

MALLESONS STEPHEN JAQUES

Confidential communication

Australian Stock Exchange Limited
Company Announcements
Fax 1900 999 279

17 November 2005

Pharmaxis Limited ("Pharmaxis")

We act for Orbis Global Equity Fund Limited ("Orbis") and enclose a revised notice under Part 6C.1 of the Corporations Act 2001 (Cth).

The difference between this notice and the notice provided earlier today is that this notice breaks down the relevant interests Orbis has as a result of its acquisition of American Depositary Shares in Pharmaxis and those it has as a result of its acquisition of ordinary shares in Pharmaxis.

Yours faithfully



Damien Scholefield
Senior Associate
Direct line +61 2 9296 2463
Email damien.scholefield@mallesons.com

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**

To: Company Name/Scheme	Pharmaxis Limited
ACN/ARSN/ABN	75 082 811 630
1. Details of substantial holder (1)	
Name	Orbis Global Equity Fund Limited and the entities listed in table 1 of annexure A
ACN/ARSN (if applicable)	n/a

The holder became a substantial holder on 11/11/05**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
1. Ordinary 2. American Depository Shares	1. 3,265,000 ordinary 2. 1,100,000 American Depository Shares	19,765,000	11.33%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Orbis Global Equity Fund Limited	Acquisition of shares - Share Placement Agreement Acquisition of American Depository Shares	1. Ordinary 720,000 2. American Depository Shares 1,038,666
See Annexure A (table 1 and 2)	See Annexure B	

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Orbis Global Equity Fund Limited	No	HSBC Custody Nominees (Australia) Ltd as nominee of Orbis Global Equity Fund Limited (no current registered holder)	1. Ordinary 720,000 2. American Depository Shares 1,038,666
See Annexure A (table 1 and 2)			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-Cash	
Orbis Global Equity Fund Limited	11/11/05	1. A\$1,584,000 2. US\$25,094,170.56	-	1. Ordinary 720,000 2. American Depository Shares 1,038,666
See Annexure A (table 1 and 2)				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
See Annexure A (table 1 and 2)	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Orbis Global Equity Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda
See Annexure A (table 1 and 2)	

Signature

print name

James Don

Capacity

Director/Officer/Authorised Signatory

sign here

date 15 / 11 / 2005

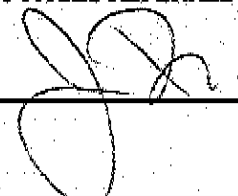
DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

PHARMAXIS LIMITED ACN 75 082 811 630

THIS IS ANNEXURE A OF 3 PAGES REFERRED TO IN FORM 603

sign 

date 15 / 11 / 2005

Table 1

Name and address of substantial holder / associate	Nature of relevant interest	Class and number of securities	Consideration	Person entitled to be registered holder of securities (no current registered holder)	Nature of association
Orbis Capital Limited of LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda	Acquisition of shares - Share placement agreement	865,000 Ordinary shares	A\$1,904,500	HSBC Custody Nominees (Australia) Ltd as nominee of Orbis Capital Limited	Controlled by Orbis Holdings Limited
Orbis Optimal SA Fund Limited of LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda	Acquisition of shares - Share placement agreement	44,667 American Depository Shares	US\$ 1,079,154.72	Westpac Custodian Nominees Ltd as nominee of Orbis Optimal SA Fund Limited	Controlled by Orbis Holdings Limited
Orbis SICAV Global Equity Fund of LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda	Acquisition of shares - Share placement agreement	1,290,000 Ordinary shares	A\$2,838,000	Westpac Custodian Nominees Ltd as nominee of Orbis SICAV Global Equity Fund	Controlled by Orbis Holdings Limited
Orbis Optimal Global Fund LP of LPG Building, 34 Bermudiana Road, Hamilton, HM11, Bermuda	Acquisition of shares - Share placement agreement	16,667 American Depository Shares	US\$402,674.72	Westpac Custodian Nominees Ltd as nominee of Orbis Optimal Global Fund	Controlled by Orbis Holdings Limited
Orbis MIS Orbis Global Equity Fund of Level 2, 575 Bourke Street Melbourne VIC 3000	Acquisition of shares - Share placement agreement	390,000 Ordinary shares	A\$858,000	Westpac Custodian Nominees Ltd as nominee of Orbis MIS Orbis Global Equity Fund	Controlled by Orbis Holdings Limited

Table 2

The following entities, by reason of their relationship as associates, have a relevant interest in 19,765,000 ordinary securities of Pharmaxis Limited (comprised of an interest in 3,265,000 ordinary shares and 1,100,000 American Depository Shares).

