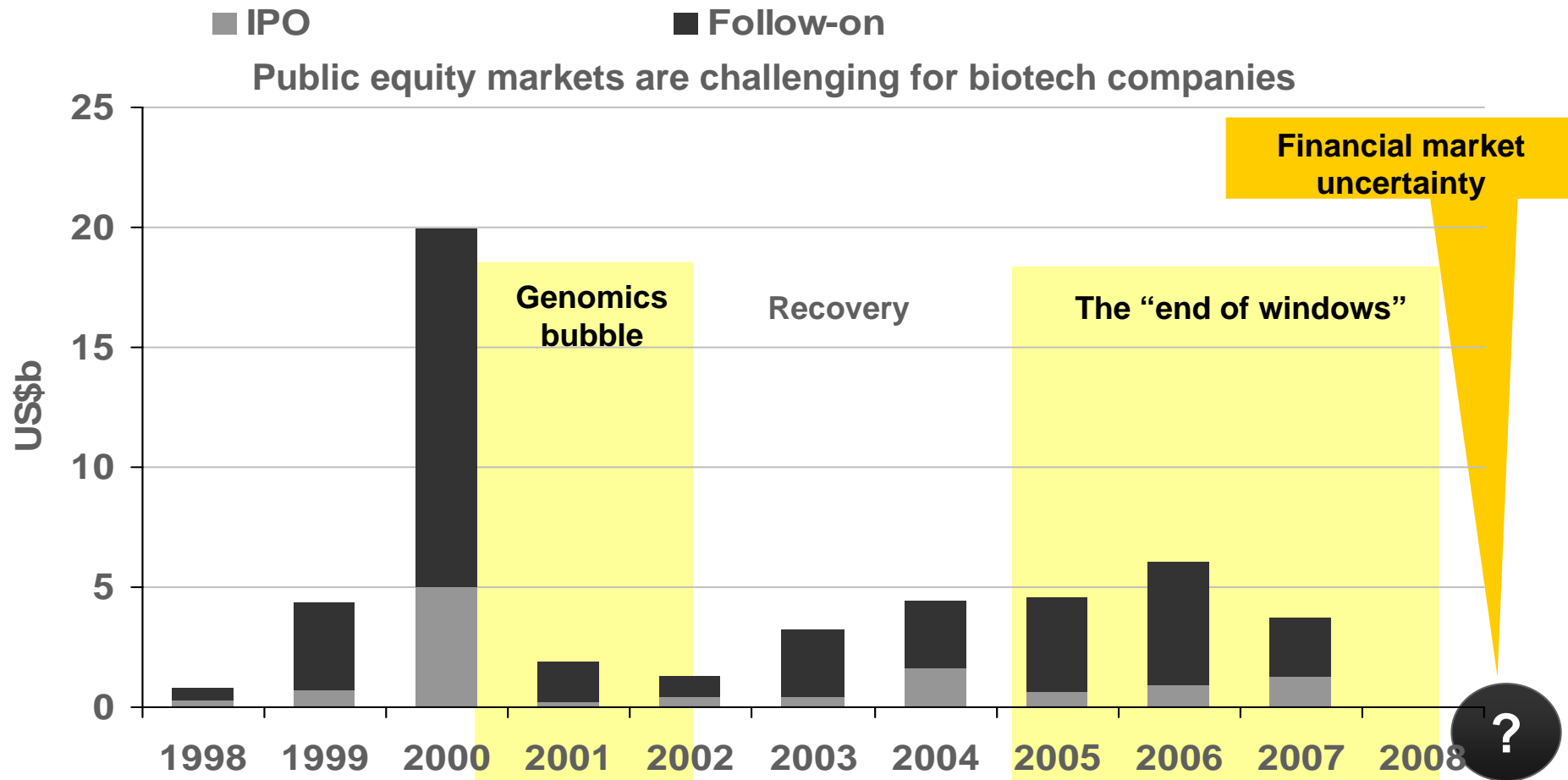
•# average volume 3 months

•[^] Private placement announced 22nd Oct to raise 1.97M



Source: Ernst & Young, finance.yahoo.com. EY Biotech Industry represents the aggregate market cap of all U.S. public biotech companies, as defined by Ernst & Young.

