

BENITEC LIMITED

[ABN 64 068 943 662]

PROSPECTUS

A renounceable rights issue of 4 shares for every 5 shares held at 2 cents each, together with 1 free-attaching option for every 4 shares accepted having an exercise price of 4 cents and expiring on 31 December 2013.

Applications may also be made for additional shares and options from any shortfall in acceptances.

The Rights Issue is fully underwritten.

Lead Manager and Underwriter of the Rights Issue: Patersons Securities Limited [ABN 69 008 896 311]
AFSL No. 239 052

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

If you do not understand its contents, you should consult your stockbroker, accountant or other professional adviser without delay.

The securities offered under this Prospectus are considered speculative.

CORPORATE DIRECTORY

Directors

Mr Peter Francis (Chairman)
Mr Mel Bridges
Dr John Chiplin
Mr Iain Ross

Chief Executive Officer

Dr Peter French

Secretary

Mr John Rawling

Registered Office

Level 16, 356 Collins Street
MELBOURNE VIC 3000

Telephone +61 3 8456 6281
Facsimile +61 3 8678 1342

Share Registrar

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
ABBOTSFORD VIC 3067
[ABN 48 078 279 277]

Postal Address for Return of Acceptances

Benitec Limited
Level 16
356 Collins Street
MELBOURNE VIC 3000

ASX Code

BLT

LODGEMENT

This prospectus ("this Prospectus") is dated 11 April 2011. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission ("ASIC") on the same date. Neither ASIC nor ASX Limited ("ASX") nor their respective officers take any responsibility as to the contents of this Prospectus.

PROPOSED TIMETABLE

Lodgement of Prospectus	11 April 2011
Notice of Rights Issue sent to shareholders	12 April 2011
"Ex" date (date Shares are quoted ex-rights)	13 April 2011
Rights trading commences	13 April 2011
Proposed record date to identify Shareholders entitled to participation in the Rights Issue ("the Record Date")	19 April 2011
Despatch of Prospectus	28 April 2011
Rights trading ends	5 May 2011
Securities quoted on a deferred settlement basis	6 May 2011
Closing date	12 May 2011
Notification to ASX of under subscriptions	17 May 2011
Despatch date of holding statements	20 May 2011

*The above dates should be regarded as **indicative only**. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Company reserves the right to change the above dates, to close the Offer before the date stated above, to extend the Closing Date and subsequent dates, or not to proceed with the Offer described in this Prospectus.*

No securities will be issued on the basis of this Prospectus after 10 May 2012, being the expiry date of this Prospectus.

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Message from the Chairman

Dear Shareholder,

On behalf of Benitec Limited, we are pleased to send you this Prospectus which provides an opportunity for you to participate in a Renounceable Rights Issue to fund the Company's growth strategy.

This Prospectus describes in detail Benitec's offer to Shareholders of four (4) new Shares for every five (5) Shares held at \$0.02 (2 cents) per new Share. The new Shares will be fully paid and rank equally with the Company's existing Shares on issue. Also, there is one (1) free attaching Option for every four (4) shares successfully subscribed for. The Closing Date for acceptance and payments is 5.00pm AEST on 12 May 2011. Further details of the Offer are set out in full in Section 1.

Benitec has appointed Patersons Securities Ltd as Lead Manager and Underwriter of the Offer. Patersons Securities Ltd has fully underwritten the Offer.

Under the Offer, an offer of Shortfall Shares and Options is also provided. Eligible Shareholders may apply for additional Shares and Options over and above their Rights Issue entitlement. Further details of the Shortfall Shares and Options are included in Section 1.2.

The Board of Benitec has been enormously encouraged by the prospects for Benitec since the favourable decision in late September last year from the US Patent and Trademark Office's (USPTO) Board of Appeal to reverse all previous objections to the reissuance of Benitec's and CSIRO's foundational US Patent No. 6,573,099 (the Graham '099 patent), giving Benitec the rights to the use of DNA directed RNA interference (ddRNAi) for human therapeutics in the US, in addition to patents already granted in significant jurisdictions worldwide. In March 2011, Benitec received the official re-examination certificate from the USPTO, thus completing the reinstatement of US Patent No. 6,573,099. As a consequence, Graham '099 now broadly covers essentially all forms of DNA-directed RNAi.

This decision has provided a new impetus to Benitec's development as a major player in the RNA interference field worldwide and as such has stimulated significant and renewed interest in the Company from investors and other industry stakeholders. It can be seen as the re-birth of Benitec.

As a consequence the Board was approached by several interested investment groups to invest in Benitec's future. Key amongst them was Patersons Securities Ltd, who appreciated the potential of Benitec's RNAi platform to be the foundation of new human therapeutics.

The Board is grateful to La Jolla Cove Investors Inc (LJCI), who supported the Company when few others would. Part of the funds raised will be paid to LJCI in compensation for the termination of our arrangement with them, allowing Benitec to utilise more conventional forms of capital raising to grow the Company.

The bulk of the funds raised under this Renounceable Rights Issue will be used to drive the three key programs to the clinic. The three programs are:

- Chronic cancer-associated pain;
- Drug-resistant lung cancer, and
- Hepatitis B.

These programs have been chosen for their strategic value in being able to rapidly demonstrate the clinical efficacy and safety of Benitec's ddRNAi technology. All three address significant health conditions on a global scale which are poorly met by current medical approaches. ddRNAi has the potential to provide unique, first in class solutions which can enter the clinic within a relatively short time frame, providing success in our current pre-clinical studies is achieved.

Additional capital raised will be used to support the use of ddRNAi in other opportunities in cancer and infectious diseases, which ideally will be conducted in collaboration with other biotechnology groups.

In addition, we will continue to pursue other opportunities to realise value through commercialisation of Benitec's extensive patent estate.

An investment in Benitec involves general risks associated with an investment in the share market because the market price for Shares may rise or fall. There are also a number of risk factors, both specific to Benitec and of a general nature, which may affect the future operating and financial performance of Benitec and the value of an investment in Benitec. There is a review of risk factors in Section 9 and, before deciding to invest in Benitec Ltd, Shareholders and other prospective investors should consider all risk factors carefully.

Benitec has regularly been given feedback from shareholders that they would appreciate an opportunity to participate in any capital raising performed by Benitec. The Offer has been made at a discount to the current market price to encourage shareholders to participate in the Offer and in the future of Benitec.

I thank all of our Shareholders for their continued support of the Company. We encourage you to support the Offer to enable you to participate in the continued growth and success of the Company.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Peter Francis', written over a horizontal line.

Peter Francis
Chairman

1. THE OFFER

1.1 Renounceable Pro Rata Rights Issue

Benitec Limited ("the Company" or "Benitec") offers its Shareholders, as recorded on the share registry records on the Record Date, the right to participate in a pro-rata renounceable rights issue of four (4) new fully paid ordinary shares for every five (5) shares held at the Record Date at an issue price of 2 cents (\$0.02) each ("Shares"), together with one free attaching option for every 4 Shares accepted ("the Rights Issue"). Each option will have an exercise price of 4 cents (\$0.04) and will expire on 31 December 2013 ("Option").

Fractional entitlements will be rounded up.

The Rights Issue will raise approximately \$8 million before costs.

1.2 Additional Shares and Options

In addition to being able to apply for Shares and Options in the manner described above, Shareholders also will have the opportunity to apply for Shares that are not subscribed for under the Rights Issue ("Shortfall Shares and Options").

The Shortfall Shares and Options will be issued at the same price and on the same terms as the Shares. Shareholders may only make an application for Shortfall Shares and Options if they accepted their maximum entitlement of Shares under the Rights Issue. Successful applicants for Shortfall Shares and Options will also receive 1 free-attaching Option for each 4 Shares, on the same basis as above.

The offer of Shortfall Shares and Options is a separate offer pursuant to this Prospectus and will remain open after the closing date. The issue price of any Shortfall Shares (and free-attaching Options) shall be 2 cents (\$0.02) being the price at which the Shares have been offered to Shareholders pursuant to this Prospectus.

