



N E W S R E L E A S E

COMPANY ANNOUNCEMENT

PRANA AWARDED AUSTRALIAN GOVERNMENT GRANT

Melbourne, Australia – May 05, 2003 – Prana is pleased to announce that the Industry Research & Development (IR & D) Board of AusIndustry has approved Prana's application for funding under the Biotechnology Innovation Fund (BIF) grant for the amount of \$230,000 for research into the development of an immunotherapy for Alzheimer's Disease.

The company has announced over \$7.5 million dollars in research funding this year. Chief Operating Officer, Dr Ross Murdoch, noted that "Prana is well known for its MPAC technology for the development of treatments for Alzheimer's Disease. We are in active negotiations for the development of the MPAC platform of molecules. This new grant allows the company now also to advance our patented approach to developing treatments for neurodegenerative disorders using immunotherapy".

Prana's scientists are at the forefront of research in to the causes and treatments of Alzheimer's Disease and other neurodegenerative disorders such as Parkinson's Disease.

About Prana Biotechnology Limited

Based in Australia, incorporated in 1997 and listed on the Australian Stock Exchange in March 2000, Prana Biotechnology (Nasdaq: PRAN; ASX: PBT) was established to commercialize research into Alzheimer's disease and other major age-related degenerative disorders. Its mission is to develop diagnostic and therapeutic drugs to treat the central disease pathways that cause degeneration of the brain as the aging process progresses. Prana's technology has emerged from its researchers at prominent international institutions such as Massachusetts General Hospital at Harvard Medical School and the University of Melbourne. For further information, please visit our web site at www.pranabio.com.

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