

Prana's Alzheimer's drug shows continued promise in extended clinical trial

Melbourne, Australia – Friday April 16, 2004: Professor Colin Masters, a Director of Prana Biotechnology Limited (NASDAQ: PRAN, ASX: PBT) and Chairman of the Company's Scientific Advisory Board, today will present data from the extended Phase II trial of Prana's drug, PBT-1, at the 8th International Springfield/Montreal Symposium on Advances in Alzheimer's Disease.

At a session devoted to novel treatments of Alzheimer's disease, Professor Masters will report that the use of PBT-1 for 18 months markedly slowed the decline in cognitive function associated with Alzheimer's disease compared with the predicted level of decline available from the scientific literature. In addition the longer term treatment was well tolerated.

The extension study was conducted over 48 weeks following the formal trial period of the trial of 36 weeks. Nine of the original 18 patients completed the extension.

Speaking from Montreal, Professor Masters stated that the outcome for patients in the extension study provided confirmatory and new evidence that MPACs such as PBT-1 may form the next generation of agents for the treatment of Alzheimer's by slowing or stopping the disease rather than just dealing with the symptoms.

Dr Sam Gandy, Director of the Farber Institute for Neurosciences at Thomas Jefferson University, Philadelphia, commented: "This PBT-1 (clioquinol) extension study reaffirms the safety and possible efficacy of this new class of drug for Alzheimer's disease. It will now be important to confirm the trend toward benefit in a larger trial with sufficient numbers of subjects to establish statistical significance.

"Overall, anti-amyloid, "plaque-busting" drugs such as PBT-1 (clioquinol) provide a powerful approach toward proof of principle regarding the relationship between amyloid and cognitive decline in Alzheimer's disease," said Dr Gandy.

The biannual Symposium on Advances in Alzheimer's Disease is organized by the Southern Illinois University (SIU) School of Medicine in Springfield, Illinois, the Department of Geriatrics at the Hopitaux Universitaires de Geneve, Switzerland, and the McGill University Faculty of Medicine in Montreal, Quebec.

Recently (March 26) Prana announced that Forbes.com had added PBT-1 to its list of "neurological drugs to watch", highlighting the most promising experimental drugs to treat diseases of the brain and nervous system.

Prana also recently announced (7 April) that a publication in the Journal of Neuroscience added further support to Prana's theory that metals in the brain, rather than proteins on their own, are responsible for the pathology of Alzheimer's Disease and that attenuating the action of these metals, with drugs like PBT-1, may hold the key to effective therapeutic intervention.

About PBT-1

PBT-1, also called clioquinol, is an example of a Metal Protein Attenuating Compound or MPAC. It is a small molecule that binds metal ions. Due to its small size and solubility in lipid, PBT-1 is able to enter the brain from the bloodstream and bind to zinc. This action can remove the zinc already bound to amyloid beta and bind free zinc to prevent its association with amyloid beta protein.

About Prana

Prana is a Melbourne-based biotechnology established in 1997 to commercialize research into Alzheimer's disease and other major age-related degenerative disorders (Nasdaq: PRAN; ASX: PBT). Prana's technology was discovered by the company's researchers at prominent international institutions including Massachusetts General Hospital at Harvard Medical School, the University of Melbourne and the Mental Health Research Institute in Melbourne. For more information about Prana, please visit www.pranabio.com

For more information contact:

Company

Geoffrey Kempler, Prana
+61 (3) 9690 7892

Media and Investor, US

Ivette Almeida and Steven Silver
212-983-1702 ext. 209
ivette.almeida@annemcbride.com
silver@annemcbride.com

Media, Australia

Kate Mazoudier
+61 1 3 866 4722
kmazoudier@bcg.com.au

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