APPENDIX 4D
HALF YEAR REPORT
FOR THE PERIOD ENDING 31 DECEMBER 2009

The following information is provided to the ASX under listing rule 4.2A.3.

1. REPORTING PERIOD

The financial information contained in this report is for the half-year ended 31 December 2009. Comparative amounts are for the half-year ended 31 December 2008.

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

		Change	% Change		$A'000
2.1	Revenue from ordinary activities	**down**	**0.5%**	**to**	**239**
2.1.1	(Loss) from ordinary activities after tax attributable to members.	**down**	**22%**	**to**	**(886)**
2.2	Net (loss) for the period attributable to members.	**down**	**22%**	**to**	**(886)**
2.3	The amount per security and franked amount per security of final and interim dividends	**No dividends were declared or paid during the period.**			
2.4	A brief explanation of any of the figures in 2.1 to 2.3 necessary to enable the figures to be understood	**Refer to commentary below**			

3. COMMENTARY ON RESULTS FOR THE PERIOD

Benitec's net loss for the half year to 31 December 2009 was $885,734 compared to a net loss of $1,132,094 for the previous corresponding period. Operating revenue decreased marginally to $239,357 from $240,647 in the previous corresponding period. Operating expenses relating to operations were $1,125,091 compared to $1,372,741 or the previous corresponding period. Savings in legal costs, corporate overheads, travel and employment related costs were largely offset by an increase in spending in research and development expenditure, comprising patent costs and the projects with City of Hope, Biomics Technologies in China and Children's Cancer Institute Australia for Medical Research.

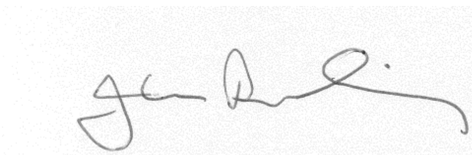
Benitec's current assets balance at 31 December 2009 was $1,317,903 (June 2009: $1,989,166), with current liabilities of $495,644 (June 2009: $501,429).

In July 2009, the Company completed the placement of part of the shortfall from the rights issue in April 2009. This resulted in the issue of a further 8,373,000 ordinary shares for a total of $251,190 before costs. Benitec has just completed a placement of $360,000 with its major shareholder as well as a Convertible Note agreement for $640,000 which is expected to be drawn down by the end of the 2010 calendar year.

4. NET TANGIBLE ASSET BACKING PER SHARE

	2009	**2008**
Net tangible asset backing per ordinary share	0.2 cents	0.2 cents

BY ORDER OF THE BOARD



John Rawling
Company Secretary
24 February 2010

CONTACT:

BENITEC LTD

Sue MacLeman
Chief Executive Officer
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About Benitec

Benitec is an Australian biotechnology company focused on licensing its extensive intellectual property portfolio and developing therapeutics to treat serious diseases using its proprietary ddRNAi technology. Its current therapeutic program is focused on Human Immunodeficiency Virus (HIV). For additional information, please visit www.benitec.com.

Forward-looking Statements

This press release contains forward-looking statements that reflect the Company's current expectations regarding future events. Forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors including the success of the Company's research strategy, the applicability of the discoveries made therein, the successful and timely completion of clinical studies and the uncertainties related to the regulatory process.

BENITEC LIMITED

ABN 64 068 943 662

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Contents

Directors' Report

Your directors submit their report for the half-year ended 31 December 2009.

DIRECTORS

The following persons were directors of Benitec Limited ("Benitec") during the whole of the half-year and up to the date of this report:

Mr Peter Francis (Chairman)
Mr Mel Bridges
Ms Sue MacLeman
Dr John Chiplin (appointed 1 February 2010)

REVIEW AND RESULTS OF OPERATIONS

Overview
Benitec is one of the pioneers of RNA interference (RNAi) technology, which can be used to precisely destroy RNA viruses and silence the expression of defective genes. Benitec's core patents and licenses provide key technologies to trigger RNAi in human cells and in live animals. Benitec holds exclusive worldwide rights for the development and commercialisation of all therapeutic human applications. The corporate goal of Benitec is to develop RNAi-based therapeutics for serious diseases such as infectious diseases, cancers and autoimmune disorders through co-investment and out-licensing. Benitec derives revenues from out-licensing its proprietary DNA-directed RNAi (ddRNAi) technology to life sciences companies in various fields.

