pharmaxis

13 August 2007

Manager of Company Announcements
Australian Stock Exchange
Exchange Centre
Level 3
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

Proposed Issue of Securities – Employee Options

In accordance with Listing Rule 3.10.3, Pharmaxis advises that the directors have resolved to grant options under the Pharmaxis Ltd Employee Option Plan as follows:

Options to Employees

Class of security	Number to be issued	Principal terms	Issue price	Purpose of issue	Shareholder approval required	Issue to class
Unlisted employee options over Pharmaxis Ltd ordinary shares	1,586,000	Exercise price of $3.389. Vesting: 25% of options to vest at each of 30 June, 2008, 2009, 2010 and 2011, subject to approval by Remuneration and Nomination Committee of the Board. Options expire 9 August 2017	Nil	To be issued to 62 employees of the company under, and in accordance with, the Pharmaxis Ltd Employee Option Plan	No	No

Pharmaxis Ltd
ABN 75 082 811 630
Unit 2, 10 Rodborough Road
Frenchs Forest NSW 2086
Australia
T 02 9454 7200
F 02 9451 3622
www.pharmaxis.com.au

Options to Executive Director

Class of security	Number to be issued	Principal terms	Issue price	Purpose of issue	Shareholder approval required	Issue to class
Unlisted employee options over Pharmaxis Ltd ordinary shares	300,000	Exercise price of $3.389. Vesting: 25% of options to vest at each of 30 June, 2008, 2009, 2010 and 2011, subject to approval by Remuneration and Nomination Committee of the Board. Options expire 9 August 2017	Nil	To be issued to the Chief Executive Officer under, and in accordance with, the Pharmaxis Ltd Employee Option Plan	The 2006 Annual Meeting approved the issue of up to 150,000 options. Shareholder approval will be sought at the 2007 Annual Meeting for the issue of an additional 150,000 options	No

The Company will lodge relevant Appendix 3Bs when required by the Listing Rules of Australian Securities Exchange.

Sincerely,

David McGarvey
Company Secretary