Prana co-Founding Scientist, Professor Colin Masters, Receives Lifetime Achievement Award in Alzheimer's Disease Research at the 10th International Conference on Alzheimer's Disease in Madrid

- Award is Given to Outstanding Scientists Who Have Dedicated Themselves to Helping Millions Around the World through Their Research -

Melbourne, Australia – July 27, 2006 – Professor Colin Masters, MD, PhD, of the Department of Pathology, University of Melbourne and co-founding scientist of **Prana Biotechnology Limited (NASDAQ: PRAN, ASX: PBT)** received a Lifetime Achievement Award in Alzheimer's Disease Research at the 10th International Conference on Alzheimer's Disease (ICAD) in Madrid last week. The award is presented to outstanding scientists who have dedicated themselves to helping millions around the world through their research.

Professor Masters also currently serves as the Head of the Alzheimer's Project at the Mental Health Research Institute of Victoria (Australia).

"Colin is well-deserving of this lifetime achievement award," said Geoffrey Kempler, Chairman and CEO of Prana Biotechnology. "For more than 30 years, he has dedicated his career to studying the nature of Alzheimer's disease with the hope of finding an effective treatment. Colin is and will continue to be a leader in Alzheimer's research. We congratulate him on receiving this prestigious award."

Colin Masters began his research career in 1966, as a summer vacation student working with Evan Morgan (Department of Physiology, University of Western Australia) on the placental transfer of plasma proteins. His interests in neuroscience research stem from this time, when during pursuit of a Bachelor of Medical Science degree he participated in the first demonstration of brain-stem evoked responses to auditory stimuli in humans.

The evaluation of amyloid deposition in other transmissible diseases, such as Creutzfeldt-Jakob disease, led Professor Masters in 1978 to commence his study of the nature of the amyloid deposits in Alzheimer's disease. In collaboration with Konrad Beyreuther (then at the Institute of Genetics, Cologne, and now the University of Heidelberg) in 1984, the N-terminal sequence of Alzheimer plaque amyloid was obtained. The collaboration has continued to the present and resulted in numerous achievements.

Professor Masters' current studies on Alzheimer's disease are now focused on identifying the pathways through which environmental and genetic factors can operate to cause the disease. In collaboration with the pharmaceutical industry and biotechnology enterprises, Professor Masters' multidisciplinary approach is now directed at identifying lead compounds, such as

PBT2 (Prana's lead compound), that can inhibit the production or aggregation of amyloid in the Alzheimer's disease brain. At ICAD last week, Professor Ashley Bush, who works with Professor Masters, presented data demonstrating that in mouse models[1] PBT2:

- improved memory performance within five (5) days of oral dosing,
- rapidly reduced the levels of soluble beta-amyloid ("Abeta") in the brain, and
- restored normal function to Abeta impaired synapses.

Masters' accomplishments are many: He has been awarded memberships in numerous academic, regional, national and international medical associations and societies had has held leadership positions in many of these groups. He has served as Chair of the Management Advisory Board and Member of the Executive Committee of the Centre for Neuroscience, Faculty of Medicine, Dentistry and Health Sciences, the University of Melbourne; and is currently serving as Chairperson of the Creutzfeldt-Jakob Disease Registry Advisory Group, Commonwealth Department of Health and Aging (Australia). In 1983, Professor Masters served as a member of the Work Group of the Department of Health and Human Services Task Force on Alzheimer's Disease: Etiology and Pathogenesis (Washington, D.C.). In recognition of his research, Professor Masters was presented the Alois Alzheimer Award by the University of Munich in 1997.

About the 10th International Conference on Alzheimer's Disease (ICAD)

ICAD 2006 was the largest gathering of Alzheimer researchers in history. Scientists from around the world presented and discussed the findings of more than 2,000 studies. As a part of the Alzheimer's Association research program, ICAD serves as a catalyst for generating new knowledge about dementia and fostering a vital, collegial research community.

At ICAD 2006, more than 5,000 researchers shared groundbreaking information and resources on the etiology, pathology and treatment of Alzheimer's disease and related disorders. The program included 135 invited speakers, who are respected leaders and new voices in their disciplines, and more than 2,000 studies showcasing the newest treatment advances in Alzheimer's disease and steps toward prevention.

About Prana Biotechnology Limited

Prana Biotechnology was established to commercialize research into Alzheimer's disease and other major age-related neuro-degenerative disorders. The company was incorporated in 1997 and listed on the Australian Stock Exchange in March 2000 and listed on NASDAQ in September 2002. Researchers at prominent international institutions including the University of Melbourne, The Mental Health Research Institute and Massachusetts General Hospital, a teaching hospital of Harvard Medical School, discovered Prana's technology.

For further information, please visit our web site at www.pranabio.com.

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[1] The sample sizes studied in the test conducted by Professor Bush and his colleagues were:

Morris Water maze study: n=7 (dosed) and 7 (vehicle)
24h study in 15month old Tg mice at 30mg/kg: n=7 (treated) and 8 (vehicle)
LTP experiment: n=8 (in each of 4 conditions)