Benitec continued its collaboration with the City of Hope Center in California where a HIV-based vector delivery of anti-HIV RNA (pHIV7-shI-TAR-CCR5RZ) ex vivo drug candidate has completed an inital pilot human trial. This study was fully enrolled in October 2008 and 12 month interim results were presented at several conferences in 2009 showing that this is a potentially safe and feasible approach. Further analysis on gene marking and intergration is planned along with additional process development before the next human trial is commenced. Benitec has an option to license this technology and pending further results in the next few months expects to trigger the license on this technology. During the period, Benitec also secured rights to a second collaboration with the City of Hope, a multi-project effort centered at City of Hope to investigate a T cell HIV-based vector delivery of anti-HIV RNA (pHIV7-shI-TAR-CCR5RZ) as a clinical modality. An Investigational New Drug application (IND) was filed in Q4 2009 and it is anticipated that the first patient will be enrolled in the inital pilot human trial in O2 2010.

Benitec commenced a collaboration with Biomics Technologies Inc in China in September 2009. This project is focussed on Hepatitis B which is an area of significant unmet medical need in China and an area of interest to the Chinese government . This initial collaboration involves a 20 week project which is aimed at identifying appropriate target sequences on the Hepatitis B RNA-dependent-DNA polymerase gene which can be used to make ddRNAi constructs to silence the Hepatitis B virus. This project has progressed well and pending the raising of additional capital we expect that this project will move into the next phase with generation and testing of these constructs in animal models.

Directors' Report (continued)

Benitec also commenced a collaboration with the Children's Cancer Institute Australia for Medical Research in September 2009. This project is initially focussed on Non Small Cell Lung Cancer (NSCLC) but has utility in other solid tumours. Up regulation of human beta III tubulin is associated with clinical resistance to conventional chemotherapy known as tubulin binding or DNA damaging drugs. By silencing this gene using our proprietary ddRNA technology we have the potential to restore the utility of these chemotherapy drugs which should lead to better patent outcomes with lung cancer.This initial 12 month project will focus on generating beta III Tubulin stable shRNA expressing cells and demonstrating both *in vitro* and *in vivo* efficacy in animal models.

The ongoing patent re-examination in the United States Patent Office ("USPTO") has progressed. Benitec was notified on 7 January 2010 that an Examiner’s Answer to the Notice of Appeal filed on 22 May 2009 and the accompanying Appeal Brief filed on 27 July 2009 had been issued by the USPTO. Benitec received a copy of the Examiner’s Answer on 11 January 2010. The Examiner’s Answer finds that claims 25-28 of the patent are free of the prior art and allowable. This is the first indication from the USPTO of allowable claims in the re-examination. These claims refer to synthetic DNA construct designs with longer “stuffer fragments”. Benitec has now reviewed the Examiner’s Answer and will now proceed with filing an Appeals Brief on 7 March 2010. It is expected that this will go to an Oral Hearing before the USPTO Board of Appeals in late 2010.

Benitec continues to expect that the key claims will be upheld and the Graham ’099 patent reissued.

In early February 2010, Benitec announced that licensee company Tacere Therapeutics, Inc. had announced that Pfizer has exercised the option, granted in a collaboration and license agreement previously announced in January 2008, to further develop and commercialise Tacere’s Hepatitis C Virus (HCV) compounds. The lead clinical candidate is a new class of agent containing three separate RNAi elements, simultaneously targeting three different sites of the Hepatitis C virus, and encapsidated in an adeno-associated virus (AAV) protein coat. In preclinical animal studies, Tacere have demonstrated that a single intravenous injection of the agent results in penetration of hepatocytes (the site of HCV replication) at sufficiently high levels to potentially eradicate HCV. Tacere have been collaborating with Pfizer for two years to demonstrate that this agent has an excellent safety profile in both mice and non-human primates. The triggering of this option by Pfizer is a validation of the Benitec ddRNAi “expressed” approach to treating chronic diseases from the world's biggest pharmaceutical company.

