



Prana's PBT2 Prevents Synaptic Loss In Alzheimer's Disease

- Professor Colin Masters to present at the 9th International Conference on Alzheimer's and Parkinson's Disease in Prague 11-15 March 2009 -

MELBOURNE, Australia –March 11, 2009– Prana Biotechnology Limited (NASDAQ: PRAN / ASX: PBT), today announced that its lead compound for the treatment of Alzheimer's Disease, PBT2, in addition to previously reported benefits, also prevents the loss of synapses (the space) between neurons that underlies the process of neurodegeneration in Alzheimer's Disease.

Ordinarily, transgenic Alzheimer's Disease mice suffer a loss of synapses, which leads to cognitive impairment because nerve cells can no longer communicate with each other. The new data shows that in mouse models of AD, PBT2 can reverse the effect of Abeta protein toxicity on nerve cell synapse loss.

Professor Colin Masters, Director of the Mental Health Research Institute and Laureate Professor, University of Melbourne, commented "this confirms that our preclinical and clinical findings of PBT2 opens the pathway for PBT2 to prevent the damage caused by Abeta in the brain of a person with Alzheimer's Disease and to improve cognitive function".

The effects of PBT2 in a Phase IIa clinical trial in early Alzheimer's Disease were published in the journal *Lancet Neurology* and were presented at the 2008 International Conference on Alzheimer's Disease.

The new data will be presented by Professor Masters at *9th International Conference on Alzheimer's and Parkinson's Disease in Prague on 14 March 2009 at 3.50pm*. In addition, the data will be presented by Dr Paul Adlard and Associate Professor David Finklestein at the conference in a poster entitled "8-hydroxy quinoline effects on neuronal plasticity".

Geoffrey Kempler, Chairman of Prana, said, "These findings are very exciting for us. We already knew that PBT2 could reduce the toxic effects of Abeta oligomer protein on Alzheimer Disease patients, but this new data demonstrates that PBT2 can, in a mouse model, reverse the actual loss of nerve tissue that is believed to underlie Alzheimer's Disease. Given the lack of a disease-modifying drug available to patients, we are further encouraged by the enormous potential of PBT2. We are continuing our discussions with potential partners to accelerate its further development."

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 our web site at <http://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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