As part of the offer of Shortfall Shares and Options, the Company is offering to its shareholders who do not currently hold a marketable parcel of securities the opportunity to increase their holding of shares in the Company to a marketable parcel. A marketable parcel of securities under the ASX Listing Rules is a parcel of securities with a value of not less than \$500. A current shareholder who does not hold a marketable parcel and who accepts their full entitlement under the Rights Issue and applies for the number of Shortfall Shares and Options to bring their total holding to a marketable parcel will be issued of the Shortfall Shares and Options for which they have applied to bring their holding to a marketable parcel, in priority to other applicants for Shortfall Shares and Options. In the event that the Company receives applications for Shortfall Shares and Options by unmarketable parcel holders in excess of the number of Shortfall Shares and Options available, applications by unmarketable parcel holders will be scaled back.

Shortfall Shares and Options will only be issued if the Rights Issue is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. If the Company receives applications for Shortfall Shares and Options that would result in the Rights Issue being oversubscribed, the Company will not accept any oversubscriptions and will scale back all applications received for Shortfall Shares and Options at the Directors' discretion (this scale back will occur following the issue of Shortfall Shares and Options to holders of unmarketable parcels referred to above). In the event of a scale back, all application monies received but not applied towards subscriptions under the Rights Issue will be refunded as soon as practicable. No Shortfall Shares and Options will be issued to an applicant if to do so would result in a breach of any applicable law including of the restrictions on obtaining or increasing relevant interests of greater than 20% of the Company's issued voting shares under Chapter 6 of the Corporations Act (unless permitted by the Act). No interest will be paid on application monies held and returned.

1.3 The Offer

The Rights Issue and the offer of Shortfall Shares and Options are collectively referred to as "the Offer".

1.4 Underwriting

The Rights Issue is fully underwritten by Patersons Securities Limited [ABN 69 008 896 311] ("the Underwriter"). A summary of the Underwriting Agreement including the fees to be paid to the Underwriter is set out in Section 10 of this Prospectus.

The Underwriter may appoint sub-underwriters to sub-underwrite the Offer at its discretion. As an incentive for sub-underwriters, the Company will issue one Option for every four shares sub-underwritten ("Commitment Options"), being a total of 100,160,982 Commitment Options (subject to rounding). The offer of Commitment Options under this Prospectus is distinct from the Pro Rata Offer and the offer of Shortfall Shares and Options. The Commitment Options will be issued to or at the direction of the Underwriter for distribution to sub-underwriters as identified by the Underwriter.

1.5 Rights Trading

Entitlements to Shares and free-attaching Options pursuant to the Rights Issue ("Rights") are renounceable. This enables shareholders who do not wish to subscribe for some or all of their entitlement to Shares and free-attaching Options under the Rights Issue to sell their respective Rights and also enables shareholders to purchase additional Rights if they wish.

Rights trading commences on ASX on 13 April 2011 and will cease trading on 5 May 2011, as further detailed in Section 5.

Shortfall Shares and Options are not renounceable.

1.6 General Meeting

A general meeting of the Company's shareholders is proposed to be held on or about 12 May 2011. The purpose of the general meeting will be to seek shareholder approval for the issue of up to 100,160,982 Commitment Options (subject to rounding). The Rights Issue and the offer of Shortfall Shares and Options are not conditional upon shareholder approval for the issue of the Commitment Options. A Notice of Meeting will be issued to shareholders containing further details regarding the meeting.

2. PURPOSE OF THE OFFER

The funds raised by the Rights Issue will provide the Company with funds to proceed with further research and development of its existing projects, including progressing the Chronic Cancer-Associated Pain Program and the Drug-Resistant Lung Cancer Program to Phase I/II, and progressing the Hepatitis B Program to completion of preclinical and toxicology studies. Funds will also be applied to pursuing new business development opportunities in the licensing and collaboration of the Company's patent estate.

The Rights Issue will also provide the Company with funds required to terminate its funding arrangement with La Jolla Cove Investors Inc, for other working capital requirements and to pay the costs associated with the Rights Issue.

3. EFFECT OF THE OFFER ON BENITEC

The effect of the Offer on Benitec will be to:

- (a) provide the funds to undertake the activities described in Section 2; and
- (b) alter the capital structure of Benitec as described in Section 4.

4. EFFECT ON THE CAPITAL STRUCTURE OF BENITEC

4.1 Shares and Options

The table below sets out the existing issued shares and options of the Company, and the securities offered under this Prospectus.

SHARES

<i>Description</i>	<i>Number</i>
Existing issued ordinary shares	500,804,911
Shares offered under this Prospectus	400,643,929
TOTAL	901,448,840

OPTIONS

	<i>Number of options</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>ASX Code (if applicable)</i>
Existing Options				
Listed Options	46,672,907	08-Apr-14	\$0.10	BLTO
Employee Share Option Plan [^]	1,000,000	14-Dec-11	\$0.0599	-
Employee Share Option Plan [^]	3,300,000	21-Feb-13	\$0.115	-
Employee Share Option Plan [^]	6,500,000	19-Aug-14	\$0.03	-
Employee Share Option Plan [^]	5,000,000	09-Jun-13	\$0.0425	-
NED Options [^]	4,666,666	31-Dec-12	\$0.131	-
NED Options [^]	3,000,000	19-Aug-14	\$0.03364	-
Directors' Options	1,953,125	23-Oct-15	\$0.17	-
Strategic Advisor Warrants	6,126,962	04-Aug-14	\$0.90	-
Unlisted Options	22,244,444	31-Dec-12	\$0.10	-
Unlisted Options	12,000,000	10-Apr-15	\$0.10	-
Unlisted Options	17,560	30-Sep-13	\$0.03	-
Offered under this Prospectus				
Pro-Rata Offer (free attaching Options)	100,160,982*	31-Dec-13	\$0.04	To be advised
Sub-Underwriters' Commitment Options	100,160,982*	31-Dec-13	\$0.04	To be advised
Total options (existing and offered)	312,803,628*			

* Subject to rounding up fractional entitlements.

[^]Subject to adjustment following Rights Issue, in accordance with Listing Rules.

The percentage shareholding in the Company of Shareholders who do not take up all of their rights pursuant to the Rights Issue will be diluted.

4.2 Pro Forma Balance Sheet

Set out below is a historical Pro Forma Balance Sheet of Benitec Limited and its controlled entities as at 31 December 2010.

The Pro Forma balance sheet assumes the rights offer is fully subscribed (refer further below for Pro Forma adjustments).

PRO FORMA BALANCE SHEET

	<i>Audited Consolidated 31 December 2010 \$</i>	<i>Proforma Adjustments \$</i>	<i>Notes</i>	<i>Proforma Un-audited Consolidated 31 December 2010 \$</i>
ASSETS				
Current Assets				
Cash and cash equivalents	393,337	6,706,150	A B C	7,099,487
Trade and other receivables	70,268			70,268
Other	69,768			69,768
Total Current Assets	<u>533,373</u>			<u>7,239,523</u>
Non-current Assets				
Plant and equipment	22,175			22,175
Total Non-current Assets	<u>22,175</u>			<u>22,175</u>
TOTAL ASSETS	<u>555,548</u>			<u>7,261,698</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	(547,878)			(547,878)
Provisions	(44,499)			(44,499)
Total Current Liabilities	<u>(592,377)</u>			<u>(592,377)</u>
Non-Current Liabilities				
Trade and other payables	(229,003)			(229,003)
Borrowings	(515,671)			(515,671)
Provisions	-			-
Total Non-Current Liabilities	<u>(744,674)</u>			<u>(744,674)</u>
TOTAL LIABILITIES	<u>(1,337,051)</u>			<u>(1,337,051)</u>
NET ASSETS	<u>(781,503)</u>			<u>5,924,647</u>
EQUITY				
Issued capital	78,411,067	7,379,227	A B	85,790,294
Reserves	2,792,498			2,792,498
Accumulated losses	(81,985,068)	(673,077)	C	(82,658,145)
TOTAL EQUITY	<u>(781,503)</u>			<u>5,924,647</u>

See notes on next page.

Note:

A.	Proceeds of Rights issue before costs:	\$8,012,879 [less B & C below]
B.	Costs of the issue (approximate):	
	Underwriting cash commission and management fees*:	\$540,773
	Other including listing Fees, legal, registry, printing, postage:	\$80,000
	Total:	\$620,773
C.	Payment to La Jolla Cove Investors pursuant to the termination agreement (refer Section 10.2):	\$673,077 [^]

** Commitment Options are also to be issued to or at the direction of the Underwriter for distribution to sub-underwriters.*

[^] US\$700,000, converted at an exchange rate of USD\$1 to AUD\$1.04.