Public equity markets



Source: Ernst & Young, BioCentury, BioWorld and VentureOne

Trends and implications

▪ Risk-averse public markets:

- Market caps of biotech companies decline
- Sustained IPO drought
- Lack of available financing

- Undervalued biotech assets and lack of exit options are making Australian biotechs attractive for takeover
- Those companies that did not raise capital during the boom years will now struggle

- Fight for survival 2008 2009
- Anticipate restructurings and bankruptcies will rise – companies will go into ‘hibernation’ mode
- Public markets will continue to value risk, opportunity and capital efficiency
- Many will disappear and some say total number of small cap will reduce by half of current population

Potential Implications for Benitec Ltd

Share price decline and increased risk valuation

- USPTO – patent reexam
- CSIRO negotiations
- Australian listed Biotech
- Global credit crisis

Market cap decline

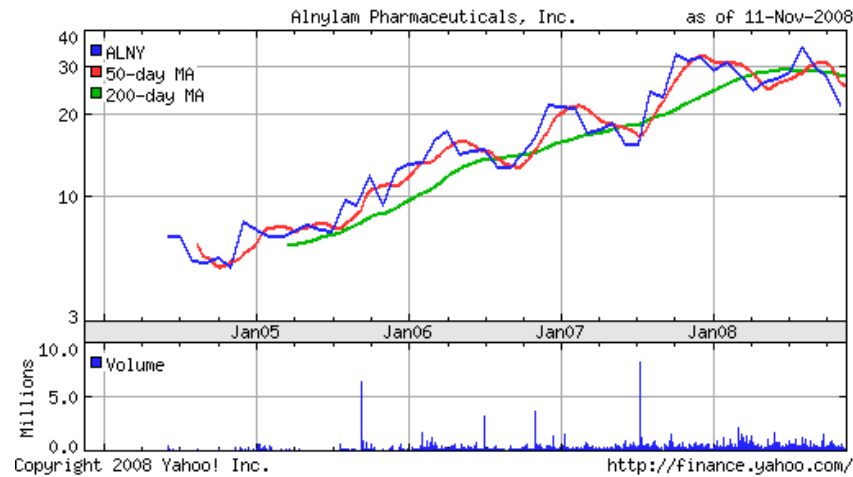
Difficult to raise capital in the current market

Higher cost of capital – dilutive raising

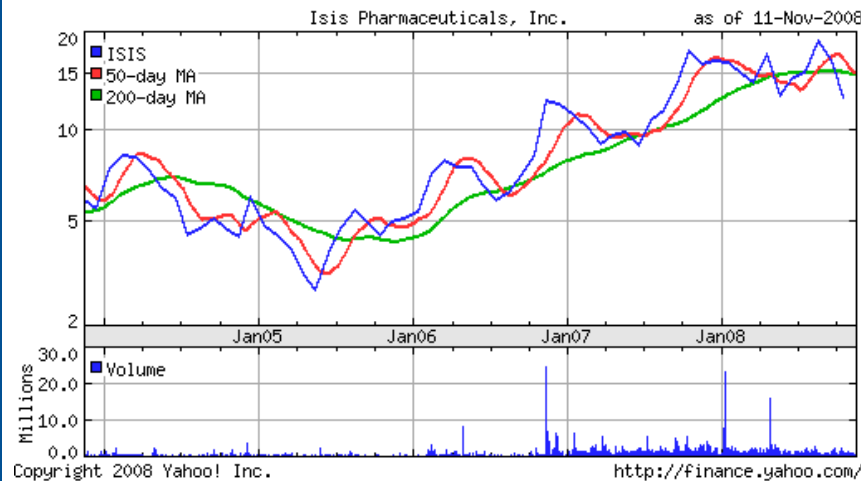
Anticipate cash burn to be reduced and some projects to go into 'hibernation' mode

