



Prana's Head of Research Presents New Efficacy Data in Hot Topics Session at ICAD

Lead Compound, PBT2, improves cognition in both Alzheimer's disease Transgenic and normal Aged cognitively impaired mice

- New data indicates PBT2 benefits not only Alzheimer's disease patients, but also could treat the cognitive loss commonly associated with the normal ageing process.
- PBT2 lowers amyloid burden in the brain and also corrects metal imbalances that occur in the aged brain.

MELBOURNE, Australia – July 16th, 2009 – Prana Biotechnology Limited (NASDAQ: PRAN / ASX: PBT), today announced that its Head of Research, Assoc. Prof. Robert Cherny, presented new data on PBT2, the Company's lead compound in development for Alzheimer's disease, during the Hot Topics 2 session at the International Conference of Alzheimer's Disease (ICAD) in Vienna, Austria. The presentation was entitled "PBT2 ameliorates cognitive impairment in Alzheimer's disease transgenic and aged mice: Evidence for a common mechanism of action."

Age related cognitive loss and Alzheimer's disease are both characterized by alterations in the normal distribution of metals in the brain. Assoc. Prof. Cherny presented evidence that the beta amyloid protein, which lies at the center of Alzheimer's disease pathology, exacerbates metal imbalance in the brain.

PBT2 has already been shown to rapidly improve cognition in transgenic Alzheimer's disease mice; the new data show that PBT2 is equally effective in restoring function to normal mice that are cognitively impaired as a consequence of ordinary aging. In both cases, the brains of mice treated with PBT2 showed benefits in the area of the brain associated with learning and memory*. PBT2 restored synaptic spine density, a physical measure of improved neuronal health, to normal levels. This structural change was accompanied by restoration of neurotransmitter receptors and other markers of neuronal health to the levels seen in healthy young mice**.

Jeffrey Cummings, MD., Chair of Prana's scientific advisory board said "The effect of PBT2 on synapses indicates that this agent is affecting the fundamental process regarded as central to the cognitive deficits of Alzheimer's disease".

"Coupled with our Phase IIa clinical trial data, this new evidence of the positive effects of PBT2 on normal aged mice is very exciting. Imbalances in brain metals, such as zinc and copper, may affect cognition in Alzheimer's disease patients even before dementia is present. PBT2 appears to not only lower amyloid burden in the brain, but also correct metal imbalances that occur in the

aged brain and particularly in Alzheimer's where the condition is exacerbated by beta amyloid deposition," commented Geoffrey Kempler, Prana's CEO.

* 20 month old C57B6 Normal mice were treated for 11 days oral PBT2 30 mg/kg (n=15), and tested on the Morris Water Maze. Placebo-treated old mice (n=20) were significantly impaired in performance in the maze compared to younger (12 month old, n=8) placebo-treated mice. PBT2 treatment restored the animals after 6 days treatment to a level of performance equivalent to that of the 12 month old animals (p< 0.001).

** In the brains of the PBT2 treated mice, there is a significant (p<0.01) normalization of neuronal spine density in the hippocampal region of old mice. Major biochemical components of memory function in the hippocampus that are decreased in the old mice, CREB, PSD95, NMDAR2a, AMPAR, were normalized to the levels in younger animals within 11 days of PBT2 treatment.

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, and descriptions of the peer-reviewed journals, 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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