



Prana Allowed Key Patent for PBT2 in the United States

- *Related patents also granted in Russia, Singapore, South Africa, New Zealand, Accepted in Australia.*

MELBOURNE, Australia – August 12, 2009: Prana Biotechnology (ASX:PBT; NASDAQ:PRAN) today announced that it has received a Notice of Allowance from the United States Patent and Trade Mark Office (USPTO), protecting its clinical asset, PBT2, in the USA. The patent entitled, '*8-Hydroxyquinoline derivatives*' covers the composition of matter of selected families of 8-Hydroxyquinoline compounds, including PBT2 and pharmaceutical compositions containing these compounds.

The USA patent is expected to formally proceed to Grant by December 2009, following payment of official fees. Prana has also secured the Grant of related patents in Russia, Singapore, South Africa, New Zealand and has a Notice of Acceptance in Australia. Previously Prana has announced receiving a notice of Decision to Grant in Europe.

Each of the granted patents have a twenty year term expiring on July 16, 2023, with extensions of term possible under the legal provisions of some of these countries, including USA and Europe.

Geoffrey Kempler, Prana's CEO, said "The Notice of Allowance from the USPTO and the grant of patents in other key jurisdictions gives Prana exclusive rights to develop and market PBT2, Prana's lead Alzheimer's Disease drug, with the aim of PBT2 becoming the first disease modifying drug for the treatment of Alzheimer's Disease."

PBT2 has already completed a Phase IIa study in early Alzheimer's Disease patients and has demonstrated safety and tolerability. In addition, PBT2 showed improvement in executive function, an important aspect of cognitive performance, and reduced the levels of Abeta in the spinal fluid of patients. Abeta is a key protein associated with Alzheimer's Disease.

The trial results were published in *The Lancet Neurology* journal as well as presented at this year's International Conference on Alzheimer's Disease.

PBT2 has been designed to be a disease modifying drug that prevents the formation of toxic forms of the Abeta protein and restores metal homeostasis in the synapses of the aged brain. This results in improved neurotransmission and cognition.

Mr. Kempler concluded, "We believe that the granting of these key patents enhances the value of investing in Prana as our intellectual property is now firmly protected".

About Prana Biotechnology Limited

Prana Biotechnology was established to commercialise 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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