Will require shareholder support

High Potential Brings Investment



Merck & Co acquisition
of Sirna – Oct 2006
USD\$1.1Bn 102%
premium



Alynlam market cap
USD\$998M
Isis market cap
USD\$1.30Bn

Benitec ddRNAi Advantages

Gene silencing effective at lower doses and longer term than siRNA

- Catalytic dsRNA production potentially critical in targeting infectious agents
- siRNA molecule could become rate-limiting for quickly replicating viruses

Single payload can target multiple mRNAs

- Particularly relevant to diseases characterized by high mutation rates, i.e. cancers and HIV/AIDS which inevitably result in the emergence of resistance to single drugs.

Flexible delivery options

- Plasmid in liposome
- Viral vectors
- Stem cells

High target affinity to specific tissues addresses limitations of siRNA by allowing for specific inactivation of key genes in a diseased tissue

Potential for lower cost of goods and easier manufacturing compared with siRNA

- siRNA requires modifications to produce more stable RNA and avoid off target effects

Dominant International RNAi IP Position

“Most of the IP in (RNAi) is owned by Benitec...Benitec lays claim to a seminal US patent... that describes ‘genetic constructs for delaying or repressing the expression of a target gene’”

-Nature Biotechnology, “Negotiating the RNAi patent thicket” (March 2007)

First company to demonstrate RNAi in human cells as ddRNAi pioneer

Dominant international IP position in RNAi human therapeutics

Core U.S. and U.K. technology patents granted in 2003

- Cover method for silencing any gene in any cell using ddRNAi
- World’s first claims describing RNAi effects in human cells and DNA constructs that trigger RNAi

Patents granted in Australia, Canada, Czech Republic, Great Britain, Hong Kong, New Zealand, Singapore, South Africa, and United States (under re-exam)

Ownership assigned to CSIRO while Benitec retains a WW non-revocable right to all human therapeutic applications

Chronology of Reexamination of US Patent 6,573,099

Action	Date
Original Ex Parte Reexam Request by third party requester filed in USPTO (Erich Veitenheimer for Nucleonics, Inc.)	04 October 2004
Reexamination ordered by USPTO	07 December 2004
First Non-Final Action Issued by USPTO	31 August 2005
Response to Non-Final Action Submitted	28 November 2005
Second Non-Final Action Mailed Issued by USPTO	12 April 2006
Second Ex Parte Reexam Request by third party requester filed in USPTO (Erich Veitenheimer for Nucleonics, Inc.)	18 May 2006
Response to Non-Final Action Submitted	12 June 2006
Reexamination ordered by USPTO	20 July 2006
Decision Merging Proceedings Issued by USPTO	26 October 2006
Third Non-Final Action Issued by USPTO	24 January 2007
Response to Non-Final Action Submitted	24 April 2007
Fourth Non-Final Action Issued by USPTO	11 April 2008
Response after Non-Final Action Submitted	11 July 2008

Licensees and strategic partners

Licensing deals and collaborations with industry-leading partners with potential for additional ddRNAi and shRNA collaborations

Therapeutic use of ddRNAi



Research reagent or transgenic animal product development and sales



Research freedom to operate



Strategic cross-licensing

Carnegie Institute



Molecular targets rHIV7-shI-TAR-CCR5RZ

- HIV genome
- Cell-surface receptor
- Replication machinery
- Vector manufactured by City of Hope's Center for Biomedicine and Genetics, BLT's collaborative partner