5. ACCEPTANCE INSTRUCTIONS

5.1 Shareholders

Shareholders may:

- (a) exercise their rights to participate in the Rights Issue in full;
- (b) exercise their rights to participate in the Rights Issue in full and apply for Shortfall Shares and Options as described in Section 1;
- (c) exercise their rights to participate in the Rights Issue in part and sell the balance on the ASX;
- (d) exercise their rights to participate in the Rights Issue in part and allow the balance to lapse;
- (e) sell all of their Rights on ASX;
- (f) deal with all or part of their Rights other than on ASX; or
- (g) take no action under this Offer, thereby allowing their Rights to lapse.

The Closing Date for acceptance of Rights offered under this Prospectus is 5:00pm (Melbourne, Victoria, Australia time (AEST)) on 12 May 2011. The Company reserves the right to change any date (if permitted by the Listing Rules of ASX) and cancel and not proceed with the Rights Issue at any time prior to allotment or issue of Shares and Options.

Shareholders who sell any or all of their Rights will not receive any Options under this Prospectus.

If paying by cheque or money order:

To apply and pay for Shares and Options by cheque or money order, you should:

- (a) read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- (b) complete the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Instructions for completing and returning the Entitlement and Acceptance Form are set out on the form; and
- (c) return the completed Entitlement and Acceptance Form together with a cheque or money order for the applicable amount (being the Offer Price of two cents (\$0.02) per Share multiplied by the number of Shares you are applying for) to:

Benitec Limited
Level 16
356 Collins Street
MELBOURNE VIC 3000

so that it is received by no later than 5:00pm (Melbourne, Victoria, Australia time (AEST) on 12 May 2011, or such later date as the Company may specify. The Company accept no responsibility for delayed or misdelivered Entitlement and Acceptance Forms or payments.

If paying by electronic funds transfer:

To apply and pay for Shares and Options by electronic funds transfer, you should:

- (a) read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- (b) complete the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Instructions for completing and returning the Entitlement and Acceptance Form are set out on the form; and
- (c) return the completed Entitlement and Acceptance Form to:

Benitec Limited
Level 16, 356 Collins Street
Melbourne VIC 3000

- (d) remit funds for the applicable amount (being the Offer Price of two cents (\$0.02) per Share multiplied by the number of Shares you are applying for) by electronic funds transfer to:

Bank:	Westpac Banking Corporation
BSB:	033039
Account Name:	Benitec Ltd Rights Issue Account
Account Number:	550529

so that it is received by no later than 5:00pm (Melbourne, Victoria, Australia time ("AEST")) on 12 May 2011, or such later date as the Company may specify. The Company accepts no responsibility for delayed or misdelivered Entitlement and Acceptance Forms or payments.

If paying by this method, you must include your Entitlement Number (shown on your Entitlement and Acceptance Form) in the reference field. Failure to do so may result in the payment not being matched up to the Entitlement and Acceptance Form, which must be sent separately to Benitec Limited.

If you choose to pay by cheque or money order you must submit the completed Entitlement and Acceptance Form.

Cheques should be made payable to "Benitec Ltd Rights Issue Account" and crossed "Not Negotiable". Cheques must be payable in Australian dollars, drawn on an Australian branch of an Australian bank.

For payments by cheque, money order or electronic transfer:

Your application or payment may not be accepted if received after 5:00pm (AEST) on 12 May 2011, or such later date as the Company may specify, in which case no Shares or Options would be issued to you in respect of that application or payment, and any payment received will be refunded to you after the allotment date in accordance with the Corporations Act, without interest. The Company accepts no responsibility for delayed or misdelivered applications or payments

The amount payable on application will be deemed not to have been received until the Company is in receipt of cleared funds. Payments in cash will not be accepted.

If the amount of payment is insufficient to pay in full for the number of Shares you applied for, or is more than the number of Shares you applied for, you will be taken to have applied for such whole number of Shares which you are entitled to and which is covered in full by your payment.

If you apply for Shortfall Shares and Options in excess of your entitlement and you are not allocated all or some of the Shortfall Shares or Options applied for, the relevant payment will be refunded to you after the allotment date in accordance with the Corporations Act, without interest.

If you have any questions about your entitlement, please contact your stockbroker or other professional adviser.

The allotment and issue of Shares and Options will occur as soon as practicable after the Offer has closed. Thereafter, statements of Share and Option holdings will be despatched. It is the responsibility of recipients to determine their allocation prior to trading in Shares or Options. Recipients trading Shares or Options before they receive their statements will do so at their own risk. The Company may reject an acceptance where payment of the application monies is not received or a cheque is not honoured, or without prejudice to its rights, issue Shares and Options in response to the acceptance and recover outstanding application monies from the recipient.

Subject to the requirements of the Corporations Act and the ASX Listing Rules, the Directors (in consultation with the Underwriter) reserve the right at any time up to three months after the closing date to issue (at their discretion) Shares and free attaching Options for which acceptances or payments have not been received by the closing date, up to the maximum number referred to in this Prospectus at an issue price not less than the issue price at which the Shares and free attaching Options are offered under this Prospectus. The recipients of these Shares need not be shareholders of the Company and free attaching Options.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers as to whether any governmental or other consents are required or whether formalities need to be observed to enable them to acquire Shares and Options. Return of a duly completed Entitlement and Acceptance Form or payment will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offer, or to acquire Shares or other securities of the Company.

5.2 Sub-Underwriters

Sub-underwriters will receive a personalised Entitlement and Acceptance Form which is to be returned in accordance with the instructions in the form by the date specified in the form.

6. CONTINUOUS DISCLOSURE OBLIGATIONS

This Prospectus is a short form prospectus issued under section 713 of the Corporations Act which allows the issue of a short form prospectus in relation to offers of securities where those securities are of a class which have been continuously quoted for twelve months before the date of the prospectus. This generally means that the relevant securities are in a class of securities that were quoted enhanced disclosure securities at all times during the twelve months before the date of the prospectus.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company, and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the twelve months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

As a disclosing entity under the Corporations Act, Benitec is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to Benitec may be obtained from, or inspected at, an office of ASIC.

Given that the Company is a disclosing entity it may be required to release information to the market while this Prospectus is current. The Company engages in discussions and negotiations in respect of its activities and in particular potential opportunities for the advancement or commercialisation of its technologies. The Company's RNAi technology has the potential to be applied to a wide range of human medical conditions. Opportunities to explore these conditions are presented to the Board for consideration. The Board considers diseases for potential in-house development where stringent commercial and scientific guidelines are met, with others being sought to be licensed or partnered for external support. From time to time the Company may be involved in discussions or negotiations which it considers important to the Company and its future, but which are confidential and not sufficiently advanced to be appropriate for disclosure. Premature disclosure may also harm the Company's ability to seek to conclude potential arrangements on terms considered beneficial to the Company and hence its shareholders. The Company is presently involved in discussions and/or negotiations with a range of third parties regarding the use of its ddRNAi-based technology for ocular applications, for the potential further collaborative development of the Company's intellectual property to deliver a ddRNAi-construct designed by the Company to develop a cancer therapeutic, the potential establishment of a joint entity to develop an HIV therapeutic using the Company's ddRNAi technology, and for the potential development of a ddRNAi-based therapy for HIV. A program of seeking potential collaboration or licensing opportunities of the US 6,573,099 ("Graham '099") patent has also commenced. There is no certainty that any matters will result in agreements or transactions on any particular terms, at any particular time, or at all. The Company will make announcements as developments occur in accordance with the Listing Rules. Prospective investors are advised to refer to the announcements under the Company's ASX code "BLT" on the ASX website at www.asx.com.au for updated releases about events or matters affecting the Company. Copies of announcements given to ASX by the Company will also be made available on the Company's website at www.benitec.com.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

- (a) the financial statements of the Company for the financial year ended 30 June 2010 lodged with ASIC on 24 September 2010, being the most recent annual financial report of the Company lodged with ASIC before the lodgement of this Prospectus with ASIC;
- (b) the half yearly financial report of the Company for the period ending 31 December 2010 lodged with ASIC on 25 February 2011;
- (c) any continuous disclosure notices given by the Company since the lodgement of the annual financial report referred to in (a) above and before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the annual financial report to the date of this Prospectus are listed in Section 7 of this Prospectus.

