ASX/ NASDAQ Media release 11 November 2005

Pharmaxis Ltd completes $87 million Capital Raising

SYDNEY, Australia - Pharmaxis Ltd (ASX: PXS, Nasdaq: PXSL) announced today that it had completed its Global Capital Raising with gross proceeds of A$87 million (US$63 million). A total of 39.4 million shares (including 1.3 million American Depositary Shares) were issued bringing total shares on issue after the raising to 174.4 million.

In the US, 1.3 million American Depositary Shares (ADSs) were issued to US institutional investors in a public offering at a price of US$24.16 per ADS. Each ADS represents 15 ordinary shares in Pharmaxis. CIBC World Markets Corp. acted as sole book-running manager of the offering. JMP Securities LLC served as co-manager of this offering.

In Australia, 19.9 million ordinary shares were issued to Australian and other non US institutional, sophisticated and professional investors at a price of A$2.20 per ordinary share, equivalent to the ADS price. Wilson HTM served as sole agent for the Australian placement.

The issue price of A$2.20 represents a 10% discount to the five day value weighted average price at pricing and a 0.5% discount to the 30 day value weighted average price at announcement of the capital raising.

Dr Alan Robertson, Chief Executive Officer noted that: "the Pharmaxis global capital raising was one of the largest capital raisings in the Australian biotechnology sector. Uniquely, it was a co-ordinated simultaneous Australian placement and US public offering. As a result, we are very well positioned to complete the development of our leading products Aridol and Bronchitol, which have the potential to fundamentally change people's lives. We are looking forward to bringing them to the international marketplace."

Aridol is being developed for the management of asthma which affects 52 million people worldwide, Bronchitol for cystic fibrosis and chronic obstructive pulmonary disease which worldwide affects 75,000 and 30 million people respectively. The patient populations in these diseases represent attractive market opportunities for the company.

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About Pharmaxis

Pharmaxis (ACN 082 811 630) is a specialist pharmaceutical company involved in the research, development and commercialization of therapeutic products for chronic respiratory and autoimmune diseases. Its development pipeline of products include Aridol for the management of asthma, Bronchitol for cystic fibrosis and chronic obstructive pulmonary disease (COPD) and PXS64 for the treatment of multiple sclerosis.

About Aridol

Asthma is among the top 10 most commonly cited reasons for consulting a General Practitioner (GP). Yet GPs currently rely upon older tests that are often inaccurate and cumbersome to assess airway inflammation in patients with asthma.

The innovative Aridol lung function test, developed by Australian researchers and Pharmaxis Ltd, will help doctors more accurately determine the severity of a patient's disease and allow prescription of the right amount of medication.

The simple 15 minute test uses a patented formulation of mannitol processed into a respirable powder. The test requires the patient to inhale increasing doses of Aridol, which cause the airways to narrow and contract that is simply detected by measuring the amount of air a person can exhale in one second. The smaller the dose required to cause contraction, the more severe the patient's asthma diagnosis. People without airway inflammation do not respond to an Aridol challenge test.

Doctors can use the results of this test to measure the severity of a patient's asthma and the medication and dose required to bring it under control.

About Bronchitol

Pharmaxis Ltd is developing Bronchitol for the management of chronic obstructive lung diseases including cystic fibrosis, bronchiectasis and chronic bronchitis. Bronchitol is a proprietary formulation of mannitol administered in a convenient hand-held, pocket-sized inhaler. Its formulation as a respirable dry powder helps restore normal lung clearance mechanisms.

Clinical studies have shown Bronchitol to be effective and well tolerated in stimulating mucus hydration and clearance in people with chronic obstructive lung diseases. In particular, Bronchitol has been shown to increase mucus clearance from the lungs, improve lung function and signifcantly improve quality of life for people with both cystic fibrosis and bronchiectasis.

Longer term clinical studies involving Bronchitol in chronic obstructive lung diseases are underway. These studies aim to demonstrate an improvement in the quality of life, a reduction in the number of bacterial infections and the need for physiotherapy and hospitalisation; an improvement in oxygen delivery from the lungs, exercise capacity and the quality of sleep; and an overall improvement in lung function.

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Forward Looking Statements

The statements contained in this press release that are not purely historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements in this press release include statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the use of proceeds from the offering. All forward-looking statements included in this press release are based upon information available to us as of the date hereof, and we assume no obligation to update any such forward-looking statement as a result of new information, future events or otherwise. Our actual results could differ materially from our current expectations. Factors that could cause or contribute to such differences include, but are not limited to, factors and risks disclosed from time to time in reports filed with the Securities and Exchange Commission, including our Registration Statement on Form F-1.

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