The significance of this arrangement for Benitec is:
* Pfizer has triggered the option to license a drug candidate that relies of Benitec’s intellectual property;
* Benitec has a 4.2% equity stake in Tacere Therapeutics; and
* Benitec receives milestone and royalty payments from Tacere Therapeutics under the agreement signed in 2006

During the period, a number of patents were issued. On 27 August 2009, the USPTO provided a Notice of Allowance on Benitec fully owned patent U.S. Patent Application No. 11/072,592. This patent is entitled Multiple Promoter Expression Cassettes for Simultaneous Delivery of RNAi Agents. This invention provides multiple-promoter expression cassettes for simultaneous delivery of RNAi, preferably to mammalian cells *in vivo* .

Directors' Report (continued)

On 27 January 2010, the USPTO issued a Notice of Allowance on U.S. Patent Application no. 10/646,070. The application is directed towards a double-stranded synthetic gene comprising multiple copies of a structural gene region having a nucleotide sequence which is identical to a nucleotide sequence of a target gene in a eukaryotic cell. The multiple copies of structural gene region are separated by a sequence of nucleotides that is 50-100 or 100-500 nucleotides in length. This patent is part of the Graham family of patents.

On 4 January 2010, Benitec announced that it had signed a win-win agreement with Australia's Commonwealth Scientific and Industry Research Orgnaisation (CSIRO). In exchange for a 10% equity stake in Benitec Limited. The Capital Growth Agreement and Commercial Agreement were terminated, allowing Benitec to be a more attractuve investment option moving forward. In 2007 the Board identified that the Capital Growth Agreement and onerous terms of the Commercial Agreement were negatively impacting investment, collaboration and potential merger/acquisition options. As a result Benitec approached CSIRO with an equity offer to be provided in exchange for removal of the Capital Growth Agreement and Commercial Agreement. The other objective was to provide clarity and simplification for both parties so they could maximise value from this portfolio.

Moving forward there will only be one substantive agreement, the Licence Agreement. As part of the transition from the current arrangements this is supported by a Transition Agreement, Subscription Agreement and Escrow Agreement. The Licence Agreement is the ongoing licence of the Technology in the Human Field and replaces the existing Licence Agreement and Commercial Agreement. Importantly, Benitec’s involvement in patent management has been strengthened and its obligation to pay royalties has been removed. The Human Field has been further clarified, but not narrowed, and CSIRO has confirmed that Benitec’s rights apply to the entire scope of the Patents and Patent Applications within this Human Field. The Transition Agreement deals with transitional matters, including the termination of the Capital Growth Agreement (CGA), transfer of Sigma-Aldrich royalties back to Benitec and deferred payment of past patent expenses.

The Subscription Agreement deals with the issue of 10% of Benitec shareholding to CSIRO and, if Benitec issues further shares, a top up amount at six and twelve months being capped at one-fifth of the initial number of shares issued (maximum of 12% as at date of initial issue). The equity is the consideration for termination of the CGA and removal of Benitec’s future royalty obligations. Pursuant to the Escrow Agreement, 50% of CSIRO shares will be held in escrow for 6 months. The remaining 50% of CSIRO shares will be held in escrow for 12 months. Benitec retains its exclusive worldwide licence to the Human Field while CSIRO retains Animal, Plant and other rights.

Of note, Benitec also retains its worldwide non revocable Human Field rights to the Graham patent. New and more precise definitions of Human Field and Technology will apply without limiting Benitec’s rights. No royalties will be payable by Benitec to CSIRO in the future and Sigma-Aldrich and sub-licencee revenues for Research Use and reagents will revert to Benitec from 31 March 2010. This will improve Benitec’s revenue line and cash flow. Moving forward there will be better aligned interests for patent prosecution and maintenance with the establishment of a Patent Management Committee. Patent costs will be paid by Benitec based upon a jointly agreed budget. CSIRO will have rights to Research Tools and Research Services, subject to the exclusive rights in the Sigma-Aldrich, but would pay Benitec 50% net revenues from commercialisation of these.