7. ASX ANNOUNCEMENTS

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its Annual Report for the year ended 30 June 2010 with ASIC:

Date	Headline
11 April 2011	Capital Raising and Changes to Capital Funding Arrangements
7 April 2011	Change in Director's Interest Notice x 2
7 April 2011	Trading Halt
4 April 2011	Options Update and Appendix 3B
29 March 2011	Benitec Technology used by University of Queensland Scientists to Develop a Treatment for Cervical Cancer
22 March 2011	RNAi Patent Update
21 March 2011	Second US Clinical Study Using Benitec's ddRNAi Technology Announced
11 March 2011	Becoming a Substantial Holder
3 March 2011	Option Expiry Notice
25 February 2011	Half Yearly Report and Appendix 4D
22 February 2011	Hepatitis B RNAi Program Moves to the Next Stage
18 February 2011	Formation of Chief Investigators Group
17 February 2011	Patent Update Strengthening and Expansion of Patent Position
31 January 2011	Appendix 4C - quarterly
24 January 2011	Appendix 3B and Cleansing Notice
20 January 2011	Response to ASX Price Query
11 January 2011	Appendix 3B CSIRO Top Up Shares
10 January 2011	Release of Securities from Voluntary Escrow
7 January 2011	Appendix 3B and Cleansing Notice
23 December 2010	Benitec received Dividend from Licensee
16 December 2010	Review of Pending US Divisional Patent Applications
14 December 2010	Share Trading Policy
13 December 2010	Correction to Appendix 3B
13 December 2010	Benitec granted another RNA Interference Patent in Europe
6 December 2010	Appendix 3B Exercise of Options
1 December 2010	Appendix 3B Partial Conversion
29/ November 2010	Results of Meeting
26 November 2010	Chairman Address to AGM
8 November 2010	Benitec Key Patent - Notice of Intent to Re-Issue in the USA
5 November 2010	Benitec UK Patent Update
4 November 2010	Cleansing Notice
29 October 2010	Benitec Cash Flow Update
28 October 2010	Appendix 4C - quarterly
27 October 2010	Appendix 3B Partial Conversion

Date	Headline
27 October 2010	Notice of Annual General Meeting/Proxy Form
27 October 2010	Annual Report 2010

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website, www.asx.com.au, and will also be made available on the Company's web site, www.benitec.com. Copies of announcements can also be obtained from the Company upon request. Prospective investors are advised to refer to ASX's website or the Company's website for updated releases about events or matters affecting Benitec.

In making statements in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act 2001 and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

8. TERMS OF SECURITIES OFFERED

8.1 Shares

The Shares including the Shortfall Shares will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as the existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's constitution, the ASX Listing Rules and the Corporations Act. The Company's constitution has been lodged with ASIC. The constitution contains provisions of the kind common for public companies in Australia and are taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the constitution during the application period of the Prospectus, which the Company will provide free of charge. The constitution is also available at the Company's web site, www.benitec.com.

8.2 Option Terms

The terms of the Options offered under this Prospectus are as follows:

- (a) Each Option entitles the holder to acquire one ordinary fully paid share in the capital of the Company.
- (b) The Options are exercisable at any time from the date on which they are issued until 31 December 2013 ("the Expiry Date") by completing the Option exercise form and delivering it together with the payment for the number of shares in respect of which the Options are exercised to the registered office of the Company. Any Option that is not exercised before the Expiry Date automatically lapses.
- (c) The exercise price of the Options is 4 cents (\$0.04) per Option payable in full on exercise.
- (d) Subject to the Corporations Act, the ASX Listing Rules, and the Constitution of the Company, Options are freely transferable. All shares issued upon exercise of Options will rank *pari passu* in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid shares. The Company will apply for official quotation by ASX of all shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX.
- (e) The Options will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant Options.

- (f) There are no participation rights or entitlements inherent in the Options. Option holders are not entitled to participate in new issues of securities offered to shareholders without first exercising the Options. Subject to any waiver granted by ASX, the Company will send notices to Option holders at least five business days prior to the record date applying to offers of securities made to shareholders during the currency of the Options.
- (g) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of the Exercise Period, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

Shares issued upon the exercise of Options will fully be fully paid ordinary shares and will have the same voting and other rights as the existing shares of the Company.

8.3 ASX Listing

Application will be made to the ASX within seven days after the date of issue of this Prospectus for quotation of the Shares. If the application for quotation is unsuccessful, all application monies will be repaid to applicants without interest.

The Board will, subject to being able to satisfy any requirements imposed by the ASX Listing Rules, make an application to quote the Options. No application monies will be repaid to applicants in the event that the Options are not quoted.

9. KEY RISKS

The Shares and Options offered under this Prospectus are considered speculative because of the inherent risks associated with a drug discovery/R&D company. In addition, there are risks inherent in investing in the share market in general.

The Directors have considered and identified in this section of the Prospectus the critical areas of risk associated with investing in the Shares and Options. The risks identified by the Directors are not exhaustive and potential investors should read this Prospectus in full and seek professional advice if they require further information on material risks in deciding whether to subscribe for Shares and Options.

This investment is regarded as highly speculative and neither Benitec nor any of its Directors or any other party associated with the preparation of this Prospectus guarantees that any specific objectives of Benitec will be achieved or that any particular performance of Benitec or of its Shares or Options, including those offered by this Prospectus, will be achieved.

9.1 Specific risks

(a) Pharmaceutical R&D

Pharmaceutical R&D involves scientific uncertainty and long lead times. Risks inherent in these activities include:

- uncertainty of the outcome of Benitec's research results;
- difficulties or delays in development of any of Benitec's drug candidates; and
- general uncertainty related to the scientific development of a new medical therapy.

Examples of such risks include, but are not limited to, the following:

- the ability to reproduce in humans the results achieved in the laboratory or in animal models;

- the possibility that Benitec's drug candidates may have insufficient efficacy, adverse side effects or be unsafe for administration to humans; and
- the possibility that Benitec's level of expenditure is higher than budgeted.

Few R&D projects produce a commercial product. As Benitec's drug candidates are in an early stage of development, product candidates may appear promising in early stages of development but ultimately fail to reach the market for many reasons, including unacceptable clinical results, a drug candidate that is not cost-effective or economic to manufacture, or concerns regarding product safety.

Benitec's drug candidates require significant pre-clinical and human clinical development prior to commercialisation, which is uncertain, expensive and time consuming. There may be adverse side effects or inadequate therapeutic efficacy of Benitec's drug candidates which would prevent further commercialisation. There may be difficulties or delays in testing any of Benitec's drug candidates. There may also be adverse outcomes with the broader clinical application of the Benitec technology platform which could have a negative impact on Benitec's specific drug development and commercialisation plans.

Benitec will rely on other parties including contractors, universities, hospitals and clinics to conduct research and development and clinical trials and these parties may not perform to expectation. If Benitec is unable to retain suitable organisations on favourable terms, or if any resulting agreement is terminated and Benitec is unable to quickly replace the applicable organisation with another qualified institution, the research could be delayed and Benitec may be unable to complete development or commercialisation of its drug candidates. Benitec may be unable to secure licensing deals with pharmaceutical companies to complete the development and/or commercialisation of its products.

No assurance can be given that Benitec's product development efforts will be successful, that any potential product will be safe and efficacious, that required regulatory approvals will be obtained, that Benitec's products will be capable of being produced in commercial quantities at an acceptable cost or at all, that the Company will have access to sufficient capital to successfully advance the products through development or to find suitable development or commercial partners for the development and or commercialisation of the products and that any products, if introduced, will achieve market acceptance. Furthermore, any products that may be developed through Benitec's R&D program will not be commercially available for several years at least, if at all.

Specifically, the market for RNAi-based therapeutics is still in its infancy. Benitec's success depends on the acceptance of its technology and products by the medical community. The Company plans to minimize this risk by partnering with large pharmaceutical companies which have significantly greater financial resources and marketing reach to commercialize its products once Benitec has demonstrated the safety and efficacy of its ddRNAi technology in a range of human health areas.