Name	Address	ACN	Nature of association
Orbis Holdings Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlling shareholder of substantial holders

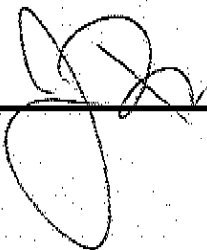
Name	Address	ACN	Nature of association
Pictet Overseas Trust Corporation and Pictet Trustee Company SA	Bayside Executive Park West Bay Street Nassau, Bahamas	n/a	Controlling entity of Orbis Holdings Limited
Orbis World Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlling entity of Orbis Holdings Limited
Orbis Investment Management Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Asset Management Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Leveraged Global Fund L.P.	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Administration Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Investment Research Limited	1017,3 Danji Kings Garden Office 72, Naesu- Dong Jongro-Gu Seoul 1110 -070 Korea	n/a	Controlled by Orbis Holdings Limited
Orbis Investment Management (MIS) Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Triple Blue Holdings Limited	Romasco Place Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands	n/a	Controlled by Orbis Holdings Limited
Orbis Mansfield Street Properties Ltd	Romasco Place Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands	n/a	Controlled by Orbis Holdings Limited
Orbis Investment Management (BVI) Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Investment Advisory Pty Limited	Level 2 Challis House 4 Martin Place Sydney NSW 2000	101 387 964	Controlled by Orbis Holdings Limited
Orbis Holdings (Australia) Pty Limited	Level 2 Challis House 4 Martin Place Sydney NSW 200	112 315 625	Controlled by Orbis Holdings Limited
Orbis Investment Management (Australia) Pty Limited	Level 2 Challis House 4 Martin Place Sydney NSW 200	112 316 168	Controlled by Orbis Holdings Limited

Name	Address	ACN	Nature of association
Orbis Optimal (US\$) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Leveraged (US\$) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Africa Equity (Rand) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Optimal (Euro) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Leveraged (Euro) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Japan Opportunity Master Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Japan Equity (US\$) Fund Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited
Orbis Access Limited	LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda	n/a	Controlled by Orbis Holdings Limited

PHARMAXIS LIMITED ACN 75 082 811 630

THIS IS ANNEXURE B OF 8 PAGES REFERRED TO IN FORM 603

sign

A handwritten signature in black ink, consisting of a large, stylized 'S' or 'J' shape with a loop at the top and a horizontal stroke at the bottom.

date 15 / 11 / 2005

7 NOV. 2005 14:15

WILSON HTM 61 2 3247 6601

NO.4531 P. 2



Wilson HTM Limited
ABN 68 010 529 065
Level 9
Royal Exchange Building
58 Pitt Street
Sydney NSW 2000
Tel. 61 2 8247 6800
Fax 61 2 8247 6621

www.wilsonhtm.com.au

Private and Confidential

Monday 7th November 2005

PXS23

Email: s.timbrell@orbisfunds.com, 8 pages

URGENT
FAX ACCEPTANCE REQUIRED BY
5PM Monday 7th November 2005

Dear Steve

Pharmaxis Ltd (the "Company")
PLACEMENT OF NEW FULLY PAID ORDINARY SHARES AT \$2.20 PER SHARE

1. Introduction

On behalf of the Company, Wilson HTM Limited (the "Placement Agent"), is pleased to confirm your invitation to acquire new fully paid ordinary shares in the Company through the placement of new fully paid ordinary shares in the Company ("Placement Shares"), at an issue price of \$2.20 per Placement Share.

