



NOTICE OF THE 2011 ANNUAL GENERAL MEETING AND EXPLANATORY
STATEMENT OF PHARMAXIS LTD

TO BE HELD AT THE INTERCONTINENTAL SYDNEY, CORNER OF PHILLIP AND BRIDGE
STREETS, SYDNEY NSW ON 21 NOVEMBER 2011 AT 2:30 PM AUSTRALIAN EASTERN
DAYLIGHT TIME

TO BE VALID, PROXY FORMS FOR USE AT THE MEETING MUST BE COMPLETED AND
LODGED NO LATER THAN 19 NOVEMBER 2011 AT 2:30 PM AUSTRALIAN EASTERN
DAYLIGHT TIME

IMPORTANT

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your professional adviser immediately.

17 October 2011

Dear Shareholder,

The 2011 annual general meeting of shareholders of Pharmaxis Ltd (**Company**) will be held at the Intercontinental Sydney, located on the corner of Phillip and Bridge Streets, Sydney NSW, on 21 November 2011 at 2:30 pm. The notice of meeting along with a proxy voting form is enclosed.

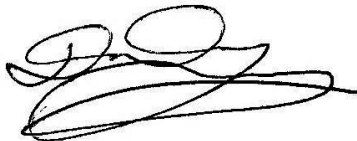
The Chairman, the Chief Executive Officer and the Chief Financial Officer will each give presentations at the meeting in relation to the Company's progress over the last financial year and an overview of some of the Company's key objectives for the current financial year. Additional details of the Company's performance and operations are set out at www.pharmaxis.com.au and in the Company's 2011 statutory annual report.

The formal part of the meeting will cover the consideration of the Company's financial statements, remuneration report and the re-election of two directors. Details of the resolutions to be considered at the meeting are contained in the explanatory statement which accompanies the notice of meeting.

If you plan to attend the meeting, please bring the enclosed proxy form to facilitate your prompt registration. If you are unable to attend the meeting, you are able to appoint a proxy to attend and vote on your behalf online at www.investorvote.com.au or by using the enclosed proxy form. Shareholders will have an opportunity to ask questions during the meeting or by submitting written questions. Shareholders are also invited to join the Board for light refreshments at the conclusion of the meeting.

We look forward to welcoming you at the meeting.

Yours faithfully



David McGarvey
Company Secretary and Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 2011 annual general meeting of Pharmaxis Ltd ABN 75 082 811 630 (**Company**) will be held at the Intercontinental Sydney, located on the corner of Phillip and Bridge Streets, Sydney NSW on 21 November 2011 at 2:30 pm Australian Eastern Daylight Time.

ORDINARY BUSINESS

1. Financial Statements

To receive and consider the financial report, directors' report and the auditor's report of the Company for the financial year ended 30 June 2011.

2. Remuneration Report

To consider and, if thought fit, to pass item 2 as an ordinary resolution (advisory vote only):

That the remuneration report of the Company for the year ended 30 June 2011 be adopted.

3. Re-election of Mr Denis Hanley as a Non Executive Director

To consider and, if thought fit, to pass item 3 as an ordinary resolution:

That Mr Denis Hanley be re-elected as a non executive director of the Company.

4. Re-election of Mr William Delaat as a Non Executive Director

To consider and, if thought fit, to pass item 4 as an ordinary resolution:

That Mr William Delaat be re-elected as a non executive director of the Company.

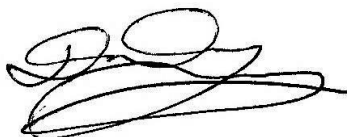
OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the constitution of the Company and the Corporations Act.

VOTING RESTRICTIONS ON ITEM 2

In accordance with the Corporations Act, a vote must not be cast (in any capacity) on item 2 by or on behalf of key management personnel (as disclosed in the remuneration report) and their closely related parties (such as close family members and controlled companies) unless they are voting as proxy for a person entitled to vote and they vote in accordance with a direction on the proxy form.

By order of the Board



Mr David McGarvey
Company Secretary and Chief Financial Officer
17 October 2011

VOTING ENTITLEMENTS

For the purpose of the Corporations Act, the Company has determined that the holders of the Company's ordinary shares for the purpose of the annual general meeting, will be the registered holders of ordinary shares at 7:00 pm Australian Eastern Daylight Time on 19 November 2011.

PROXIES

Shareholders have the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes that each proxy is appointed to exercise. A proxy form has been included with this notice of meeting. Proxy voting instructions are provided with the proxy form.

