



Prana's Compound Featured in Annals of Neurology

Company's MPACs for the Treatment of Alzheimer's Disease Shown to Prevent Neural Cell Death and the Production of Amyloid-Beta Protein

MELBOURNE, Australia – November 18, 2008: Prana Biotechnology Limited (NASDAQ: PRAN / ASX: PBT), a biopharmaceutical company focused on the research and development of treatments for neurodegenerative disorders, today announced that a recent independent study conducted by Massachusetts General Hospital (MGH) has demonstrated that the Company's Metal-Protein Attenuating Compounds (MPACs) could halt Alzheimer's pathology.

The study published in the November edition of *Annals of Neurology* shows that the administration of the anesthetic gas isoflurane can spur the production of amyloid-beta protein, which causes plaques in the brains of Alzheimer's patients. A group of mice in the study treated with clioquinol, also known as PBT1 and the predecessor of Prana's compound PBT2, prior to receiving the isoflurane, had significant lower levels of the enzyme that leads to amyloid-beta production.

Geoffrey Kempler, Chairman and CEO of Prana, said, "Although PBT1 has now been superseded by PBT2 and is no longer being developed, we are happy that once again our underlying technology has demonstrated strong benefits in the fight against Alzheimer's."

Rudolph E. Tanzi, the study's senior author, Director of the Genetics and Aging Research Unit at Mass. General, and Prana's Co-Founding Scientist, said, "The new findings suggest that post-operative cognitive dysfunction and delirium may be related to increased amyloid beta protein levels driven by the commonly-used anesthetic, isoflurane. The fact that pretreatment with PBT1, which blocks amyloid beta protein accumulation, helped reduce the extent of neuronal cell death in the isoflurane-treated animals suggests that this class of drugs, which includes PBT2, might be considered as a prophylactic for mitigating the potential adverse effects of isoflurane during surgery. It must be emphasized, however, that all of these results have thus far been derived from mice studies and would therefore have to be first validated in humans."

PBT2 is designed to have an improved safety and efficacy profile and has demonstrated significantly greater effectiveness in lowering plaque in Alzheimer patients.

"Studies conducted by noteworthy institutions such as MGH reaffirms our commitment to commercialize and develop the second generation of MPACs for the treatment of Alzheimer's disease," added Kempler.

The study was also featured in the *Boston Globe* on November 12th.

About Prana Biotechnology Limited

Prana Biotechnology was established to commercialize research into Alzheimer's Disease and other major age-related neurodegenerative 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

(Melbourne) and Massachusetts General Hospital, a teaching hospital of Harvard Medical School, contributed to the discovery of Prana's technology.

For further information, please visit the Company's web site at www.pranabio.com

Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. The Company has tried to identify such forward-looking statements by use of such words as "expects," "intends," "hopes," "anticipates," "believes," "could," "may," "evidences" and "estimates," and other similar expressions, but these words are not the exclusive means of identifying such statements. Such statements include, but are not limited to any statements relating to the Company's drug development program, including, but not limited to the initiation, progress and outcomes of clinical trials of the Company's drug development program, including, but not limited to, PBT2, and any other statements that are not historical facts. Such statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to the difficulties or delays in financing, development, testing, regulatory approval, production and marketing of the Company's drug components, including, but not limited to, PBT2, the ability of the Company to procure additional future sources of financing, unexpected adverse side effects or inadequate therapeutic efficacy of the Company's drug compounds, including, but not limited to, PBT2, that could slow or prevent products coming to market, the uncertainty of patent protection for the Company's intellectual property or trade secrets, including, but not limited to, the intellectual property relating to PBT2, and other risks detailed from time to time in the filings the Company makes with Securities and Exchange Commission including its annual reports on Form 20-F and its reports on Form 6-K. Such statements are based on management's current expectations, but actual results may differ materially due to various factors including those risks and uncertainties mentioned or referred to in this press release. Accordingly, you should not rely on those forward-looking statements as a prediction of actual future results.

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