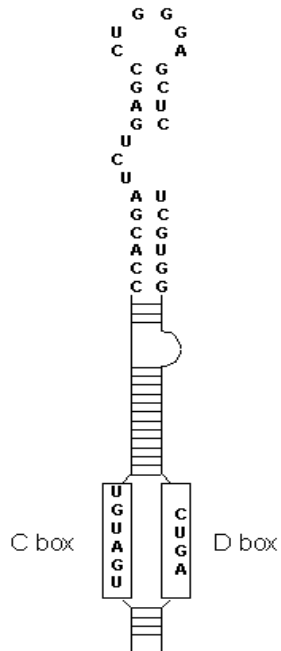
Ongoing safety and feasibility pilot study in AIDS lymphoma

- Evaluating stem cells treated with lentivirus vector-encoding multiple anti-HIV RNA's
- **1st human clinical trial using lentiviral vector transduction of HSCs.**
- **1st human trial with expressed RNA interference trigger (shRNA).**
- **1st triple gene therapy combination trial for HIV/AIDS.**

Development milestones

- ✓ IND filed (Jan 2007)
- ✓ First Human clinical trial (initiated Q307)
- ✓ Trial fully enrolled –October 2008

Combinatorial therapeutic RNAs



TAR decoy

Nucleolar localizing TAR decoy

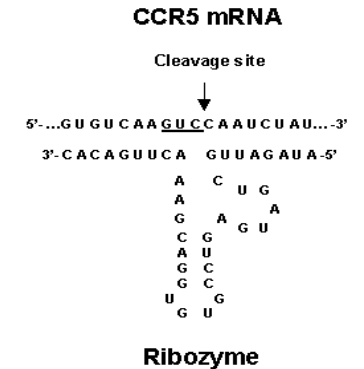
Michienzi et al. 2002, 2006

Chimeric VA1CCR5 ribozyme

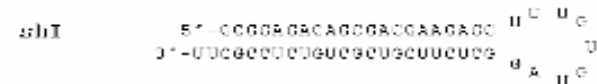
Cagnon et al. Antisense Nuc Acid Drug Dev: 10: 252-261

Anti -tat/rev shRNA

Li et al. Mol Ther 2005; 12:900-909



Ribozyme



Each of these RNAs inhibits HIV-1 by a different mechanism

Therefore it may be advantageous to combine these in a therapeutic setting

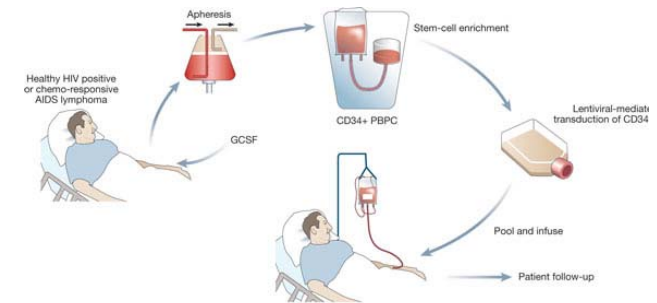
Presented by Dr John Zaia at the RNAi conference in Boston in Oct 2008

Summary of Preclinical Testing

- Long term protection against HIV replication in primary CD34+ derived monocytes and macrophages
- Lack of immunogenicity and normal myeloid differentiation
- Normal thymic T-cell development and resistance to T-tropic HIV

Human trial outcomes to date

- Fully enrolled
- Safe engraftment in 10 days in three patients
- Gene marking in blood: Results to be presented at ASH Annual Meeting, Dec 2008
- Enrollment has ended and patients continue to be followed



HIV/AIDS T-cell program

T-Cell therapy for HIV/AIDS

- Inclusion of selective marker into clinical vector rHIV7-shI-TAR-CCR5RZ protected >80% of T-cells from HIV infection in macaques
- Collaborative partners: City of Hope, Fred Hutchinson Cancer Research Center, Colorado State University and U Penn
- US\$7.5 million NIH grant covering initial development

Development Milestones

- ✓ Pre-IND meeting (Feb 2007)
- IND submission (late 2008)
- Phase I initiation (Q1-2 2009)

“RNA interference (RNAi) represents the most potent mechanism for target specific knockdown of gene expression discovered to date.”

Dr. John Rossi, City of Hope
Comprehensive Cancer Center

Licensed to Tacere Therapeutics Inc.