The Company has engaged the Placement Agent to arrange the placement of up to 19.9 million Placement Shares with investors in Australia and other jurisdictions outside the United States (the "Placement"). The Company is also proposing to offer in the United States (the "US Offer") 18.6 million new fully paid ordinary shares with the ability to accept over subscriptions of an additional 4.2 million ordinary shares (the "Overallotment Option"). The Placement, the US Offer and the Overallotment Option are referred to in this letter as the "Global Offers".

You are being offered Placement Shares under this letter of offer (the "Placement Offer Letter") which have already received shareholder approval on 28 October 2005.

2. Use of Proceeds

The Company has informed us that the funds raised in the Global Offers will be used for the following purposes:

- to fund clinical development of Bronchitol in patients with cystic fibrosis;
- to fund clinical development of Aridol for management of asthma and chronic obstructive pulmonary disease;
- to prepare for the commercial launch of Aridol for the management of asthma;
- to fund the clinical development of Bronchitol in patients with bronchiectasis and chronic bronchitis;
- to fund pre-clinical development of the Company's product pipeline;
- to fund further expansion of the Company's manufacturing facilities;
- to accelerate the commercialization and investigate additional indications for Bronchitol;
- to fund working capital; and
- for general corporate purposes, including capital expenditures.

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The Company has also informed us that a portion of the net proceeds may also be used to in-license product candidates, enter into future collaborations or invest in businesses or technologies that it believes are complementary to its own; and the Company has no present understandings, commitments or agreements to enter into any potential acquisitions, collaborations or investments at this time.

3. Placement Offer

The Placement Agent is pleased to confirm that you have been allocated up to the following Placement Shares in the Placement ("Offer"), subject to the terms set out below in this Placement Offer Letter.

	Number of Shares	Issue Price A\$	Total Amount A\$
Allocation	3,500,000	\$2.20	A\$7,700,000

Details of the transaction are proposed to be approved by the Pharmaxis Board on the morning of Tuesday 8th November 2005.

In making an investment decision to participate in the Placement in accordance with the provisions of this Placement Offer Letter, you must rely on your own examination of the Company and the terms and conditions of the offer to participate in the Placement, including the merits and risks involved. Your allocation may be scaled back at the discretion of the Placement Agent depending on the level of demand for the Placement Shares.

Australia

The Offer is being made to Australian residents on the basis that you are a Sophisticated Investor or Professional Investor (pursuant to sections 708(8) and 708(11) of the Corporations Act 2001 (Commonwealth), (the "Act") so that the Offer can be made without the need for disclosure under Part 6D.2 of the Act.

Other Jurisdictions

The Placement Shares are not offered or sold in any other jurisdiction by means of this Placement Offer Letter or otherwise, unless the Offer is in accordance with the laws of that jurisdiction as may apply to the Offer and sale of the Placement Shares.

4. Timetable

The indicative Placement timetable is as follows:

Return of Placement Acceptance Advice	5PM, 7 th November 2005
CARD Form (settlement details) due to Wilson HTM	5PM, 7 th November 2005
DVP Settlement in CHESS	11 th November 2005
Application and Expected date of ASX quotation of Placement Shares	14 th November 2005

Please note that the above timetable is indicative only and may change without consultation with you and, subject to the terms of this Placement Offer Letter, you are bound by the agreement arising from your irrevocable acceptance of this Offer notwithstanding any such changes to the timetable. All times above are references to Sydney, Australia time.

5. Rights Attaching to the Placement Shares

When Issued, the Placement Shares will rank pari passu with the Company's existing ordinary shares including in respect of distributions. The Company has agreed to apply to Australian Stock Exchange

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Limited ("ASX") for official quotation of the Placement Shares on ASX. Please note that a Participant (as defined in the ASX Settlement Rules) cannot deal in the Placement Shares either as principal or agent until official quotation is granted in respect of the Placement Shares.

