

23 June 2009

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

Dear Sir/Madam,

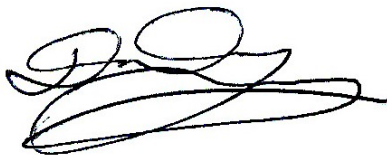
Proposed Issue of Securities – Employee Options

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, subsequent to a review of the Company’s performance over the past year. Subject to shareholder approval, the options will be granted under the Pharmaxis Ltd Employee Option Plan as follows:

Class of security	Unlisted employee options over Pharmaxis Ltd ordinary shares
Number to be issued	200,000
Exercise price	Current market price of Pharmaxis shares calculated as the volume weighed average price of the Company’s shares over the five days ending 22 June 2009
Vesting	<ul style="list-style-type: none"> • Not before 30 June 2012 • Subject to approval by the Remuneration and Nomination Committee after a review of the Company’s performance in achieving key business objectives
Issue price	Nil
Shareholder approval	Shareholder approval will be sought at the 2009 Annual Meeting.
Purpose of issue	To be issued to the Chief Executive Officer under, and in accordance with, the Pharmaxis Ltd Employee
Issue to class	No

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

Sincerely,



David McGarvey
 Company Secretary