



## COMPANY ANNOUNCEMENT

### Prana's U.S. capital approved by Australian shareholders

**Melbourne, Australia – 2 June, 2004:** Shareholders in Prana Biotechnology Limited (NASDAQ: PRAN, ASX: PBT) have approved the issuing of securities worth US \$20 million to institutional and professional investors, led by New York-based global healthcare fund managers, OrbiMed Advisors and XMark Funds. The transaction was originally announced on April 28, 2004.

Geoffrey Kempler, Executive Chairman of Prana commented: "This substantial support shown by leaders in the healthcare investment community reflects the progress and strength of Prana's technology.

"With this offering, we have been able to enhance shareholder value by increasing our access and exposure to the vast US capital markets and broaden our base of US institutional investors, complementing our traditional Australian shareholder base.

"We continue to build on our already strong connection with the US and now have a board member, Dr Jon Alsenas, and our chief scientist (one of the inventors of our MPAC technology) Prof Ashley Bush, based there. This capital raising will provide the funds to progress PBT-2, our proprietary MPAC for Alzheimer's disease, into clinical trials in Australia through 2005 and 2006," said Mr Kempler.

Investors also purchased five-year warrants to purchase an additional 3 million ADR's at an exercise price of US\$8.00 per ADR. If exercised, this would raise an additional US\$24 million for the Company. Investment bank, Rodman & Renshaw LLC acted as the placement agent for the transaction.

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#### **About Prana's technology**

PBT-1 and PBT-2 are Metal Protein Attenuating Compounds or MPACs. Prana's MPACs are chemicals that bind zinc and copper, and have been shown to lower the levels of amyloid beta (and associated toxicity) in the brains of transgenic mice used as a model of Alzheimer's Disease.

#### **About Prana**

Prana is a Melbourne-based biotechnology established in 1997 to commercialize research into Alzheimer's disease and other major age-related degenerative disorders (Nasdaq: PRAN; ASX: PBT). Prana's technology was discovered by the company's researchers at prominent international institutions including Dr Ashley Bush and Dr Rudy Tanzi at the Massachusetts General Hospital at Harvard Medical School and Professor Colin Masters at the University of Melbourne. For more information about Prana, please visit [www.pranabio.com](http://www.pranabio.com)

**For more information contact:**

**Company**

Geoffrey Kempier, Prana  
+61 (3) 9690 7892

**Media and Investor, US**

Ivette Almeida and Steven Silver  
212-983-1702 ext. 209 and 212  
ivette.almeida@annemcbride.com  
silver@annemcbride.com

**Media, Australia**

Kate Mazoudier  
+61 3 9866 4722  
kmazoudier@bcg.com.au