



Prana to Provide Update on PBT2 Efficacy data

- Significant increase in overall Executive Function with PBT2
- Approx 40% of PBT2 treated patients substantially outperformed placebo patients
- Plans for PBT2 to Advance to Phase IIb Clinical Trial Testing

MELBOURNE, Australia – July 10, 2009: Prana Biotechnology (ASX:PBT; NASDAQ:PRAN) today announced that Dr. Craig Ritchie of Imperial College, London will present an update on the clinical efficacy of Prana's PBT2 drug for the treatment of Alzheimer's Disease at the 2009 International Conference on Alzheimer's Disease (ICAD) in Vienna, Austria. Dr. Ritchie will be presenting a paper on "PBT2 for Alzheimer's Disease: An Update on Clinical Development" as part of the Featured Research Symposium, "New Horizons: From Discovery to Successful Clinical Trials" on Sunday, July 12th at 11:10 am.

Key findings from our Phase IIa clinical trial, first published in *Lancet Neurology* in July 2008, as well as additional analysis of the efficacy findings which further support the potential of PBT2 to help Alzheimer's Disease sufferers, will be presented.

The *Lancet Neurology* paper documented that patients on Prana's PBT2 showed significant improvement in two measures of Executive Function after only 12 weeks of treatment. Dr Ritchie will present new results showing that there was a statistically significant improvement in the overall Executive Function z-score component of the NTB (Neuropsychological Test Battery) in patients receiving 250mg PBT2 compared with placebo.

Dr Ritchie will report on the results of a post-hoc analysis of the Phase IIa trial data. An analysis of the responses of individual patients in the trial, showed 41% of those receiving PBT2 demonstrated substantial cognitive improvement compared to only 4% of those on placebo.

"Patients on PBT2 very clearly benefited from the drug and their overall cognitive function, especially Executive Function, improved. The results would be reflected in an improvement in day to day functioning in the lives of people with Alzheimer's Disease and confirms the importance for PBT2 to be further developed as a therapy for patients afflicted with the disease" noted Dr. Ritchie.

Geoffrey Kempler, Prana's CEO, said that "planning is currently underway for a Phase IIb clinical trial of PBT2. Comprehensive analysis of our existing data suggests that in this trial, the longer treatment period using a much larger number of patients will confirm PBT2's ability to provide even greater cognitive benefit".

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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