RNAi Therapeutics targeting Hepatitis C virus genome

- Multi-targeted to prevent viral escape
- Single drug “Cocktail”
- Benitec has an equity stake in Tacere
- USD\$145M deal Tacere Therapeutics Inc and Pfizer Inc



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Magdalena Skipper (2003), Nature Reviews Genetics 4, 671

Corporate strategy

Renegotiate CSIRO relationship in a way that benefits both parties

Raise additional capital through a non renounceable rights issue

Further develop proprietary RNAi position in infectious diseases and cancer

Strengthen IP underpinning partnerships, collaborations and potential M&A activities

- Continue to prosecute core patent claims globally (USPTO re-exam)
- Patent prosecution and maintenance on supporting IP Increase therapeutic licenses for non-core areas

Assist current licensees to increase product revenue

Reduce cash burn where possible

Evaluate trade sale and exit opportunities on ongoing basis

Senior Management Team

Sue MacLeman – CEO and MD

- Schering Plough
- Amgen
- Bristol Myers Squibb Pharmaceuticals
- Agenix Ltd
- EQiTX Ltd
- Australia Institute of Company Directors
- AusBiotech Limited
- Pharmaceutical Industry Council

John Rawling – CFO and Company Secretary

- Polynovo Biomaterials Limited
- EQiTX Ltd
- Kentor Gold Ltd
- Terrain Australia Ltd
- Online Trading Systems Ltd.
- Australian Grand Prix Corporation.

Dr Jason Smythe – CSO

- NH&MRC C.J. Martin Fellow, Irvington Institute (New York USA)
- Postdoctoral Fellow in Immunology (Dr Robert C. Gallo lab), National Cancer Institute USA, Johnson & Johnson Research
- Gene Therapy Research Unit at Children's Medical Research Institute (CMRI) Westmead
- CSIRO Division of Molecular Science
- Chief Scientific Officer of the Australian Tissue Engineering Centre Limited (Melbourne)

Board of Directors and SAB

Mr Peter Francis – Chairman

- Xceed Capital Ltd
- PolyNovo Biomaterials Ltd
- Mems-ID P/L

Sue MacLeman – Managing Director

Dr Ken Reed – Director

- QABC
- Advanced Breeding Tech P/L
- Australian Biotech Advisory Council Australian Government's Genetic Manipulation Advisory Committee
- Australian Genome Research Facility.

Mr Mel Bridges – Director

- Impedimed Ltd
- Alchemia Ltd
- Genetic Solutions P/L
- Farmacule Bioindustries P/L
- Meditech Ltd
- Cleveland Biosensors P/L
- IMBcom P/L

Scientific Advisory Board

- **Dr John Rossi** – City of Hope Duarte California USA
- **Dr Bryan Williams** – Monash Medical Research Centre – Victoria, Australia
- **Dr Cy Stein** – Albert Einstein College of Medicine NYC USA
- **Dr David Crump** – PD&C Consultant Australia

Investment Highlights

International, royalty-generating IP estate covering seminal patents in DNA-directed RNA interference (ddRNAi)

- ddRNAi: DNA 'mini-gene' transcribed by the cell into double-stranded RNA (dsRNA), which is then cut into guide RNAs
- Mimics natural production of dsRNA
- Introduced into cells with biological vectors

Focused on commercially attractive, life-threatening diseases in major cancer and infectious disease indications

Lead product in human trials targeting HIV/AIDS

Third party validation through licensing deals and collaborations with industry-leading partners for research, commercial and therapeutic uses of ddRNAi.

- Sigma Aldrich
- Pfizer Inc
- Merck Inc
- Promega Inc
- Tacere/Pfizer/Oncolys
- Potential for additional ddRNAi and shRNA collaborations

Fire and Mello Nobel Prize provides scientific boost to RNAi

RNAi field validated by recent acquisitions and collaborations with big Pharma





Thank you for your support

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