Directors' Report (continued)

In July 2009, Benitec completed the placement of part of the shortfall from the rights issue in April 2009. This resulted in the allotment of a further 8,373,000 ordinary shares for a total of $251,190. Benitec has just completed a placement of $360,000 with its major shareholder as well as a Convertible Note agreement for $640,000 which is expected to be drawn down by the end of the 2010 calendar year.

Benitec is currently actively exploring further capital raising avenues which will enable it to continue to fund the prosecution and maintenance of its significant patent portfolio and also progress its product development and commercialisation activities. Without shareholder and other investor support, Benitec runs the risk of not surviving until the next major value inflection point. The Board are meeting in late February 2010 to confirm the structure and pricing of this planned capital raising . The Board are hopeful that Bentec, in addition to investment by its current shareholders, will also see additional investment from sophisticated investors in the US, who recognise the potential of Benitec's proprietary ddRNAi intellectual property and projects.

Financial Update

Benitec's net loss for the half year to 31 December 2009 was $885,734 compared to a net loss of $1,132,094 for the previous corresponding period. Operating revenue showed a small change to $239,357 from $240,647 in the previous corresponding period. Operating expenses relating to operations were $1,125,091 compared to $1,372,741 for the previous corresponding period. Savings in legal costs, corporate overheads, travel and employment related costs were largely offset by an increase in spending in research and development expenditure, comprising patent costs and the projects with City of Hope, Biomics Technologies in China and Children's Cancer Institute Australia for Medical Research.

Benitec's current assets balance at 31 December 2009 was $1,317,903 (June 2009: $1,989,166), with current liabilities of $495,644 (June 2009: $501,429).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 7 of this report.

Signed in accordance with a resolution of the directors.

Peter Francis
Director
Melbourne, 24 February 2010

RSM Bird Cameron Partners
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Benitec Limited and the entities it controlled for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Miano

R B MIANO
Partner

24 February 2010
Melbourne

Consolidated Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Notes	HALF-YEAR	
		Dec 2009 $	Dec 2008 $
Revenue	2	239,357	240,647
Royalties & licence fees		(9,633)	(77,526)
Research and development costs		(522,037)	(202,718)
Employment related expenses		(357,087)	(467,370)
Travel related expenses		(12,238)	(10,112)
Consultants costs		(18,726)	(69,622)
Occupancy costs		(18,459)	(52,845)
Corporate expenses		(122,952)	(462,363)
Other expenses		(63,959)	(30,185)
Loss before income tax	2	(885,734)	(1,132,094)
Income tax expense		-	-
Loss for the Half-Year		(885,734)	(1,132,094)
Other Comprehensive Income		-	-
Total Comprehensive Income for the Half Year		(885,734)	(1,132,094)
Loss for the Half Year attributable to members of Benitec Limited		(885,734)	(1,132,094)
Total Comprehensive Income for the Half Year attributable to members of Benitec Limited		(885,734)	(1,132,094)

Earnings per share (cents per share) for loss attributable to the ordinary equity holders of the consolidated entity:

– basic for earnings (loss) for the half-year	(0.25)	(0.38)
– diluted for earnings (loss) for the half-year	(0.25)	(0.38)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2009

	Notes	*Dec 2009*	*June 2009*
		$	*$*
ASSETS			
Current Assets			
Cash and cash equivalents	6	1,168,236	1,866,605
Trade and other receivables		74,909	106,921
Other		74,758	15,640
Total Current Assets		1,317,903	1,989,166
Non-current Assets			
Plant and equipment		6,568	8,782
Total Non-current Assets		6,568	8,782
TOTAL ASSETS		1,324,471	1,997,948
LIABILITIES			
Current Liabilities			
Trade and other payables		434,032	444,570
Provisions		61,612	56,859
Total Current Liabilities		495,644	501,429
Non-Current Liabilities			
Trade and other payables		289,781	347,735
Total Current Liabilities		289,781	347,735
TOTAL LIABILITIES		785,425	849,164
NET ASSETS		539,046	1,148,784
EQUITY			
Issued capital	7	75,075,127	74,836,046
Reserves		2,602,320	2,565,405
Accumulated losses		(77,138,401)	(76,252,667)
TOTAL EQUITY		539,046	1,148,784

