Prana Announces At-the-Market Issuance Program

Melbourne – July 14, 2011 : Prana Biotechnology Limited (NASDAQ : PRAN; ASX: PBT) today announced that it has filed a prospectus supplement to sell up to an aggregate 50,000,000 ordinary shares, represented by 5,000,000 American Depositary Shares (ADSs) through an "at-the-market" (ATM) offering. If utilized, the ADSs would be offered through McNicoll, Lewis & Vlak LLC (MLV) as sales agent who, at Prana's discretion and instruction, will use its commercially reasonable efforts to sell the ADSs at market prices from time to time, including sales made by means of ordinary brokers' transactions on the NASDAQ Capital Market.

Prana currently intends to use the proceeds from any sales related to the ATM offering primarily for ongoing and future research programs into the development of its proprietary compounds, including its lead compound PBT2, and for working capital purposes. Prana intends to commence a Phase II imaging trial for PBT2 in Alzheimer's disease patients and a Phase II trial for PBT2 in Huntington's disease patients later this year.

Sales in the ATM offering, if any, would be made pursuant to the prospectus supplement dated July 13, 2011, which supplements the company's prospectus dated May 31, 2011, filed as part of the effective shelf registration statement that Prana filed with the Securities and Exchange Commission (SEC) on May 17, 2011.

For more complete information about Prana and the ATM offering, you are encouraged to read the prospectus in Prana's May shelf registration statement, the prospectus supplement, and other documents Prana has filed with the SEC. You may obtain these documents on the SEC's website at www.sec.gov.

This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor may there be any sale of Prana's common stock in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any state or jurisdiction.

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 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.

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 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.

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