

Monday 9th January 2017

Cheng Tang
Adviser, Listings Compliance (Melbourne)
ASX Compliance Pty Ltd
20 Bridge Street
Sydney, NSW. 2000

Email: cheng.tang@asx.com.au

Dear Cheng,

Prana Biotechnology Limited (ASX:PBT): Price Query

We refer to your letter received on Friday, 6th January 2017, in relation to a noted increase in the price and trading volume of the Entity's securities on that day.

We provide the following response to your queries:

1. Is PBT aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether PBT is aware of any information that its earnings for the 6 month period ending on 31 December 2016:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
- b) if PBT has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if PBT is not covered by analysts, its earnings for the prior corresponding period)?

No, the Entity is not aware of any information not already released to the market. The Entity has not provided earnings guidance, and does not believe the share price is strongly related to the financial performance of the Entity at this stage.

2. If the answer to question 1 is yes;

Not applicable.

3. If the answer to question 1 is no, is there any other explanation that the Entity may have for the recent trading in its securities?

Other than the 'Business Update' announcement made on the 23rd December 2016, the entity has no other explanation for the reasons for the increase in price of the securities.

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4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Entity continues to be in compliance with the Listing Rules including Rule 3.1

5. Please confirm that PBT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PBT with delegated authority from the board to respond to ASX on disclosure matters.

Yes, the responses provided have been authorised and approved by the Company.

For and on behalf of the Company;

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'P' and 'H' intertwined.

Phillip Hains

Company Secretary

Prana Biotechnology Limited



6 January 2017

Phillip Hains
The CFO Solution

By email:

Dear Mr Hains

Prana Biotechnology Limited ("PBT"): price query

We note the change in the price of PBT's securities from a low of 4.7 cents at close on Thursday, 5 January 2017 to a high of 6.1 cents today.

We also note the significant increase in the volume of PBT's securities traded today.

In light of this, ASX asks PBT to respond separately to each of the following questions and requests for information:

1. Is PBT aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether PBT is aware of any information that its earnings for the 6 month period ending on 31 December 2016:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
- b) if PBT has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if PBT is not covered by analysts, its earnings for the prior corresponding period)?

2. If the answer to question 1 is "yes":

- a) Is PBT relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in PBT's securities would suggest to ASX that such information may have ceased to be confidential and therefore PBT may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).

- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

3. If the answer to question 1 is “no”, is there any other explanation that PBT may have for the recent trading in its securities?
4. Please confirm that PBT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that PBT’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PBT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 am AEDT) on Monday, 9 January 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in PBT’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PBT’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at cheng.tang@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to PBT’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that PBT’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in PBT’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;

- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Cheng Tang
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