Some of Benitec's projects may be partially carried out overseas (and Benitec may purchase raw materials from overseas suppliers) under contracts denominated in foreign currencies. Any adverse movement in the Australian dollar against these foreign currencies may adversely impact on Benitec's ability to complete its development programs within its available funds.

(b) **Gene Therapy**

Benitec's ddRNAi approach is a form of gene therapy. Small pieces of DNA targeting short sequences of a specific gene are inserted into the cell, where they can integrate and express the double stranded RNA for a long time. Regulatory and commercial hurdles for gene therapy are currently higher than for many other therapeutic approaches. Despite clinical development for 20 years, no gene therapy has marketing approval by the regulatory authorities in the US or EU. Two gene therapy

products are commercially available in China (*Gendicine*) and the Philippines (*Rexin-G*) following approval in those countries.

(c) **Partnering and licensing**

Due to the significant costs in drug discovery and development it is common for biotechnology companies to partner with larger biotechnology or pharmaceutical companies to help progress drug development. Partnering can potentially reduce the development and commercial risk for the biotechnology company by involving an experienced drug development and or pharmaceutical marketing company in the drug's development and commercialisation however there is no guarantee that such arrangements will lead to the successful commercialisation of products as a larger partner may not have the same motivation as Benitec to quickly advance the product through clinical trials and commercialization. Roche's recent decision to end its siRNA involvement is an example of this. The perceived risk reduction is generally traded off for the value of the project asset, with the biotechnology company generally receiving a reduced benefit in the commercial potential of the drug. Generally the licensor receives milestone payments on the successful progress of the drug through R&D and a percentage of the eventual product sales in the form of a royalty. Commercial terms can differ widely and depend on the quality of the data generated in R&D, the stage of development of the drug and the perceived commercial potential or value of the drug. Licensing deals also vary considerably in the type of conditions specified in the agreements relating to obligations on the licensee and licensor and also on boilerplate agreement terms such as warranties and indemnities termination, disputes and dispute resolution, termination events and what happens upon termination. These collaboration risks may be reduced by taking an equity stake such as Benitec has done with Tacere Therapeutics Inc, however this equity participation may not be available in future collaborations.

While Benitec has previously entered into such licensing agreements with pharmaceutical partners, there is no guarantee that Benitec will be able to partner or license its products in the future. There is also no guarantee that Benitec will receive back all the data generated or related intellectual property by its prior or future licensing partners. In the event that Benitec does license or partner the drugs in its pipeline, there is no assurance as to the attractiveness of the commercial terms nor any guarantee that the agreements will generate a material commercial return for Benitec.

(d) **Regulatory Approvals**

The products of biotech companies are regulated by government agencies and must be approved for commercial sales. It is currently estimated that spending of \$800 million and 10-15 years are required to launch a new drug in the US, although this estimate has recently been challenged as being extremely overestimated ("*Demythologizing the high costs of pharmaceutical research*" Donald W. Light and Rebecca Warburton, 2011 The London School of Economics and Political Science 1745-8552; *BioSocieties* 1–17). Complex government health regulations, which are subject to change, add uncertainty to obtaining approval to undertake clinical development and obtain marketing approval for pharmaceutical products and the risk exists that Benitec's new products may not satisfy the stringent requirements for approval, or that the approval process may take longer than expected. Any approval will be limited to those disease states and conditions for which the product has shown safety and efficacy. Approval by a regulatory authority such as the Food and Drug Administration in the United States does not guarantee or imply that the respective Government agency or private insurers will provide reimbursement for the cost of treatment.

Delays may be experienced in obtaining such approvals or the regulatory authorities may require different or expanded trials and these may add to the development cost and delay products from moving into the next phase of drug development and up to the point of entering the market place. This may adversely affect the products' competitive position and the financial value of the drug candidates to Benitec. It may

also adversely affect the prospects of Benitec being able to partner these products with other companies and/or the commercial terms for these partnering arrangements.

There can be no assurance that regulatory clearance will be obtained for a product or that the data obtained from clinical trials will not be subject to varying interpretations. There can be no assurance that the FDA or other regulatory authorities will agree with Benitec's assessment of future clinical trial results.

Pharmaceutical manufacturers must adhere to current Good Manufacturing Practices (GMP) regulations, which are enforced through facilities inspection programs. Benitec or its contractors may not be able to comply or maintain compliance with these regulations, nor may they be able to make drug product that is compliant with the manufacturing specifications or with GMP regulations. Non-compliance could significantly delay clinical development and in turn receipt of marketing approval or result in enforcement action.

The nature of Benitec's operations makes it subject to laws, regulatory restrictions and certain governmental directives, recommendations and guidelines relating to, amongst other things, occupational safety, laboratory practice, the use and handling of hazardous materials, prevention of illness and injury, environmental protection, animal testing and hazardous substance control. There can be no assurance that future legislation will not impose further government regulation with which Benitec will be required to comply.

As previously indicated, there can be no assurance that any compound developed by Benitec will prove to be safe and efficacious in clinical trials or that any of Benitec's future products will be approved on a timely basis, if at all. The approval process for new products is likely to take several years and will involve substantial expenditures. In addition, governmental policies may change and additional regulations may be promulgated that could delay or prevent regulatory approval of Benitec's potential products. If regulatory approval of a product is granted, such approval will be limited to the states and conditions the product is used for, as demonstrated through clinical studies. Furthermore, approval may entail ongoing requirements for post marketing studies. Even if such approvals are obtained a product and its manufacturer are subject to continued review and periodic inspections and subsequent discovery of previously unknown problems with respect of a product or manufacturer may result in the imposition of restrictions on the product or manufacturer, including recall or withdrawal of the product from the market.

However, at least two of Benitec's programs - in drug resistant lung cancer and in cancer-associated pain - may find a faster path to market due to the limited life expectancy of the target patient populations. In addition, path to market of these programs is likely to be less expensive than the industry standard for new pharmaceutical drugs.

(e) **Competition**

Intense competition exists in the pharmaceutical industry, including that related to:

- developing products for existing and new markets;
- obtaining and sustaining proprietary rights to technology; and
- marketing, selling and distributing pharmaceutical and biotechnology products.

The risk exists that one or more of the competitive products in development now or in the future will prove more efficacious, safer, more cost effective or more acceptable to patients than the Benitec product. It is possible that a competitor may be in that market place sooner than Benitec and establish itself as the preferred product.

Such competition and new technologies can have the effect of:

- rendering R&D obsolete;
- decreasing attractiveness to potential or existing licensing partners which could lead to termination of licensing agreements while the drugs are still in R&D;
- decreasing the financial value of products, intellectual property or research projects; and
- reducing pricing and profit margins.

(f) **Market Acceptance**

Market acceptance of Benitec's products is uncertain. These uncertainties can be caused by:

- difficulties in marketing any of Benitec's drug candidates including those associated with price, dosage required and claims that can be made about the product;
- acceptability of the product to patients and clinicians, including the side effect profile and the ease and frequency of administration;
- delays in marketing any of Benitec's drug candidates;
- the advancement of new competitive products; and
- the discovery and development of new drugs by companies developing competing products.

If Benitec cannot manufacture its products or contract with a third party to manufacture its products at costs that allow Benitec to charge competitive prices to buyers, Benitec will not be able to market products profitably.

Accordingly there can be no assurance that Benitec's products, if approved for marketing, will be successful in the market place or that Benitec will receive any profits from the sale of its products.

(g) **Additional Capital Requirements**

Pharmaceutical R&D activities require a high level of funding over a long period of time. The proceeds of the Offer are expected to be sufficient to fund the planned activities of Benitec at least to the end of 2012. However, additional development costs may arise within this period, and substantial additional funding will be required to complete the development and commercialisation of Benitec's drug candidates beyond this time. The Company constantly evaluates existing data from its pre-clinical and clinical studies that could open up new indications for its Benitec drugs and allow the Company to file patents thereby providing potential new development and partnering opportunities. Accordingly the Company may alter its funding strategy to take advantage of such new opportunities as and when they present.

There is no assurance that additional funding will be available to Benitec in the future or be secured on acceptable terms or at acceptable rates. If adequate additional funds are not available, Benitec may be required to curtail significantly one or more of its R&D programs or to obtain funds for the sale or licence of certain technology or product rights. If adequate funds are not available, Benitec's business operations could be negatively affected and the advance of Benitec's pipeline of therapeutic candidates into clinical trials may be slowed.