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Attributable to equity holders of the parent			
	Issued capital	*Accumulated Losses*	*Reserves*	*Total equity*
At 1 July 2008	72,728,840	(73,781,996)	2,411,191	1,358,035
Share issues, net of transaction costs	403,510	-	-	403,510
Loss attributable to members of parent entity	-	(1,132,094)	-	(1,132,094)
At 31 December 2008	73,132,350	(74,914,090)	2,411,191	629,451
Shares issued during period, net of issue costs	1,703,696	-	-	1,703,696
Fair value of share based payments during period	-	-	154,214	154,214
Loss attributable to members of parent entity	-	(1,338,577)	-	(1,338,577)
At 30 June 2009	74,836,046	(76,252,667)	2,565,405	1,148,784
Share issues, net of transaction costs	239,081	-	-	239,081
Fair value of share based payments during period	-	-	36,915	36,915
Loss attributable to members of parent entity	-	(885,734)	-	(885,734)
At 31 December 2009	75,075,127	(77,138,401)	2,602,320	539,046

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	HALF-YEAR	
	Dec 2009 *$*	*Dec 2008* *$*
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	159,556	207,297
Payments to suppliers and employees (inclusive of goods and services tax)	(1,073,468)	(1,495,442)
Borrowing costs	(1,869)	-
Net cash outflows from operating activities	(915,781)	(1,288,145)
Cash flows from investing activities		
Interest received	19,865	37,185
Purchase of plant and equipment	-	(180)
Net cash inflows from investing activities	19,865	37,005
Cash flows from financing activities		
Proceeds from issue of shares	203,081	403,510
Net cash inflows from financing activities	203,081	403,510
Net decrease in cash and cash equivalents	(692,835)	(847,630)
Effects of exchange rate changes on cash and cash equivalents	(5,534)	26,406
Cash and cash equivalents at beginning of the half-year	1,866,605	1,844,226
Cash and cash equivalents at end of half-year	1,168,236	1,023,002

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

1 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Benitec Limited as at 30 June 2009.

It is also recommended that the half-year financial report be considered together with any public announcements made by Benitec Limited and its controlled entities during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

This financial report has been prepared on a going concern basis. During the half year ended 31 December 2009, the consolidated entity incurred a loss of $885,734 (2008: loss $1,132,094) and had net operating cash outflows of $915,781 (2008: $1,228,145). The ability of the consolidated entity to continue as a going concern has been determined by directors on the basis of the primary assumptions set out below.

In common with start-up biotechnology companies:

i. the consolidated entity's operations are subject to considerable risks due primarily to the nature of the development and commercialisation being undertaken; and
ii. to allow the consolidated entity to execute its longer term plans, it will be necessary to raise additional capital in the near future.

Having regard to the current market conditions and the consolidated entity's development programs, the directors intend to implement or continue the following actions to provide additional funds and to form the basis for fund raising:

a) capital raising through a private placement; and
b) entering into one or more corporate/commercial arrangements with other organisations.

Since 31 December 2009, the directors have raised $360,000 by way of a capital raising and have executed a convertible note agreement which is expected to provide a further $640,000 during the 2010 calendar year. The directors expect to undertake further capital raising activity during the 2010 calendar year. The directors currently plan to continue the consolidated entity's operations on the basis of matters referred to above, and believe that such activities will allow the raising of sufficient funds together with the existing net assets, for the consolidated entity to operate in its normal manner for a period of not less than twelve months from the date of this report.

Notes to the Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

1 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL REPORT (continued)

(a) Basis of accounting (continued)

In the meantime the directors plan to continue the consolidated entity's operations on the basis of matters referred to above. In light of the above, it is their belief that sufficient funds will be raised. In the event that such arrangements are not entered into, there is significant uncertainty as to whether the consolidated entity will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The finanical report does not contain any adjustments to the amounts or classifications of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

The financial statements take no account of the consequences, if any, of the effects of unsuccessful product development or commercialisation, nor of the inability of the consolidated entity to obtain adequate funding.

