

# MALLESONS STEPHEN JAQUES

Company Announcements Office  
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**By Fax 1300 135 638**

24 September 2009

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## **BAM Capital, LLC**

### **Notice of change of interests of substantial holder of Prana Biotechnology Limited (ACN 080 699 065) (ASX: PBT)**

We act for BAM Capital, LLC.

We enclose a copy of Form 604 - Notice of change of interests of substantial holder in relation to Prana Biotechnology Limited.

Yours faithfully

*Mallesons Stephen Jaques.*

Encl

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## Form 604

Corporations Act 2001  
Section 671B

## Notice of change of interests of substantial holder

To Company Name/Scheme Prana Biotechnology Limited  
ACN/ARSN 080 699 065

## 1. Details of substantial holder (1)

Name BAM Opportunity Fund, L.P. (the "Partnership"), BAM Capital, LLC (the "General Partner" of the Partnership), BAM Management, LLC (the "Investment Manager" of the Partnership), BAM Opportunity Offshore Fund, Ltd. (a "Limited Partner" of the Partnership), Mr Hai Mintz and Mr Ross Berman.  
ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on 23/09/2009

The previous notice was given to the company on 15/09/2009

The previous notice was dated 14/09/2009

## 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary shares	30,000,000	12.88%	27,303,000	11.72%

## 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
See Annexure A					

## 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hai Mintz and Mr Ross Berman.	Merrill Lynch International Bank Limited	BAM Opportunity Fund, L.P.	See Form 603 dated 14 September 2009.	27,303,000 ordinary shares	11.72%

## 5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

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Name and ACN/ARSN (if applicable)	Nature of association
N/A	

## 6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
BAM Opportunity Fund, L.P.	44 Wall Street, Suite 1603 New York NY 10005 United States of America
BAM Capital, LLC	44 Wall Street, Suite 1603 New York NY 10005 United States of America
BAM Management, LLC	44 Wall Street, Suite 1603 New York NY 10005 United States of America
BAM Opportunity Offshore Fund, Ltd.	c/o BAM Offshore Management, LLC 44 Wall Street, Suite 1603 New York NY 10005 United States of America
Mr Hal Mintz	44 Wall Street, Suite 1603 New York NY 10005 United States of America
Mr Ross Berman	44 Wall Street, Suite 1603 New York NY 10005 United States of America

## Signature

print name Andrew Jacobs

Capacity General Counsel of BAM Capital, LLC

sign here



date 23 September 2009

## DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of 'associate' in section 9 of the Corporations Act 2001.
- (3) See the definition of 'relevant interest' in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

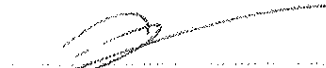
See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

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## Annexure "A"

This is the Annexure of 2 pages marked "A" referred to in Form 604 Notice of change of interests of substantial holder Signed by me and dated 23 September 2009

  
Andrew Jacobs  
General Counsel of BAM Capital, LLC

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
			USD\$	ADRs (1 ADR represents 10 ordinary shares)	
16/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	ADRs borrowed under Prime Broker Account Agreement (see Annexure B for further details)	See Annexure B	9,700	97,000
16/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	ADRs borrowed under Prime Broker Account Agreement (see Annexure B for further details)	See Annexure B	2,310	23,100
16/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	ADRs borrowed under Prime Broker Account Agreement (see Annexure B for further details)	See Annexure B	11,848	118,480
17/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	ADRs borrowed under Prime Broker Account Agreement (see Annexure B for further details)	See Annexure B	300	3,000
18/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	ADRs borrowed under Prime Broker Account Agreement (see Annexure B for further details)	See Annexure B	39,750	397,500
21/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	ADRs disposed on-market	\$1.8048 per ADR	-9,700	-97,000
21/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	ADRs disposed on-market	\$1.8002 per ADR	-2,310	-23,100
21/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	ADRs disposed on-market	\$1.8187 per ADR	-11,848	-118,480
22/09/2009	BAM Opportunity Fund.	ADRs disposed on-	\$1.80 per ADR	-300	-3,000

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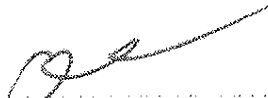
	L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	market			
23/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	ADRs disposed on- market	\$1.8574 per ADR	-39,750	-397,500

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
			AUD\$	Ordinary shares	
21/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	Disposed on-market	\$263,873.71	-1,227,000	-1,227,000
23/09/2009	BAM Opportunity Fund, L.P., BAM Capital, LLC, BAM Management, LLC, BAM Opportunity Offshore Fund, Ltd., Mr Hal Mintz and Mr Ross Berman.	Disposed on-market	\$307,230.00	-1,470,000	-1,470,000

## Annexure "B"

This is the Annexure marked "B" referred to in Annexure A to Form 604 Notice of change of interests of substantial holder.

Signed by me and dated 23 September 2009



Andrew Jacobs  
General Counsel of BAM Capital, LLC

Prime Broker Account Agreement  
Securities Lending Transactions - Key Terms

Parties	Lender - Merrill Lynch Professional Clearing Corp. Borrower - BAM Opportunity Fund, L.P.
Nature of loans	The Lender may satisfy the Borrower's obligation to settle short sales of securities by way of securities loan to the Borrower. The terms of all such loans are governed by the Prime Broker Account Agreement between the Lender and the Borrower (the "PBA").
Lending fees	With respect to these securities, the Lender has notified the Borrower that it will charge Borrower a fee of 1.5% of the value of the securities borrowed. These fees are subject to change at the Lender's discretion.
Margin and collateral	As collateral for the securities loan, the Lender has taken a security interest in the Collateral specified in the PBA. This Collateral generally consists of all assets held in accounts maintained by the Borrower with the Lender, and proceeds thereof.
Voting rights	No restrictions or requirements imposed on the Borrower in relation to voting rights attaching to the securities lent.
Right of Borrower to dispose of securities	No restrictions or requirements imposed on the Borrower in relation to disposal of securities lent.
Term of loans	No fixed term.
Lender's ability to recall securities loans	Securities loans are subject to recall at any time by the Lender.
Borrower's ability to return equivalent securities	Borrower may return equivalent securities at any time.
Parties' rights to terminate	The securities loan is terminable at any time.