

**ASX/Media Announcement**

**Benitec MOU with CalbaTech, Inc.**

*Stem cell storage service connected with potential Benitec HIV drug therapy*

17 August 2007, Melbourne, Australia: Benitec Limited (ASX: BLT) has signed a Memorandum of Understanding with California-based CalbaTech, Inc. to provide stem cell storage services for US HIV patients who may use the healthy adult (or "blood" or hematopoietic") stem cells in future therapy.

Benitec has collaborated with City of Hope, a biomedical research and treatment centre, in the development of a possible HIV therapeutic. This investigational HIV therapeutic creates the possibility that an adult (or "blood" or "hematopoietic") stem cell based therapeutic may be able to take the place of anti-retroviral medication. Early banking of adult (or "blood" or "hematopoietic") stem cells by HIV sufferers may be very prudent if a stem cell therapy is approved by the FDA after the conclusion of clinical trials.

This potential therapy surrounds a newly discovered possible way in which to fight HIV, the virus that causes AIDS, with genetically modified adult (or "blood" or "hematopoietic") stem cells. The potential therapeutic may emerge as the first to use specially engineered, HIV-fighting genes that are inserted into patients' own harvested adult (or "blood" or "hematopoietic") stem cells. After re-infusion into the patient, the new treatment may allow patients' bodies to produce HIV-resistant white blood cells indefinitely.

Benitec's MOU with CalbaTech would provide, in the short term, that Benitec would receive fees for stem cell storage performed by CalbaTech's subsidiary, TherapyStem, Inc. In the longer term, both Benitec and CalbaTech are encouraged that this potential new therapeutic will develop an effective HIV therapeutic that relies on healthy adult (or "blood" or "hematopoietic") stem cells. CalbaTech believes that, in the future, as this potential therapeutic develops, TherapyStem will be able to treat the cells that have been banked by HIV patients and send those treated cells to a patient's treating physician for re-injection. CalbaTech would pay to Benitec a fee for using the protocols developed for the treatment of the stem cells.

CalbaTech's new subsidiary, TherapyStem, Inc., has created a patent-pending process to harvest stem cells from HIV infected individuals to be cryopreserved for future transplantation into a client for medical purposes. All other stem cell collection services exclude the collection, processing and storage of blood from individuals with HIV. As the business of TherapyStem develops, the company also

believes that it will be able to collect, process and store stem cells from umbilical cords that have come from a mother that has HIV. Those cords are currently excluded from collection by cord blood companies.

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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 ddRNAi technology. Its current therapeutic program is focused on Human Immunodeficiency Virus (HIV). For additional information, please visit [www.benitec.com](http://www.benitec.com).

### About CalbaTech

CalbaTech, Inc. (OTC Bulletin Board: [CLBE](#)) is an emerging life sciences company (<http://www.CalbaTech.com>) concentrating on providing products and platforms to the research market for biotech and pharmaceutical companies and to academic institutions. CalbaTech's wholly owned subsidiary LifeStem has developed a unique process to harvest stem cells in micro quantities to be cryopreserved for future transplantation into a client for medical purposes. The collection of stem cells from two different tissue sources increases the potential for treatment of more diseases. CalbaTech's new wholly-owned subsidiary, TherapyStem, Inc., with its patent-pending collection service, will provide collection and processing stem cell services for individuals with infectious diseases, for possible use in potential therapeutic applications, like those created by the City of Hope, under a license agreement with Benitec, an Australian corporation.

### Gene silencing

Gene silencing is about controlling the flow of genetic information. Our genome operates by sending instructions for the manufacture of proteins from DNA in the nucleus of the cell to the protein synthesizing machinery. These instructions are conveyed by messenger RNA (mRNA). In 1998 it was discovered that a certain mechanism can degrade mRNA from a specific gene. This mechanism is RNA interference. It is activated when RNA molecules occur as double-stranded pairs in the cell. Double-stranded RNA activates biochemical machinery which degrades those mRNA molecules that carry a genetic code identical to that of the double-stranded RNA. When such mRNA molecules disappear, the corresponding gene is silenced.

RNA interference is of great importance for the regulation of gene expression and can be used against viral infections. RNA interference is already being widely used in basic science as a method to study the function of genes and Benitec believes it will lead to novel therapies.

### 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.*