6. Offer Personal

The Offer of Placement Shares and the agreement arising from the acceptance of the Offer is personal to you and you may not:

- (a) assign;
- (b) transfer; or
- (c) in any other manner deal with,

your entitlement to the Placement Shares or the Placement Shares or your rights or obligations under the agreement arising from your irrevocable acceptance of the Offer.

7. Placement Agreement

The Placement Agent and the Company have entered into a placement agreement (the "Placement Agreement").

The Placement Agreement contains customary termination provisions which entitles either the Placement Agent or the Company to terminate the Placement Agreement.

If either the Company or the Placement Agent chooses to terminate the Placement Agreement, your rights under this Placement Offer Letter will end including your right to receive the Placement Shares. In this case, your application monies will be refunded to you and you are not entitled to claim any interest on the application monies or any loss, damage or liability suffered or incurred as a result of or in connection with the termination of the Placement Agreement or otherwise.

If the Placement Agent chooses not to terminate its involvement in the Placement Agreement in circumstances where the Placement Agent is entitled to do so (or the Placement Agent chooses not to exercise any other right it may have under the Placement Agreement), you will be and remain bound by such election and will be and remain bound to fulfil all your obligations pursuant to this Placement Offer Letter.

The Placement Agent will be paid customary fees for their services in the Placement.

8. Corporations Act relief for the Placement

No disclosure document has been prepared or will be issued by the Company in connection with the Placement. Accordingly, the Placement Shares will only be issued to one of the categories of investors to whom such an issue can be made without a disclosure document under the Act.

If you on-sell the Placement Shares within twelve months from their issue to you pursuant to this agreement, you may be required to create and lodge a prospectus with ASIC unless:

- (a) that sale is to another Sophisticated Investor, Professional Investor, or other class of person to whom offers for sale of the Placement Shares can be made without disclosure under the Act; or
- (b) it can be established that the Company has complied with the requirements of section 708A of the Act.

Under the Placement Agreement, the Company has agreed to, within 5 Business Days from the issue of the Placement Shares, give ASX a notice under section 708A of the Act that:

- (a) the Company issued the Placement Shares without disclosure to investors under Part 6D.2 of the Act; and

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- (b) stating that the notice is being given under section 708A(5)(e) of the Act; and
- (c) stating that as at the date of the notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act; and

sets out any information that is excluded information (as specified in sections 708A(6), 708A(7) and 708A(8) of the Act) as at the date of the notice.

However, your ability to on-sell the Placement Shares within twelve months from their issue may be affected if certain conditions under section 708A of the Act no longer apply.

9. Representations, Warranties and Agreements

By accepting the Offer of Placement Shares, you represent, warrant and agree for the benefit of the Company, the Placement Agent and their respective related bodies corporate and their respective directors, officers, employees and advisers that:

- (a) If you are resident in Australia, you fall within one of the following categories:
 - (i) a "Sophisticated Investor" pursuant to section 708(8) of the Act; or
 - (ii) a "Professional Investor" within the meaning of section 9 and pursuant to section 708(11) of the Act.
- (b) You are not now, and you will not be at the time of subscribing for the Placement Shares, in the United States, nor are you a U.S. person for the purposes of the Regulations S under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and you are subscribing for the Placement Shares outside the United States in an "offshore transaction" (as such term is defined in Rule 902(h) under the Securities Act).
- (c) If you are resident outside Australia, you are entitled to accept the Offer, in accordance with its terms and conditions herein stated under the law of the jurisdiction in which you accept the Offer..
- (d) Your purchase of the Placement Shares is in compliance with all relevant laws and regulations (including, without limitation, the requirements of the Australian Foreign Acquisitions and Takeovers Act 1975).
- (e) You are aware that publicly available information about the Company can be obtained from the Australian Securities and Investments Commission and ASX (including its web site <http://www.asx.com.au>).
- (f) You have had access to all information that you believe is necessary or appropriate in connection with your acceptance of the Offer to purchase the Placement Shares. You acknowledge and agree that you will not hold the Placement Agent or any of its related bodies corporate, their respective directors, officers, employees and advisers responsible for any misstatements in, or omissions from, any publicly available information concerning the Company.
- (g) You have made and relied upon your own assessment of the Company and have conducted your own investigation with respect to the Placement Shares and the Company including, without limitation, the particular tax consequences of purchasing, owning or disposing of the Placement Shares in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.
- (h) You have not relied on any investigation that the Placement Agents or any of its related bodies corporate or any persons acting on their behalf may have conducted with respect to the Placement Shares or the Company. None of such persons has made any representation to you, express or implied, with respect to the Placement Shares or the Company.

