

11 April 2011

Dear Option Holder

PARTICIPATION IN PRO-RATA RENOUNCEABLE RIGHTS ISSUE

The Directors of Benitec Limited ("BLT" or "Company") advise that the Company will be making a Pro-Rata Renounceable Rights Issue to all shareholders on the basis of four (4) new shares for every five (5) shares held on 19 April 2011 ("Record Date") at an issue price of \$0.02 (2 cents) plus one (1) free attaching option for every four (4) shares subscribed for. Each option will have an exercise price of \$0.04 (4 cents) and will expire two (2) years from the date of issue.

The maximum amount that may be raised under the Rights Issue will depend on the number of Shares that are offered under the Prospectus and, ultimately, the number of Shares that are subscribed for. If none of the Company's existing options are exercised 400,643,929 Shares will be offered and up to approximately \$8 million (before costs) will be raised (assuming full subscription).

Patersons Securities Limited will act as Lead Manager to the Rights Issue. The Rights Issue will be fully underwritten by Patersons Securities Limited.

The full terms and conditions of the Rights Issue are detailed in the Prospectus which can be viewed on the ASX website at www.asx.com.au. A copy of the Prospectus will be sent to each eligible Shareholder.

The terms and conditions of the options you currently hold do not entitle you to participate in the above Pro-Rata Renounceable Rights Issue.

To participate in the Pro-Rata Renounceable Rights Issue, you must exercise your options in time for the new shares to be allotted prior to the Record Date. To ensure that your new shares are allotted prior to the record date, your Notice of Exercise of Options together with a cheque for the requisite amount must be received by our share registry, Computershare Investor Services Pty Ltd, **no later than 13 April 2011**. Any Notice of Exercise of Options received after this date cannot be assured of allotment prior to the record date.

In order to assist option holders, we have enclosed a copy of the Notice of Exercise of Options with this letter.

Your option holding details recorded at our share registry as of today are as above.

This notice is important and requires immediate attention. If you are in doubt as to the action you should take in relation to this notice, you should consult with your professional adviser for advice immediately.

If you do not wish to participate in the Rights Issue (in respect of your existing options), you do not need to take any action.

Should you have any questions in relation to the above matters, please contact our registry on telephone 1300 850 805 or e-mail essential.registry@computershare.com.au.

Yours faithfully



John Rawling
Company Secretary

BENITEC LIMITED

Notice of Exercise of Benitec Ltd Options

To the Directors, Benitec Ltd,

I/We

Individual/Company Name:

Address:

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Hereby exercise my/our option to exercise Options and apply for:

Number of fully paid Ordinary Shares (A)	Exercise Price per Share (B)	Total Cost to Exercise (A) x (B)
Total Shares	\$.....	Total Cost AUD\$.....

I/We enclose my/our cheque, or notice of electronic funds transfer, for the Total Cost of AUD\$..... I/We request that you allot such shares to me/us and I/We undertake to be bound by the Company's Constitution. If this application is signed by an Attorney, the Attorney hereby declares that he has no notice of revocation of power of attorney under authority of which this application is signed.

Signature:

Dated:

Name:

Title (if applicable):

Company (if applicable):

This application form with the appropriate remittance, made payable to Benitec Ltd, should be sent to or lodged at the Company's office at Level 16, 356 Collins Street, Melbourne Vic 3000 Australia for the Attention of the Company Secretary (please allow time for delivery by mail and 3 working days if paying by personal cheque). The Company accepts no responsibility whatsoever for loss or delay of the application form prior to the receipt at the Company's office, nor for any postal or other delay resulting in delayed receipt of this application form by the Company's office.