(h) **Technology and Intellectual Property Rights**

Obtaining, securing and maintaining rights to technology and patents is an integral part of securing potential product value in the outcomes of pharmaceutical R&D.

Competition in retaining and sustaining protection of technology and the complex nature of technologies can lead to patent disputes.

Benitec's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Additionally, success may depend on the Company enforcing and defending its intellectual property against third-party challengers. Because the patent positions of biotechnology and pharmaceutical companies can be highly uncertain and frequently involve complex legal and factual questions, neither the breadth of claims allowed in biotechnology and pharmaceutical patents nor their enforceability can be predicted. There can be no assurance that any patents which Benitec may own, access or control will afford Benitec commercially significant protection of its technology or its products or have commercial application, or that access to these patents will mean that Benitec will be free to commercialise its drug candidates.

Benitec believes it is strongly positioned by its IP portfolio and the competitive advantages of its ddRNAi technology vis-à-vis the alternative siRNA technology platform. However, the risk exists that Benitec's drug candidates may be rendered obsolete by a new product or technology that is more effective, safer, and/or easier to administer and manufacture. The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology or products to avoid Benitec's patented technology. Patenting strategies do not cover all countries which may lead to generic competition arising in those markets.

To date all decisions in patent litigation issues have gone in Benitec's favour. There is no certainty that this will continue, however.

(i) **Dependence on Key Personnel**

Benitec is dependent on the principal members of its scientific and management team, the loss of whose services could materially and adversely affect Benitec and might impede the achievements of its R&D objectives. Because of the specialised nature of Benitec's business, Benitec's ability to effectively maintain its program will depend in part upon its ability to attract and retain qualified research people either within Benitec or via its contracted activities. There can be no assurance that Benitec will be able to retain sufficient qualified personnel on a timely basis, retain its key scientific and management personnel or maintain its relationships with its collaborators. The failure to retain such personnel and develop such expertise could materially adversely affect Benitec's prospects for success.

(j) **Risk of Product Liability**

Benitec's business exposes it to potential product liability risks which are inherent in the R&D, preclinical study, clinical trials, manufacturing, marketing and use of human therapeutic products. Benitec will also need to provide broad indemnities to any organisation contracted to perform pre-clinical studies, clinical trials and to the pharmaceutical partners who will conduct the development and commercialisation of its products. In addition, it may be necessary for Benitec to secure certain levels of insurance as a condition to the conduct of clinical trials. Benitec will seek to obtain adequate product liability insurance whenever prudent. There can be no assurance that adequate or necessary insurance coverage will be available at an acceptable cost or in sufficient amounts, if at all, or that a product liability or other claim would not materially and adversely affect the business or financial condition of Benitec.

(k) **Absence of Dividends**

The initial objective of Benitec is to obtain sufficient working capital to enable it to advance its key R&D programs— chronic cancer-associated pain and drug-resistant lung cancer to phase I/II clinical trials – and to complete proof of concept and toxicology testing for its hepatitis B program, to terminate the convertible note facility with La Jolla Cove Investors Inc and to pay for the costs of the Offer. The balance of the funds will provide the Company with underlying working capital and strengthen the balance sheet. The ability of Benitec to pay any dividend in the future is dependent on

many factors including the outcome of its R&D and its ability to commercialise any resultant product. At that time, the amount, timing and payment of any future dividend will depend on a range of factors including future capital and R&D requirements and the financial position generally of Benitec at the time. There will also be factors that affect the ability of Benitec to pay dividends and the timing of those dividends that will be outside the control of Benitec and its Directors. The Directors are therefore unable to give any assurance regarding the payment of dividends in the future, if at all.

9.2 General Risks

(a) General Economic Climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on Benitec's operating costs.

The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for any services that the Company may sell.

(b) Stock Market Conditions

The Shares and (subject to the satisfaction of the requirements of ASX for a new secondary class of securities) the Options offered are expected to be listed on the ASX, where their price may rise or fall. The market for biotechnology shares has historically experienced significant fluctuations in price and trading volumes which may be unrelated to the performance of individual companies. The Shares and Options allotted under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, liquidity or the price on which they may trade on the ASX. It is likely that Benitec will record losses and negative cash flows, and will not pay a dividend for a number of years, if at all. The stock market has in the past and may in the future be affected by a number of matters including:

- market confidence;
- supply and demand for money; and
- currency exchange rates.

(c) Government Policy Changes

Any material adverse changes in government policies or legislation of any countries in which it may operate may affect the viability and profitability of the Company.

(d) Foreign Currency and Exchange Rate Fluctuations

Revenue and expenditure of the Company may be domiciled in currencies other than Australian dollars and as such expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure.

The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist managing these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.

(e) Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial

performance of the Company and the value of the Shares and Options offered under this Prospectus.

Therefore, the Shares and Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares and Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares and Options in the Company.

10. MATERIAL AGREEMENTS

10.1 Underwriting Agreement

Pursuant to an Underwriting Agreement between the Company and Patersons Securities Limited [ABN 69 008 896 311] ("the Underwriting Agreement") the Underwriter has agreed to fully underwrite the Rights Issue.

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay the Underwriter an underwriting fee of 6% on the underwritten amount of \$8,012,879 ("the Underwritten Amount"), being \$480,773;
- (b) pay the Underwriter a lead manager fee of \$60,000; and
- (c) issue to the Underwriter (or its nominees) one Commitment Option for every four Shares underwritten, being 100,160,982 Commitment Options (subject to rounding).

The Commitment Options will be issued to or at the direction of the Underwriter for distribution to sub-underwriters.

Representations and Warranties

- (a) Prospectus complies with section 713 of the Corporations Act;
- (b) Forecasts are made with reasonable grounds;
- (c) Due diligence results are correct and there is no material omissions;
- (d) No rights to securities;
- (e) Permits held by relevant Companies;
- (f) No encumbrances over assets;
- (g) No litigation pending or current;
- (h) No event of insolvency has occurred;
- (i) Corporate authority exists for the Company to enter into Underwriting Agreement;
- (j) Underwriting Agreement does not result in any breach;
- (k) Underwriting Agreement constitutes a binding obligation;
- (l) No breach by the Company of any material agreements;
- (m) No prescribed occurrence has taken place;
- (n) Certificate correct;

- (o) Information provided to the Underwriter is materially true and correct;
- (p) Company is in compliance with Acts;
- (q) Accounts present a true and fair view of the financial position of the Company;
- (r) Constitution compliant;
- (s) Uncalled capital;
- (t) Shares to be issued will be fully paid;
- (u) Options will be free of all encumbrances and will rank equally;
- (v) Register of members has been diligently and properly kept.

The obligation of the Underwriter to underwrite the Rights Issue is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of specified events including:

- (a) **(Indices fall)**: any of the All Ordinaries Index, S&P/ASX 200 Index, or the S&P/ASX 200 Small Industrials Index as published by ASX is at any time after the date of the Underwriting Agreement 7.5% or more below its respective level at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (b) **(Share Price)**: the closing price of the Company's fully paid ordinary shares on ASX is less than the Offer price; or
- (c) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or Offer is withdrawn by the Company; or
- (d) **(Copies of Prospectus)**: the Company fails to comply with its obligation to deliver to the Underwriter 25 copies of the Prospectus within 7 days of the Lodgement Date and as many copies of the Prospectus prior to the Closing Date as the Underwriter may reasonably require; or
- (e) **(No Official Quotation)**: Official Quotation has not been granted for all the Shares and Options by the Shortfall Notice Deadline Date or, having been granted, is subsequently withdrawn, withheld or qualified; or
- (f) **(Supplementary prospectus)**:
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in the Underwriting Agreement, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (g) **(Non compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act; or
- (h) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes misleading or

deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or

- (i) **(Restriction on allotment):** the Company is prevented from allotting the Rights Shares and Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority; or
- (j) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (k) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (l) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act; or
- (m) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel; or
- (n) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement 11 April 2011 involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
- (o) **(Authorisation):** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or
- (p) **(Indictable offence):** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (q) **(Designated Sub-underwriters):** any of the Company Sub-underwriters that are introduced by the Company do not comply with its respective obligation under the sub-underwriting agreement with the Underwriter or threaten not to comply with all of its respective obligations under the sub-underwriting agreements with the Underwriter; or
- (r) **(Termination Events):** subject to the occurrence of the event described below having a material adverse effect on the Rights Issue, any of the following events occurs:
 - (i) **(Default):** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking; or
 - (ii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect; or
 - (iii) **(Contravention of constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing

Rules or any other applicable legislation or any policy or requirement of ASIC or ASX; or

- (s) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time; or
- (t) **(Error in Due Diligence Results)**: it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive or that there was an omission from them; or
- (u) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor; or
- (v) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer , the Rights Issue or the Prospectus; or
- (w) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive; or
- (x) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional (other than as set out in the definition of "Official Quotation" in the Underwriting Agreement); or
- (y) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy; or
- (z) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs; or
- (aa) **(Suspension of debt payments)**: the Company suspends payment of its debts generally; or
- (bb) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company; or
- (cc) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days; or
- (dd) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any the Company, other than any claims foreshadowed in the Prospectus; or
- (ee) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter; or
- (ff) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company; or

- (gg) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 Business Days; or
- (hh) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs; or
- (ii) **(Certain resolutions passed)**: the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter; or
- (jj) **(Capital Structure)**: the Company alters its capital structure in any manner not contemplated by the Prospectus; or
- (kk) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Relevant Company; or
- (ll) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; or
- (mm) **(Material Breach)**: if the Underwriter fails to rectify any material breach of the Mandate having been given 10 business days notice in writing by the Company of such breach having occurred.

The ability of the Company to terminate the Underwriting Agreement arises without cost or liability to itself and without prejudice to any rights for damages arising out of any breach by the Underwriter of its representations, warranties or obligations under the Underwriting Agreement if any of the following events occur:

- (a) **(Default)**: default by the Underwriter under the Underwriting Agreement; or
- (b) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Underwriter in the Underwriting Agreement is or becomes untrue or incorrect.

In the event that the Underwriting Agreement is terminated by the Underwriter or the Company, the Company is obliged to pay \$60,000 to the Underwriter as a termination fee together with the reimbursement of any expenses incurred or accrued up to the date of termination.

The Underwriting Agreement also contains a number of indemnities provided by the Company for the benefit of the Underwriter to hold the Underwriter and all its officers, employees, agents and advisors harmless from and against all prosecutions, losses, penalties, actions, suits, claims, expenses, costs, liabilities, charges, outgoings, payments, demands and proceedings arising out of or in respect of:

- (a) the Offer;
- (b) non-compliance with or breach of the ASX Listing Rules in relation to the Prospectus or any Offer documents accompanying the Prospectus;
- (c) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy or omission from the Prospectus or any Offer documents accompanying the Prospectus;
- (d) any advertising, publicity, announcements, statements and reports in relation to the Offer made with the agreement of the Company; or
- (e) any breach or failure by the Company to observe any of the terms of the Underwriting Agreement or any breach of the representations and warranties given by the Company in the Underwriting Agreement.

Additionally, the Company will indemnify the Underwriter in respect of any payment made by the Underwriter to reimburse or provide for payment of any loss suffered personally by an officer, employee, agents or advisor of the Underwriter in respect of the matters described in (a) to (e) above.

These indemnities are limited by any contravention by the Underwriter of the Corporations Act or anything done which results in losses for wilful default, misconduct, fraud, negligence or breach of contract of the person claiming the indemnity.

In the event that there is a dispute as to a party's liability for an indemnity, the Company agrees to pay or reimburse the amount claimed until such time as the matter is determined. The Company is obliged to reimburse the Underwriter's expenses incurred in connection with the matters described in (a) to (e) above.

The indemnities contained in the Underwriting Agreement survive termination of the Underwriting Agreement.

All the obligations of the Underwriter under the Underwriting Agreement are discharged when any of the following occurs:

- (a) On the date on which all Rights Shares have been subscribed;
- (b) Underwriter lodges application for Shortfall Securities in accordance with section 6.1;
- (c) On the date the Underwriter terminates the Underwriting Agreement;
- (d) The Company fails to give the Underwriter a valid notice by the Shortfall Notice Deadline Date;
- (e) Approval for official quotation has not been obtained by the Shortfall Notice Deadline Date; or
- (f) If Completion has not taken place within five business days of the Closing Date other than by reason of a default by the Underwriter in the performance of its obligations under the Underwriting Agreement.

10.2 Termination Agreement with La Jolla Cove Investors Inc

Subject to the successful completion and closing of the Rights Issue by 17 June 2011, the Company and La Jolla Cove Investors Inc ("LJCI") have agreed to terminate a partially-drawn convertible note facility of up to US\$6 million ("Facility") on the following terms:

- (a) The Company shall retain all funds that have been advanced to it under the Facility.
- (b) LJCI may advance a final instalment of up to US\$200,000 to the Company under the Facility. Thereafter there will be no more advances made.
- (c) LJCI may, at its election, convert any unconverted advances into shares in the Company, upon the terms of the Facility.
- (d) LJCI's future sale of such shares will be restricted to not more than US\$180,000 worth of the Company's shares per month, which sale will be conducted through Patersons Securities Limited. This restriction will not apply if the Company's shares are trading at above \$0.07 (seven cents) or below \$0.01 (one cent) each at the time of the relevant disposal.
- (e) Within 6 months of the completion and closing of the proposed raising US\$700,000 will be paid by the Company to LJCI, in instalments.

If the Company does not complete the proposed raising by 17 June 2011, the Facility shall continue to operate and will not be terminated. The Company will be entitled to retain any additional funds advanced to it under the Facility pursuant to item (b) above.

11. DIRECTORS' INTERESTS

11.1 Securities

Existing Interests

As at the date of this Prospectus, the Directors' direct and indirect interests in shares and options of Benitec are as follows:

Director	Shares	Options
Mr Peter Francis	237,175	2,500,000
Mr Mel Bridges	200,000	2,833,333
Dr John Chiplin	134,596	-
Mr Iain Ross	-	-

Participation by Directors in the Rights Issue

The Directors are entitled, but not obliged, to participate in the Rights Issue without the need for Shareholder approval. Shareholder approval would however be required for the Directors to apply for any Shortfall Shares and Options. If the Directors each participate to the maximum extent permissible then their respective direct and indirect interests will increase and upon issue of the Shares and Options they will have the following direct or indirect interests:

Director	Entitlement under the Rights Issue (shares)	Entitlement under the Rights Issue (options)	Total interest if full entitlement taken up (shares)	Total interest if full entitlement taken up (options)
Mr Peter Francis	189,740	47,435	426,915	2,547,435
Mr Mel Bridges	160,000	40,000	360,000	2,873,333
Dr John Chiplin	107,677	26,920	242,273	26,920
Mr Iain Ross	-	-	-	-

Except as disclosed in the Prospectus, no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

11.2 Remuneration

Directors are entitled to receive directors' fees and other remuneration (which may include consulting fees) from the Company in relation to services provided to the Company. Details of the remuneration paid to Directors to 30 June 2010 are set out in the financial statements of the Company for the financial year ended 30 June 2010, referred to in Section 4.2 of this Prospectus.

The total amounts payable (exclusive of GST) to current Directors (or their associated entities) as fees and executive service remuneration in 2 year period prior to lodgement of this Prospectus are:

<i>Director</i>	<i>April 2009 to March 2010</i>	<i>April 2010 to March 2011</i>
Mr Peter Francis	60,000	60,000
Mr Mel Bridges	55,000	55,000
Dr John Chiplin	8,333	102,500
Mr Iain Ross	-	75,000

Mr Francis is a principal of Francis Abourizk Lightowlers, a law firm which undertakes legal services for the Company. During the past two years, a total of \$169,784 (exclusive of GST) has been paid for legal services.

Mr Bridges is the Chairman of Peptech Animal Health Pty Ltd [ACN 071 505 130], a company from which Benitec leases premises in Sydney. During the past two years, a total of \$8,100 (exclusive of GST) has been paid for the office lease.

Except as disclosed in this Prospectus, no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of the Company or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Offer.

