



Alnylam and Benitec Form Alliance on Fundamental Intellectual Property for RNAi Therapeutics

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Agreement Includes Alnylam Grant to Benitec of Options to

InterfeRx Licenses and Reciprocal Grants of Benitec IP to Alnylam

Alnylam Pharmaceuticals, Inc. (Nasdaq: ALNY), a leading RNAi therapeutics company, and Benitec Ltd. (Australian Stock Exchange: BLT), a leading developer of DNA-directed RNA interference therapeutics, announced today a licensing agreement covering fundamental intellectual property (IP) in the field of RNA interference (RNAi). Under the agreement, Alnylam will provide Benitec and its licensees an option to non-exclusively license Alnylam-controlled IP in the field of expressed RNAi: targeted gene silencing mediated by short interfering RNAs (siRNAs) generated from DNA constructs introduced into cells. Upon Benitec's exercise of this option, Alnylam would receive license fees and be entitled to receive milestone payments and royalties on any expressed RNAi products developed by Benitec or its licensees. Under the agreement, Benitec also provides Alnylam with reciprocal options under reciprocal terms to non-exclusively license Benitec IP for expressed RNAi and synthetic siRNAs.

In addition, Alnylam will provide Benitec with options to take up to five InterfeRx™ exclusive licenses to pursue synthetic RNAi therapeutics against mutually agreed, specific targets. The InterfeRx program was instituted by Alnylam to grant licenses for RNAi therapeutics against targets that fall outside Alnylam's core strategic interests. Upon the exercise of each granted InterfeRx option, Alnylam will receive license fees and be entitled to receive milestone payments and royalties on synthetic RNAi therapeutics developed by Benitec.

"This license agreement reflects Alnylam's ongoing commitment to maintain its position as the key consolidator of important intellectual property in the field of RNA interference," said John Maraganore, Ph.D., President and Chief Executive Officer of Alnylam Pharmaceuticals. "This agreement extends Alnylam's IP to uses in the field of expressed RNAi where Benitec has established a clear leadership position, and provides Alnylam access to additional key pioneering patents in the field."

Sara Cunningham, Chief Executive Officer of Benitec, said, "Alnylam's intellectual property is an extensive and significant portfolio in the industry. This agreement provides Benitec with greatly strengthened IP for our focus on DNA-directed RNAi therapeutics and the added potential to develop synthetic RNAi-based drugs."

About RNA Interference (RNAi)

RNA interference, or RNAi, is a naturally occurring mechanism within cells for selectively silencing and regulating specific genes. Since many diseases are caused by the inappropriate activity of specific genes, the ability to silence and regulate such genes selectively through RNAi could provide a means to treat a wide range of human diseases. The discovery of RNAi has been heralded by many as a major breakthrough, and the journal *Science* named RNAi the top scientific achievement of 2002, as well as one of the top 10 scientific advances of 2003.

About Alnylam

Alnylam is a biopharmaceutical company seeking to develop and commercialize novel therapeutics based on RNA interference, or RNAi. Growing from its foundation as the world's first company focused on RNAi therapeutics, the company's leadership in the field of RNAi is supported by its preeminent founders and advisors and its strengths in fundamental patents, technology, and know-how that underlie the commercialization of RNAi therapeutics. Alnylam is developing a pipeline of RNAi products using Direct RNAi™ to treat ocular, central nervous system, and respiratory diseases and Systemic RNAi™ to treat a broad range of diseases, including oncology, metabolic, and autoimmune diseases. The company's global headquarters are in Cambridge, Massachusetts. For additional information, please visit www.alnylam.com.

About InterfeRx™

Having recognized the potential of RNAi to become the basis for a broad new class of drugs to treat multiple diseases, Alnylam has built a strong portfolio of issued and pending patents covering compositions and uses of RNAi therapeutics. Alnylam created the InterfeRx™ program to grant licenses under this intellectual property to biotechnology and pharmaceutical companies wishing to pursue RNAi therapeutics against specific targets outside Alnylam's core strategic interests.

About Benitec

Benitec is an international biotechnology company focused on developing therapeutics to treat serious diseases using its proprietary RNAi technology. Benitec is listed on the Australian Stock Exchange and has its clinical operations centered in the heart of Silicon Valley in Mountain View, California, USA. Its lead therapeutic programs are designed to create novel RNAi-based therapies for the Hepatitis C Virus (HCV) and the Human Immunodeficiency Virus (HIV). Benitec's RNA-based HIV therapeutic, co-developed with the Center for Biomedicine & Genetics at the City of Hope in Los Angeles, California, will enter Phase I clinical trials in 2006. For additional information, please visit www.benitec.com.

Alnylam Forward Looking Statements

Various statements in this release concerning our future expectations, plans, prospects and future operating results constitute forward-looking statements for the purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including risks related to: our approach to discover and develop novel drugs, which is unproven and may never lead to marketable products; our ability to obtain additional funding to support our business activities; our dependence on third parties for development, manufacture, marketing, sales and distribution of our products; the successful development of products, all of which are in early stages of development; obtaining regulatory approval for products; competition from others using technology similar to ours and others developing products for similar uses; obtaining, maintaining and protecting intellectual property utilized by our products; and our short operating history; as well as those risks more fully discussed in the "Certain Factors That May Affect Future Results" section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission. In addition, any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. We do not assume any obligation to update any forward-looking statements.

Benitec Forward Looking Statements

This press release contains forward-looking statements that reflect the Company's current expectation 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.

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