



PBT2 Successfully Completes Initial Phase I Clinical Trial Program

Melbourne, Australia – February 7, 2006: Prana Biotechnology Limited (NASDAQ: PRAN, ASX: PBT), today announced the successful completion of a second Phase I trial with its lead compound, PBT2, under development as a therapy for Alzheimer's disease.

This second Phase I trial with PBT2 marks the end of Prana's planned Phase I clinical program prior to proceeding to Phase II testing. Initial analysis indicates that PBT2 has a safety and pharmacokinetic profile suitable for further development - the full data analysis is scheduled for completion in March 2006. The chronic toxicology studies and GMP manufacturing development required for Phase II clinical studies are ongoing.

The Phase I, multi-dose, double blind, placebo-controlled, dose escalation study, was conducted in Utrecht, The Netherlands, on 32 healthy male and female volunteers between the ages of 45 and 75. The study was designed to evaluate the safety, tolerability and pharmacokinetics of multiple doses of PBT2 administered once daily for seven days. Initial results indicate that multiple doses of PBT2 are generally well tolerated by both male and female subjects in the critical target age group for Alzheimer's disease treatment.

Geoffrey Kempler, executive chairman and CEO, added, "We are very pleased with the way PBT2 has performed to date. The results of the human safety trials reinforce our belief that PBT2, Prana's lead MPAC compound, possesses the attributes to allow it to be the first drug on the market that targets the beta-amyloid protein to treat Alzheimer's disease. It also bodes very well for Prana's other MPAC's that have been designed to treat a wide range of age-related neurodegenerative diseases."

About Prana Biotechnology Limited

Prana Biotechnology was established to commercialise research into Alzheimer's disease and other major age-related 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 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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