11.3 Payments to the Underwriter

Pursuant to the Company's general corporate advisory mandate with the Underwriter, Patersons Securities Limited, the Underwriter has been paid corporate advisory fees totalling \$30,000 (\$10,000 per month) during the period 3 December 2010 to 3 February 2011. Fees payable to the Underwriter for underwriting the Offer, and details of Commitment Options to be issued to or at the direction of the Underwriter for distribution to sub-underwriters identified by the Underwriter are set out in Section 10.1.

12. TAXATION

Recipients of the Offer should seek and obtain their own taxation advice before applying for Shares and Options so that they may first satisfy themselves of any taxation implications associated with acquiring Shares and Options.

13. PRIVACY

Personal information is collected on the Entitlement and Acceptance Forms by the Company and its Share Registrar for maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its Share Registrar, or who would like to correct information that is incorrect or out of date, should contact the Share Registrar's Privacy Officer at Computershare Investor Services Pty Limited at the address shown in the Corporate Directory. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registrar's Privacy Officer. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

14. ELECTRONIC PROSPECTUS

This Prospectus is available in electronic format at www.benitec.com. Offers constituted by this Prospectus in electronic form (if any) are only available to eligible persons receiving this Prospectus in electronic form within Australia. Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of

charge) by telephoning the Company on +61 3 8456 6281. Acceptances for Shares may only be made on the Entitlement and Acceptance Form which accompanied or was attached to a copy of this Prospectus in its paper copy form or a print out of the form which formed part of or was accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

15. CONSENTS

Computershare Investor Services Pty Limited has given and, as at the date hereof, not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

The Lead Manager and Underwriter, Patersons Securities Limited ("Patersons"), has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as lead manager and underwriter of the offer of securities under this Prospectus, in the form and context in which it is named. Patersons was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Patersons makes no express or implied representation or warranty in relation to Benitec, this Prospectus or the offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

16. ENQUIRIES

If you have any questions regarding the content of this Prospectus or how to complete the Entitlement and Acceptance Form, please contact your stockbroker, accountant or independent professional financial adviser prior to accepting the Offer.

Any questions concerning the Offer should be directed to Mr John Rawling of Benitec Limited on +61 (0)417 524 236.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by Benitec in connection with this Prospectus.

Directors' Responsibility Statement

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.



Peter Francis
Chairman

E

Benitec

LEADER IN GENE SILENCING TECHNOLOGY

ABN 64 068 943 662

Level 16, 356 Collins Street
Melbourne Vic 3000Securityholder Reference Number (SRN)/
Holder Identification Number (HIN)

<<SRN>>

A<<REG_ADDRESS_LINE_1>>
<<REG_ADDRESS_LINE_2>>
<<REG_ADDRESS_LINE_3>>
<<REG_ADDRESS_LINE_4>>
<<REG_ADDRESS_LINE_5>>
<<REG_ADDRESS_LINE_6>>Use a black pen.
Print in CAPITAL letters
inside the grey areas.

A B C

1 2 3

Entitlement and Acceptance Form (including Shortfall Shares)

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt in how to deal with this document, please consult your financial or other professional adviser.

**Renounceable Rights Offer closing 5pm Melbourne time
on 12 May 2011**

Renounceable Rights Offer on the basis of 4 new Shares for every 5 existing Shares registered and entitled to participate at the Record Date at the issue price of \$0.02 per new Share and 1 free attaching new Option for every 4 new Shares issued.

Important:

Receipt of this form by 5pm Melbourne time on 12 May 2011 with your payment utilising the payment options detailed overleaf will constitute acceptance in accordance with the terms and conditions of the Prospectus dated 11 April 2011.

Securityholder Entitlement detailsExisting Shares entitled to participate
at Record Date on 19 April 2011

<<SHARES>>

Entitlement to new ordinary Shares on
a 4 for 5 basis

<<ENT>>

Amount payable on full acceptance at
\$0.02 per new Share

<<AMOUNT>>

Entitlement Number

<<ENT_NO>>

B Number of new Shares accepted**C** Number of Shortfall Shares applied for**D** Amount enclosed at \$0.02 new Share

A\$

I/We enclose my/our payment for the amount shown above being payment of \$0.02 per new Share. I/We hereby authorise you to register me/us as the holder(s) of the new Shares and new Options. I/we agree to be bound by the constitution of the Company.

E**Enter your contact details**

Contact name

Telephone number – business hours / after hours

F Cheque details - Make your cheque payable to "Benitec Limited Rights Issue Account"

Drawer

Cheque Number

BSB Number

Account Number

Amount of cheque

A\$

**Please return the completed form to:
Closing Date: 12 May 2011 (5pm)****A signature is not required.****Benitec Limited
Level 16
356 Collins Street
Melbourne Vic 3000**

See back of form for completion guidelines

How to complete this form

Please complete all relevant sections of the Entitlement and Acceptance Form using BLOCK LETTERS. Note that photocopies may not be accepted. These instructions are cross-referenced to each section of the Entitlement and Acceptance Form.

A Registration Name(s)

The new Shares and new Options will be registered in the name(s) printed on the form.

B New Securities Accepted

Enter the number of new pro rata entitlement Shares you wish to accept (if any). The number of new free attaching Options will be determined on a 1 for 4 basis.

C Additional Securities Applied for

Enter the number of Shortfall Shares you wish to apply for (if any). The number of new free attaching Options will be determined on a 1 for 4 basis. Shortfall Shares and Options may only be applied for if you accept your entire pro rata entitlement to Shares (Box B of this form). Please refer to section 1.2 of the Prospectus for detailed information concerning the allocation of Shortfall Shares and Options.

D Acceptance Monies

Enter the total amount of Acceptance Monies payable. To calculate this amount, multiply the total number of New Shares applied for in Box B plus the total number of Shortfall Shares applied for in Box C by the issue price (\$0.02).

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you with a query regarding your application.

F Payment Details

You can apply for shares by utilising the payment options below.

By making payment, you confirm that you have received, and agree to all of the terms and conditions detailed in, the Prospectus dated 11 April 2011.

Payment by cheque or money order

Your cheque or money order must be made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to "Benitec Limited Rights Issue Account" and crossed 'Not Negotiable'.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in Box D of this form.

Cheques will be processed on the day of receipt (or at any time thereafter) and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Acceptance being rejected. Pin (do not staple) your cheque(s) to the Entitlement and Acceptance Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded. Refer to Section 6 of the Prospectus for further information about payment by cheque or money order.

Payment by EFT

You may make payment by electronic funds transfer to the following account:

Account Name: **Benitec Limited Rights Issue Account**

BSB: **033039**

Account No: **550529**

If paying by this method, you must include your SRN in the reference field. Failure to do so may result in the payment not being matched up to the Acceptance Form, which must be sent separately to Benitec Limited. Refer to Section 6 of the Prospectus for further information about payment by EFT.

Lodgement of Acceptance

Entitlement and Acceptance Forms must be received at the registered office of Benitec Limited by no later than 5pm Melbourne time on 12 May 2011. Return the Entitlement and Acceptance Form with cheque(s) attached to:

Benitec Limited
Level 16
356 Collins Street
MELBOURNE VIC 3000

The Company takes no responsibility for lost, delayed or misdelivered Entitlement and Acceptance Forms or payments.

The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is attached to or accompanied by a hard copy of the Prospectus dated 11 April 2011 or by a complete and unaltered electronic version of the Prospectus. This Entitlement and Acceptance Form is personalised and is only capable of acceptance by the shareholder named on this Form. This Form may not be used by any other shareholder to accept their entitlement.

Privacy Statement

Personal information is collected on this form by Benitec Limited for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Benitec, or you would like to correct information that is inaccurate, incorrect or out of date, please contact Benitec Limited. If any incorrect address details are contained in this form, you may make the correction by hand and initial the change. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) by Benitec Limited's share registry provider Computershare Investor Services Pty Limited ("CIS") approved by Benitec Limited in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS by calling 1300 850 505 or E-mail privacy@computershare.com.au.

If you have any enquiries concerning your entitlement, please contact the Company Secretary of Benitec Limited on 0417 524 236.

Please return the completed form to:

Closing Date: 12 May 2011 (5pm)

**Benitec Limited
Level 16, 356 Collins Street
Melbourne Vic 3000**