

ASX/Media Release

Benitec withdraws from renegotiations with CSIRO

12 March 2009, Melbourne, Australia: Benitec Limited (ASX: BLT) today announced that it had advised CSIRO that it does not wish to proceed at this time to restructure their commercial arrangements.

“We believe that, given the current market conditions, this is the most prudent approach to retain shareholder value. The existing arrangements with CSIRO, as adjusted in 2006, will continue in place” said Sue MacLeman, Chief Executive Officer, Benitec Limited.

“CSIRO and Benitec are strong partners with aligned interests and once the financial markets have improved Benitec will seek to revisit our negotiations with CSIRO. In the interim, we will focus on rebuilding shareholder value and, together with CSIRO, continue to prosecute our important intellectual property (IP) assets and the commercialisation of this important IP in the dynamic and attractive RNAi market sector” she added.

In 2007, Benitec approached CSIRO with an equity offer to be provided in exchange for removal of the Capital Growth Agreement and benefit-sharing terms of the Commercial Agreement. At the Annual General Meeting in November 2008, the Company announced it had reached an in-principle agreement with CSIRO. Since that announcement, Benitec and CSIRO had substantially finalised negotiations on most matters for completing the transaction on the basis of the in-principle agreement. However with the global financial crisis and other developments over this critical period, the Board has determined that it is in shareholders’ best interests not to pursue this agreement at this time, but rather focus on capital raising and moving the City of Hope stem cell and T cell programs forward and continue to pursue potential collaborations in the areas on infectious diseases and cancer. The Capital Growth Agreement expires in December 2010.

“The Board intends to reactivate the Non Renounceable Rights Issue and hopes that shareholders will support their company with continued investment moving forward. Our intention is to give all shareholders the opportunity to participate to support their company. Details of this capital raising will to be announced to the market shortly” said Peter Francis, Chairman, Benitec Limited.

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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. For additional information, please visit www.benitec.com.