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- (i) If you are acquiring any Placement Shares on account of one or more persons, you have full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such person and you will take reasonable steps to ensure that each such person will comply with its obligations herein.
- (j) You are not a Related Party (as defined in the ASX Listing Rules) or associate of the Company.
- (k) You acknowledge that no disclosure document has been prepared in connection with the Placement.
- (l) You acknowledge that the Offer does not constitute a securities recommendation.
- (m) You acknowledge that the acquisition of the Placement Shares involves a high degree of risk.
- (n) Except to the extent that liability cannot by law be excluded, none of the Company and the Placement Agent or their respective related bodies corporate, or any of their respective directors, officers, employees or advisers accept any responsibility in relation to the Placement or your acquisition of any Placement Shares.
- (o) You acknowledge that you will accept the decisions and actions of the Placement Agent in respect of the Placement Agreement (as defined in paragraph 7 above) relating to the Placement and your acceptance of the Offer does not oblige the Placement Agent to consult with you as to any matter or qualify the exercise or non-exercise of the rights of the Placement Agent under the Placement Agreement in any way, including in particular, the exercise of the right of termination.
- (p) You acknowledge that any issue of Placement Shares to you pursuant to your acceptance of the Offer is subject to the completion of the Placement Agreement relating to the Placement in accordance with its provisions.
- (q) You acknowledge that the share price of the Company may rise and fall prior to you being issued shares in the Company but that this agreement remains binding on you.
- (r) You acknowledge that the Placement Agent may scale back your allocation in the event that the Placement is oversubscribed.
- (s) The representations and warranties made by you are true and correct as at the date of the Placement Acceptance Advice and will be true and correct as at the date of allotment of the Placement Shares.

Once you have completed the Placement Acceptance Advice, if you fail to meet any obligation to procure Placement Shares in the Global Offers by the time required by this agreement, the Placement Agent may require that you do so or may without notice to you itself (or procure for a third party to) procure those Placement Shares. In addition to any other obligations under this agreement you indemnify the Placement Agent for any cost or loss associated with so doing (including loss incurred on the sale of the Placement Shares within 6 months of the procurement).

The Company and the Placement Agent and their respective directors, officers, employees and advisers will rely upon the truth and accuracy of your acknowledgments, representations, warranties and agreements.

10. Governing Law and Jurisdiction

The agreement between us arising out of your irrevocable acceptance of the terms of the Offer shall be governed by the laws of New South Wales, Australia and if you accept the Offer you will be and remain obliged to submit to the non-exclusive jurisdiction and determination of the courts of that State.

11. Confidential Information

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You agree to treat any information provided to you in relation to the Company, the Placement Agent and the Placement as strictly confidential and not to disclose it to any other person. Such information is being made available to you solely in connection with your consideration of the Offer of Placement Shares. You further agree that you will not purchase or sell any shares of any type in the Company or procure another person to do so, in breach of Part 7.10 of the Act.

12. Entire Agreement

The terms contained in this Placement Offer Letter including, without limitation, your duly executed and delivered Placement Acceptance Advice, constitute the entire terms of the agreement between the Company, the Placement Agent and you as to the Placement of the Placement Shares offered to you and your participation in the Placement to the exclusion of all prior representations, understandings and agreements between the Company or the Placement Agent and you. Any variation of the terms of the agreement must be in writing signed by each of the Company, the Placement Agent and you.

13. Notices

Any notice to be given relating to the Offer of Placement Shares or your acceptance of the Offer may be sent by facsimile to the facsimile number of the party to whom the notice is sent and will be deemed to have been given upon the successful transmission to that facsimile number.

