

12 August 2008

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

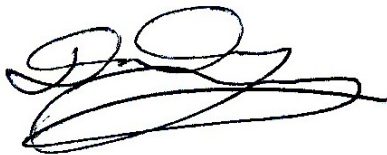
In accordance with Listing Rule 3.10.3, Pharmaxis advises that the directors have resolved to grant options to the Chief Executive Officer, an Executive Director of the Company, under the Pharmaxis Ltd Employee Option Plan as follows:

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	200,000	Exercise price of \$1.8170. Vesting: 25% of options to vest at each of 30 June, 2009, 2010, 2011 and 2012, subject to approval by Remuneration and Nomination Committee of the Board. Options expire 11 August 2018	Nil	To be issued to the Chief Executive Officer under, and in accordance with, the Pharmaxis Ltd Employee Option Plan	Shareholder approval will be sought at the 2008 Annual Meeting.	No

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

Sincerely,



David McGarvey
Company Secretary