PRANA BIOTECHNOLOGY Limited

BUSINESS NEWS

New research suggests additional role for Prana technology against Alzheimer's Disease

Melbourne, Australia – May 3, 2004 –The *Journal of Biological Chemistry* has published findings by researchers for Prana Biotechnology Limited (NASDAQ: PRAN; ASX: PBT) suggesting an additional mechanism for the action of Prana's technology in delaying the progress and severity of Alzheimer's disease.

Prana's MPACs (metal protein attenuating compounds) have previously been shown to lower the levels of beta-amyloid in the brain — the main component of amyloid plaques that are a feature of Alzheimer's disease. The new research suggests that that these MPACs may also be effective in preventing beta-amyloid from attaching itself to and damaging COX-2, the key enzyme that mediates inflammation in the brain often associated with Alzheimer's disease. Levels of beta amyloid/COX-2 complexes were found to be elevated significantly in the brains of patients with Alzheimer's disease.

Professor Ashley Bush of Harvard Medical School and Chief Scientific Consultant to Prana was the senior author on the paper: "COX-2 has been implicated in Alzheimer's disease, but studies of COX-2 inhibitors (anti-inflammatory drugs) have been disappointing. Our current findings explain how the interaction of beta-amyloid with brain copper corrupts the normal metabolism of COX-2 in Alzheimer's disease. These findings further validate Prana's MPAC drug approach, which targets the adverse metal interaction with amyloid. MPACs stop the beta-amyloid/metal complex from damaging COX-2. These findings also may explain why anti-inflammatory drugs would not be effective in Alzheimer's disease."

An abstract of the article can be read online at
http://www.jbc.org/cgi/content/abstract/279/15/14673

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About Prana Biotechnology Limited

Based in Australia, incorporated in 1997 and listed on the Australian Stock Exchange in March 2000, Prana Biotechnology (NASDAQ: PRAN; ASX: PBT) was established to commercialize research into Alzheimer's disease and other major age-related degenerative disorders. Its mission is to develop diagnostic and therapeutic drugs to treat the central disease pathways that cause degeneration of the brain as the aging process progresses. Prana's technology has emerged from its researchers at prominent international institutions such as Massachusetts General Hospital at Harvard Medical School and the University of Melbourne. For further information, please visit our web site at www.pranabio.com.

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