

24 June 2008

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

Dear Sir/Madam,

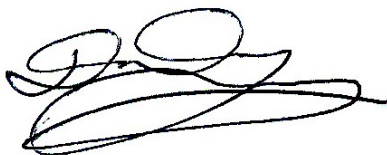
Proposed Issue of Securities – Options

I refer to the announcement on 24 June 2008 relating to the appointment of Mr Will Delaat to the Pharmaxis board of directors.

Pharmaxis advises that the board of directors has resolved to grant 200,000 options to Mr Will Delaat under and in accordance with the terms of the Pharmaxis Employee Option Plan. Other independent directors of Pharmaxis were each previously granted 200,000 options at the time of their respective appointments. The terms of the option grant to Mr Delaat are as follows:

- Number of options to be granted: 200,000
- Exercise price: \$1.5990, calculated under the terms of the Pharmaxis Employee Option Plan as the volume weighted average price of Pharmaxis ordinary shares on the ASX on the five business days prior to the date of grant.
- Expiry: 22 June 2018
- Vesting: 25% of options to vest at each of 30 June, 2009, 2010, 2011 and 2012.
- Issue price: Nil
- The options were granted on 23 June 2008 and are subject to receipt of shareholder approval under and in accordance with the Listing Rules of the Australian Stock Exchange. A resolution seeking approval for the grant of the options will be tabled at the next general meeting of Pharmaxis. If approved, Pharmaxis will file an Appendix 3B at that time.

Sincerely,



David McGarvey
Company Secretary