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FOR IMMEDIATE RELEASE

**Nucleonics Challenges Dismissal of Counterclaims against Benitec
Files Petition for Rehearing En Banc by Federal Circuit Appeals Court**

HORSHAM, PA (August 6, 2007): Nucleonics, Inc., a privately held biotechnology company focused on the development of novel RNA interference based therapeutics, today filed in the U.S. Court of Appeals for the Federal Circuit a petition for rehearing en banc of an appeal decided by a three-judge panel on July 20, 2007, Benitec Australia, LTD v. Nucleonics, Inc. [Case No. 06-1122 (opinion by Whyte, District Judge; Dissenting Opinion by Circuit Judge Dyk)].

Nucleonics had appealed the district court's dismissal of a suit for patent infringement brought by Benitec on its US 6,573,099 patent against Nucleonics in March 2004. Benitec subsequently filed a motion to dismiss. Nucleonics was pursuing declaratory judgment counterclaims of invalidity and unenforceability in the case. In September 2005, the district court granted Benitec's motion to dismiss and also dismissed Nucleonics' counterclaims.

In a 2-1 decision dated July 20, 2007, the Federal Circuit panel affirmed the district court's dismissal of the case on narrow jurisdictional grounds and did not rule upon the issue of patent invalidity. Judge Dyk noted in his dissent that Benitec had "voluntarily abandoned its infringement suit in the light of unfavorable developments" and stressed the "strong public interest in permitting accused infringers to challenge invalid or unenforceable patents."

Nucleonics believes its appeal was wrongly decided and now seeks reconsideration of the panel decision by the entire Federal Circuit.

If the petition for rehearing en banc is not granted, Nucleonics will have the further option of requesting review by the U.S. Supreme Court.

About Nucleonics, Inc.

Nucleonics, founded in January 2001, is an emerging biotechnology company focused on the development of novel RNA interference-based therapeutics for viral and other diseases. Privately owned Nucleonics is headquartered in Horsham, Pennsylvania.

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