



## **Prana Announces A\$6.0 Million Capital Raising**

**Melbourne – October 1, 2012 : Prana Biotechnology Limited (NASDAQ:PRAN; ASX:PBT)** today announced that it has raised A\$6.0 million (approx.) through a placement of 32,500,000 ordinary fully paid shares (equivalent to 3.25 million Nasdaq listed ADRs) at a price of A\$0.185 per share. The placement attracted strong demand even though the amount raised was restricted by the number of shares which could be issued by the Company under ASX listing rule 7.1, thereby not requiring a separate meeting of shareholders.

The placement was subscribed by a range of leading Australian institutional investors within the healthcare sector in Australia, as well as several High Net Worth Investors. The placement was managed by JM Financial Group Limited, based in Melbourne.

The capital was raised in order to support Prana's two ongoing Phase 2 clinical trials, the IMAGINE trial and Reach2HD trial, testing the effects of its lead drug candidate, PBT2, in Alzheimer's and Huntington disease patients, respectively. Results are anticipated to be reported in 2H13.

"The funds raised by Prana via this placement, reflect strong commitment to Prana's clinical development programmes and the commercial opportunity this provides. The endorsement of and participation by some of Australia's leading healthcare investors is very welcome" said Geoffrey Kempler, Prana's Executive Chairman.

Prana management and scientific advisors are on a roadshow this week in Melbourne New York, Boston and London, updating the investment community on Prana's progress.

**About Prana Biotechnology Limited**

Prana Biotechnology was established to commercialize research into 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.

For further information please visit the Company's 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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