PBT2 Huntington's Disease trial presented at World Congress on Huntington's Disease in Melbourne

Prana provides gold sponsorship to Congress

MELBOURNE, Australia – September 12, 2011 – Prana Biotechnology Limited (NASDAQ:PRAN / ASX: PBT), announced today that researchers are planning recruitment for a phase II clinical trial of the experimental drug PBT2 in Huntington's patients. There are currently no treatments for the genetic, neurodegenerative disease; Australia is increasingly seen as a leader in the development of therapies for neurologic disorders. Huntington's often affects young adults and progressively impacts the body, mind and emotions. The disease causes incapacitation and death about 15-25 years after onset.

"Compared to other diseases, there are relatively few researchers working on treatments for Huntington's, so we are very pleased to be conducting this trial," said Mental Health Research Institute Associate Professor Robert Cherny, who is also Prana's Head of Research. "PBT2 initially showed great results in patients with Alzheimer's, which attracted the attention of many leading scientists working in the Huntington's field around the world because the two diseases have quite a few similarities. This treatment, developed in Melbourne, has demonstrated both the ability to protect and restore function to damaged brain cells, which is very promising for those with Huntington's."

In human clinical trials of Alzheimer's patients, the experimental drug improved the cognition of patients which is the most important aspect of behavior to be affected by Huntington's. Scientists believe the drug affects the distribution of naturally occurring, biological metals in the brain which appear to play a role in protein aggregation. This protein aggregation is believed to be the cause of cell death in neurodegenerative diseases. This research on biological metals is led by Australian scientists but has generated international attention and is strongly featured at the World Congress on Huntington's Disease being held currently in Melbourne.

Professor of Neurology Rudolph E. Tanzi from Harvard Medical School, who worked on the team that discovered the Huntington's Disease gene and is a frequent advisor to the US Congress on neurological disease, research and treatment says, "I believe PBT2 has a very high chance among all current candidate therapies to be the first effective disease-modifying treatment for Alzheimer's Disease and we are very hopeful we will see similar results with Huntington's Disease, a terribly devastating disease in dire need of a cure."

Researchers conducting the trial will need to recruit approximately 100 people with early stages of the disease across Australia and the United States, at 14-16 sites. Patients will be followed over 6 months. Researchers will assess safety, tolerability and efficacy of PBT2. Final results are expected in 2013.

Prana will also soon hold clinical trials for PBT2 in Alzheimer's and the company is developing another drug, PBT434, for Parkinson's, which recently received research funding from the Michael J. Fox Foundation.

Patients with Huntington's interested in more information on the trial may contact Prana at **+61 3 9349 4906**

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 Securities 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.

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 factions 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.

Investor Relations
Leslie Wolf-Creutzfeldt
T: 646-284-9472
E: leslie.wolf-creutzfeldt@grayling.com

Media Relations
Erik Denison
T: +61 2 9237 2800
E: edenison@bcg.com.au

Ivette Almeida
T: 646-284-9455
E: ivette.almeida@grayling.com