

Investment By Quintiles

Prana to Place Up to 225 million shares to clients of Southern Cross Equities

Melbourne – 28 June 2010 : Prana Biotechnology Limited (NASDAQ : PRAN; ASX : PBT) announced today that it had reached agreement with leading clinical research provider Quintiles that will see Quintiles subscribe for up to US\$2 million in new Prana shares. The Company also announced that it had signed a mandate agreement with Southern Cross Equities Limited for the private placement of up to 225 million new shares to assist in the funding of Prana's planned Definitive Phase II Clinical Trial into Alzheimer's Disease.

Investment by Quintiles

Quintiles is a leading global fully integrated biopharmaceutical services company, offering commercial consulting and capital solutions worldwide. Quintiles has been intimately involved with Prana for a number of years and acted as the clinical research partner for Prana's last successful clinical trial. Quintiles has agreed to support the future activities of Prana via:

- 1) The acquisition of 7,064,749 new ordinary shares in Prana at an issue price of AUD\$0.1624 (16.24 cents per share) raising AUD1.15 million.
- 2) An agreement to subscribe for up to a further US\$1 million (AUD1.15m) of new Prana shares in the private placement being conducted by Southern Cross Equities.

Prana is delighted to have secured an organisation of the calibre and influence of Quintiles as a significant shareholder and supporter of Prana's therapeutic goals.

Placement To Clients of South Cross Equities

Prana also announced today that it had signed a mandate with Southern Cross Equities for the placement of up to 225 million new shares at a price no less than 80% of the volume weight average price (VWAP) of Prana shares for the five days prior to the date of the placement. This placement, which is subject to shareholder approval, has been initiated to raise sufficient capital to enable the Company to conduct a definitive Phase II clinical trial of its lead Alzheimer's Disease drug PBT2.

The results of PBT2's completed Phase IIa clinical trial, previously reported in *The Lancet Neurology* (July 2008 and an erratum in July 2009), showed that patients with mild Alzheimer's Disease experienced an overall statistically significant improvement in Executive Function on the Neuropsychological Test Battery (NTB) within 12 weeks of treatment. Improvement in Executive Function is strongly related to improvement in daily function and to the quality of the daily life of patients.

The planned Phase II 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. Data from the Phase II trial will consolidate the evidence

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that PBT2 improves cognition and could go on to become the market leader in the +US\$10 billion per annum market for Alzheimer's Disease therapeutics.

"We are delighted to have the participation of Quintiles in respect to our proposed fund raising and their support of our new Phase II trial in Alzheimer's Disease. Quintiles is a highly regarded global expert in clinical trials and therapeutics and we welcome them as a shareholder in Prana" said Geoffrey Kempler, Chairman / CEO of Prana.

Corporate

The initial placement of 7,064,749 shares at 16.24 cents per share to Quintiles has been made in accordance with Prana's 15% discretionary capacity as permitted under Chapter 7 of the Australian Securities Exchange Listing Rules. Completion of the placement with Southern Cross Equities is subject to the approval of Prana shareholders and a meeting will be convened shortly to consider this matter.

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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