



## **Prana Provides Update on Research and Development Programs at Annual General Meeting**

*-- PBT2 Trial on Track; New Indications, Immunotherapy Update—*

**MELBOURNE, Australia – December 20, 2007 – Prana Biotechnology Limited (NASDAQ: PRAN / ASX: PBT)**, today provided an update of current and future activities of the Company at the Annual General Meeting.

### PBT2 Trial Update

Chairman and CEO of Prana Biotechnology, Mr Geoffrey Kempler, affirmed that the PBT2 Alzheimer's Disease clinical trial continues to be on target with trial results expected to be announced in the first quarter of 2008.

Mr. Kempler said, "As we previously disclosed, we have completed the dosing of all patients as scheduled without any safety or tolerability issues identified by the independent Data Safety Monitoring Board or the clinical investigators. We are encouraged by the way the trial has proceeded to date and that the drug appears well tolerated. With results imminent, and given a positive outcome, we are planning to progress PBT2 into a larger clinical trial in 2008.

### Additional Indications for PBT2:

Mr. Kempler discussed the expansion of future therapeutic targets for PBT2, including Huntington's disease for which advantages are envisioned over current therapies. According to Mr. Kempler, "A positive safety and tolerability outcome with PBT2 in the current trial will allow us to test PBT2 in a second disease indication, such as Huntingtons' disease, for which we have very promising pre-clinical data."

### Update on Immunotherapy Program

Going further into the pipeline of activities currently being addressed, Mr. Kempler shared on-going developments with additional applications of Prana's technology, highlighting a novel immunotherapy program for Alzheimer's Disease which had started in 2003. Prana's scientists have developed monoclonal antibodies against a unique form (a conformational epitope) of abeta which is produced as a result of the oxidative processes central to the toxic pathway in Alzheimer's disease. A candidate monoclonal antibody has been selected and animal trials planned for 2008.

The monoclonal antibodies have been designed against particular configurations of corrupted oligomers of abeta, in an attempt to avoid the adverse effects associated with the earliest generation of Alzheimer's immunotherapy, which recognized all forms of abeta.

### Cancer Applications of Prana's Technology

Referring to 2008 and beyond, Mr. Kempler said, "Based on strong pre-clinical data, the Company will initiate an R&D program to develop selected MPAC's to treat cancer. Scientists have identified particular classes of Prana drugs from its library which are toxic to brain cancer cells and are well tolerated in animal models".

Prana is already regarded as a pioneer in understanding the link between metals and degenerative diseases such as Alzheimers' Disease. Recently, several articles have appeared in prestigious cancer journals highlighting the relationship between metals and cancer. In vivo and in vitro studies published by independent cancer researchers shows that PBT1, Prana's Proof of Concept MPAC, can selectively kill a variety of cancer types.

According to Mr. Kempler, "In 2008, we hope to select a lead candidate to enter the development pipeline. Currently we are planning to screen our best candidates across a range of cancer types. However given that our drugs are designed to cross the blood brain barrier, in the first instance we have focused on brain cancer for which there is little effective treatment. To date we have a promising compound which has shown selective toxicity towards brain cancer cells whilst selectively sparing healthy brain cells, unlike common chemotherapy drugs. Our compounds have the advantage of being available orally".

Mr. Kempler pointed to the year ahead as a time of major value adding outcomes from the Company's research and development efforts over recent years.

### **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 our web site at [www.pranabio.com](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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