14. Placement Acceptance Advice

Each applicant for Placement Shares will be required to execute and deliver a Placement Acceptance Advice (attached) which incorporates by reference the representations, warranties and agreements set out in this Placement Offer Letter.

Our receipt of your Placement Acceptance Advice signed by you will constitute your unconditional and irrevocable acceptance of the Offer set out in this Placement Offer Letter. Placement Shares will not be allocated or issued to you if you fail to execute and deliver to the Placement Agent the Placement Acceptance Advice in the form attached.

To confirm your irrevocable acceptance of the terms of the Placement and entry into an agreement with the Placement Agent for the acquisition of the Placement Shares indicated in this Placement Offer Letter, please sign and return a fully completed, executed and dated copy of the Placement Acceptance Advice to the Placement Agent by fax on or before 5PM Sydney time, Monday 7th November 2005 to:

Attention: Lisa Springer, Wilson HTM Limited; Facsimile: (61-2) 8247 6621;

15. Settlement

Settlement of the institutional portion of the Offer is to be conducted by the Placement Agent via the CHES Delivery versus Payment (DvP) settlement service, and is scheduled to occur on 11th November 2005 (the "Settlement Date"). The Placement Agent has provided all successful institutional allottees with a CARD Form (if applicable), attached to this letter, which requires you to specify the allotment of your holding prior to the Settlement Date.

You are required to advise the Placement Agent of your booking details in the usual manner by no later than 5PM (Sydney time) Monday 7th November 2005.

Prior to the Settlement Date (preferably immediately), we require your appointed settlement agent to transmit a Dual Entry Batch Message (as defined in the SCH Business Rules) with the Placement Agent to facilitate settlement of the transaction by DvP Settlement in accordance with the SCH Business Rules. You should instruct your settling Custodian to settle with Wilson HTM (PID 64124) on Friday 11th November 2005 via CHES message type "101" DvP with a Transaction basis of "I" (IPO) and a stock code of "PXS" quoting Bid Reference Number "PXS23"

Yours sincerely
Lisa Springer
Business Director
Wilson HTM Limited

7. NOV. 2005 14:17

WILSON HTM 61 2 8247 6601

NO. 4531 P. 8

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PHARMAXIS LIMITED ("PX5")
PLACEMENT ACCEPTANCE ADVICE

Private & Confidential

To: Wilson HTM Corporate Finance Limited
Attention: Ms Lisa Springer
Facsimile No: (02) 8247 6621

Code: PX523

We refer to the Placement Offer Letter from the Placement Agent dated 7th November 2005 (the "Offer Letter") regarding the placement by the Company of 19,900,000 Placement Shares.

We confirm our unconditional and irrevocable agreement to subscribe for the following allocation on the terms and conditions set out in the Offer Letter:

Placement Shares at \$2.20 per share:	5,500,000 Shares
Application Monies:	A\$7,700,000

In connection with our agreement to purchase such Placement Shares, the undersigned hereby confirms (for the benefit of the Company, the Placement Agent and their respective bodies corporate, directors, officers, employees and advisers), the various representations, warranties and agreements contained in the Offer Letter, including, without limitation, those set out in Section 9 of the Offer Letter.

ORRIS INVESTMENT MANAGEMENT LIMITED

Full Name of Applicant:

Address of Applicant:

*34 BERMUJANA RD.**WINDMILL HILL**BERMUDA*

Name of Contact:

*STEVEN TIMBRELL*Telephone: *1-441 296 5080 (EXT 225)* Fax Number: *1-441 296 3001*

Signature:

Stimbro

Date:

7 NOVEMBER 2005

Details of authorised signatory:

STEVEN TIMBRELL

Name

ASIAN TRADER

Title

*ORRIS INVESTMENT
MANAGEMENT LIMITED*

Organisation

THIS FORM MUST BE FAXED TO (02) 8247 6621
BY NO LATER THAN 5PM ON 7th November 2005