The half-year financial report has been prepared in accordance with the historical convention.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

2 REVENUE AND EXPENSES

(a) Specific Items

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	HALF-YEAR	
	Dec 2009 $	*Dec 2008* $
(i) Revenue		
Licensing revenue	208,090	203,460
Finance income	19,865	37,187
Realised gain on foreign exchange	10,786	-
Other income	616	-
	239,357	240,647
(ii) Expenses		
Depreciation	2,213	2,702
IP litigation expense	5,237	10,721
Foreign exchange fluctuation	(3,826)	(34,072)

(b) Seasonality of Operations

There is no discernable seasonality in the operations of the consolidated entity.

3 SEGMENT REPORTING

Business Segments

The consolidated entity operates in one business segment, being the global commercialisation (by licensing and partnering) of patents and licences developed in the area of biotechnology, more specifically in functional genomics, with applications in biomedical research and human therapeutics.

Geographical Segments

Business operations are conducted in Australia while US located subsidiaries started their operations in May 2004. In June 2006, the US operations were shut down with all operations of the consolidated entity being conducted in Australia from that time.

	Segment Revenues from External Customers *HALF-YEAR*		Carrying Amount of Segment Assets		Acquisitions of Non-Current Segment Assets	
	Dec 2009 $	*Dec 2008* $	*Dec 2009* $	*June 2009* $	*Dec 2009* $	*June 2009* $
Geographical Location:						
Australia	239,357	240,634	1,289,682	1,960,606	-	-
United States of America	-	13	34,789	17,342	-	-
	239,357	240,647	1,324,471	1,977,948	-	-

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

4 CONTINGENCIES

The consolidated entity's intellectual property rights are currently being tested by a patent re-examination by the US Patent and Trademark Office.

An adverse finding in this matter may result in a reduction in the consolidated entity's ability to generate licence revenue from its intellectual property. This process may also result in further significant legal fees in the ongoing protection of intellectual property rights. The directors believe that the consolidated entity's rights are valid and will withstand this challenge. It is not possible to quantify this future risk at this time.

5 EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after balance date.

6 ADDITIONAL INFORMATION

Reconciliation of Cash

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents comprise the following:

	Dec 2009	*June 2009*
	$	*$*
Cash at bank and in hand	1,168,236	1,866,605

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

7 ISSUED CAPITAL

	Dec 2009 *$*	*June 2009* *$*
Ordinary shares		
Issued and fully paid	75,075,127	74,836,046

	No. of Shares	*$*
At 1 July 2009	352,500,230	74,836,046
Share issue re rights issue shortfall	8,373,000	239,081
At 31 December 2009	360,873,230	75,075,127

Share options

Details	No. of Options	Expiry Date	Exercise Price
Listed options	56,081,915	03 Apr 11	$0.15
Listed options	46,673,907	08 Apr 14	$0.10
ESOP options	3,000,000	04 Sep 11	$0.022
ESOP options	1,000,000	14 Dec 11	$0.059
ESOP options	1,000,000	08 Oct 12	$0.114
ESOP options	3,308,334	31 Dec 12	$0.115
Unlisted options	22,244,444	31 Dec 12	$0.10
Other unlisted	17,560	30 Sep 13	$0.03
Strategic Advisor Warrants	6,126,962	04 Aug 14	$0.90
Directors' options	1,953,125	23 Oct 15	$0.17
NED options	4,666,666	31 Dec 12	$0.131
	146,072,913		

Since 31 December 2009, no options have been issued or exercised.

Directors' Declaration

In accordance with a resolution of the directors of Benitec Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes set out on pages 8 to 16 are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its the performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and

(b) as outlined in note 1(a) to the financial statements, the consolidated entity's ability to continue as a going concern is dependent on fund raising activities. Subject to the success of these fund raising activities, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Peter Francis
Director

Melbourne, 24 February 2010

RSM Bird Cameron Partners
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

BENITEC LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Benitec Limited ("the consolidated entity"), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the half-year ended on that date, notes to the financial statements and the directors' declaration. The consolidated entity comprises both Benitec Limited as the parent entity and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and

- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Benitec Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Benitec Limited on 24 February 2010, would be on the same terms if provided to the directors as at the date of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Benitec Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1(a) in the financial report which indicates that the consolidated entity incurred a net loss of $885,734 and had operating cash outflows of $915,781 during the half year ended 31 December 2009. These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

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R B MIANO
Partner

25 February 2010
Melbourne