Prana Provides Update on Research and Development Programs at AGM

MELBOURNE, Australia – November 28, 2008 – Prana Biotechnology Limited (NASDAQ: PRAN / ASX: PBT), today provided an update of highlights of current and future activities of the Company at the Annual General Meeting.

PBT2 for Alzheimer's Disease

Chairman and CEO, Geoffrey Kempler, discussed the success of Prana's Phase IIa clinical trial of PBT2 in early Alzheimer's Disease and affirmed that the Company plans to enter larger clinical trials and advance towards commercialization.

Earlier this year the Company announced preliminary trial results and that the primary endpoints of safety and tolerability were met. In addition, PBT2 showed improvement in executive function, an important aspect of cognitive performance, and reduced the levels of abeta in the spinal fluid of patients. Abeta is a key protein associated with Alzheimer's Disease."

In July, the trial results were published in *The Lancet Neurology* journal and presented at this year's International Conference on Alzheimer's Disease. The publication of the results has attracted a great deal of attention from industry.

Mr. Kempler confirmed that the Company has entered into confidentiality arrangements with several large pharmaceutical companies and is in various stages of discussion in respect of the licensing of its lead compound PBT2; noting that the positive outcomes from the trial were viewed as a pre-requisite for advancing negotiations with a number of existing parties as well as attracting the interest of new parties.

Second Indication for PBT2 - Huntington Disease

Prana has received a commissioned report from independent US based clinical researchers entitled, "The suitability and recommendations for the clinical development of PBT2 in Huntington Disease". In the report, the researchers concluded that PBT2 was a suitable candidate for investigation in Huntington Disease clinical trials.

Huntington Disease is a genetically inherited degenerative brain disease causing uncontrolled movements, loss of intellectual faculties and emotional disturbance.

Professor Jeffrey Cummings, Chairman of Prana's R&D Advisory Board, commenting on the report, said that "the recommendation of this report is a real plus for PBT2. There are currently no drugs available to patients which prevent or delay Huntington Disease. PBT2 has the potential to affect the disease process and therefore to treat the disease."

Both Huntington and Alzheimer's Disease involve the toxic interaction of metals and specific protein aggregates in the brain (huntingtin protein in Huntington Disease and abeta protein in Alzheimer's Disease) that lead to nerve damage. PBT2, a Metal Protein Attenuating Compound (MPAC), exerts its activity by reducing this metal protein association thereby reducing the damage to nerve tissue. Very importantly, PBT2 has a neuroprotective effect.

The authors of the report concluded that "On the basis of a relevant mechanism of action, supportive non-clinical proof-of-concept studies in Huntington Disease models, preliminary evidence of clinical safety and tolerability, and promising clinical and biomarker outcomes in Alzheimer's patients, PBT2 is recommended to proceed to clinical trials in Huntington Disease research participants".

Ultimately PBT2 may be used to treat both Huntington and Alzheimer's patients.

Candidates for Use in Parkinson's Disease

Mr. Kempler discussed the Company's novel therapeutic drug candidates from its Parkinson's disease program. Prana's drug design is based on the understanding of the relationship between metals, particularly iron, and the metal induced oxidation of dopamine, believed to be involved in damage to the *substantia nigra*, the area of the brain affected in Parkinson's Disease.

"Already, a lead candidate drug, PBT427, has demonstrated positive effects in pre-clinical *in vivo* studies, protecting against damage to the *substantia nigra*".

These results have been presented and very well received at the prestigious Society for Neuroscience Conference, held last week in Washington D.C. In addition, a recent cover story of *Science-Business eXchange, a* weekly publication distributed by the publishers of BioCentury and nature was dedicated to a description of Prana's work on Parkinson's Disease.

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, discovered Prana's technology.

For further information, please visit our 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 From 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.

Contacts:

Prana Biotechnology Limited
T: +61 3 9349 4906