



Prana to commence Phase IIb trial on PBT2

- 525 Alzheimer's disease patients to be treated for 12 months -

Melbourne – 20 April 2010: Prana Biotechnology (NASDAQ:PRAN; ASX:PBT) today announced that it is finalising plans to commence a definitive Phase IIb trial of its lead Alzheimer's disease drug, PBT2, before the end of this year.

The Phase IIb trial will involve 525 patients with mild to moderate Alzheimer's disease. Treatment will be over a period of 12 months, with the key performance measure being cognition (including ADAS Cog* and Executive Function tests from the NTB*). The trial, a double blind placebo controlled study, will test the efficacy of 2 doses of PBT2 (250mg and 100mg). "We are excited by this protocol because we already know how patients benefited from a 250mg dose of PBT2 in just 12 weeks, so we are confident the benefit will be even stronger and more pronounced over a 12 month trial" said Mr. Kempler. "This trial is all about cognition and helping patients".

"Over recent years most drug companies have made late stage drug development decisions based on secondary biomarkers and imaging. Certainly, many have seen amyloid signals, but not necessarily robust cognition outcomes. PBT2 has shown both positive cognitive and biomarker changes, which is why we are so optimistic in the ability of PBT2 to really help sufferers of Alzheimer's disease".

The Company has prepared an explanation of its understanding of how PBT2 works in the brains of patients with Alzheimer's disease and in particular how PBT2 is uniquely different to other approaches for treating the disease. The explanation, in the form of a Mechanism of Action Position Statement will be available on the Prana website next week.

"The landscape has changed. Patients need and deserve a therapeutic solution based on strong science as well as clinical trials that translate the science into real benefits for patients. We believe that PBT2 will achieve this" concluded Mr. Kempler.

Discussions with potential sources of finance for the upcoming trial, both with investors and pharmaceutical partners, are progressing well and we will keep our shareholders updated.

* ADAS-Cog (Alzheimer's Disease Assessment Scale – cognitive subset) and NTB (Neuropsychological Test Battery) are tests given to Alzheimer's disease patients to measure changes in memory and Executive Function.

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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