You may submit your proxy form online by visiting www.investorvote.com.au. To use the online facility you will require the secure access information set out on your proxy form. Completed proxies can also be lodged with our registrar Computershare Investor Services Pty Limited:

by hand: Level 4, 60 Carrington Street, Sydney NSW 2000

by post: GPO Box 242, Melbourne VIC 3001

by facsimile: 1800 783 447

or directly to the Company:

by hand or by post: 20 Rodborough Road, Frenchs Forest NSW 2086

by facsimile: +61 (2) 9451 3622

Duly completed proxies must be received by no later than **2:30 pm Australian Eastern Daylight Time on 19 November 2011**.

POWER OF ATTORNEY

If a shareholder has appointed an attorney to attend and vote at the meeting, or if a proxy form is signed by an attorney, a certified copy of the power of attorney must likewise be received by Computershare Investor Services Pty Limited or the Company by no later than 2:30 pm Australian Eastern Daylight Time on 19 November 2011 by one of the means listed above.

CORPORATE REPRESENTATIVES

If a corporate shareholder wishes to appoint a person to act as a representative at the meeting, that person should be provided with a letter authorising that person as the company's representative (executed in accordance with that company's constituent documents and the Corporations Act).

EXPLANATORY STATEMENT

Item 1 - Financial Statements

In accordance with section 317 of the Corporations Act, our financial report, directors' report and the auditor's report for the financial year ended 30 June 2011 will be presented to the meeting. Shareholders will be provided with an opportunity to ask questions in relation to the reports, however, in accordance with the Corporations Act there will be no formal resolution put to the meeting. The reports are contained in our 2011 statutory annual report which is available at www.pharmaxis.com.au.

Item 2 - Advisory Vote in Relation to the Remuneration Report

Section 250R(2) of the Corporations Act requires that our shareholders vote in respect of the adoption of our remuneration report. The remuneration report is set out in section 2 of our 2011 statutory annual report. Section 250R(3) of the Corporations Act provides that the vote on the resolution is advisory only and does not bind our board of directors (**Board**). However, the Company will take the outcome into consideration when reviewing the remuneration practices and policies of the Company.

If the resolution to adopt the remuneration report receives a "no" vote of at least 25% of the votes cast at two consecutive annual general meetings, a resolution must be put at the second annual general meeting as to whether another general meeting of the Company should be held within 90 days at which all directors (other than the Managing Director) who were in office at the time the Company approved the second remuneration report, would need to stand for re-election.

Noting that each director has a personal interest in their own remuneration from us, as set out in the remuneration report, the Board recommends that shareholders vote in favour of this resolution. The Chairman of the meeting intends to vote all available proxies in favour of the adoption of the remuneration report.

Item 3 - Re-election of Mr Denis Hanley – Non Executive Director

Mr Denis Hanley has been the independent non executive Chairman of the Company since October 2001. In accordance with the retirement requirements of the Company's constitution and the ASX Listing Rules, Mr Denis Hanley retires and offers himself for re-election.

Mr. Denis Hanley served as Chief Executive Officer of Memtec Limited, a leader in the design and manufacture of microfiltration membrane systems. From 1971 to 1982, Mr. Hanley held various positions within Baxter Healthcare, most recently as Australian Managing Director. Mr. Hanley has served on the Australian Industry Research and Development Board and various technology councils and roundtables. Mr. Hanley serves on the board of directors of Universal Biosensors, Inc., CathRx Ltd and PFM Cornerstone Limited, and was a member of the Australian Government's Cooperative Research Centre Committee. Mr. Hanley holds an M.B.A. with high distinction from the Harvard Graduate School of Business Administration, where he was named a Baker Scholar. Mr Hanley is Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee.

If re-elected, Mr Denis Hanley's term of appointment will be until the end of the third annual general meeting following his re-election or three years (whichever is longer), subject to the constitution of the Company, the ASX Listing Rules and the Corporations Act.

The Board (with Mr Denis Hanley abstaining) recommends that shareholders vote in favour of this resolution. The Chairman of the meeting will vote all available undirected proxies on this resolution in favour of this resolution.

Item 4 - Re-election of Mr William Delaat – Non Executive Director

Mr William Delaat has been a non executive director of the Company since June 2008. In accordance with the requirements of the Company's constitution and the ASX Listing Rules, Mr William Delaat retires and offers himself for re-election.

Mr Delaat has 35 years experience in the global pharmaceutical industry, most recently as the managing director of the Australian subsidiary of Merck & Co., a position he held from 1997 until his retirement in 2008. During his career Mr Delaat has held executive positions in both Europe and Australia for Merck and AstraZeneca. Mr Delaat is experienced in sales and marketing and has been responsible for international product launches and commercialisation of respiratory products. Mr Delaat is chairman of the Australian pharmaceutical industry's peak body, Medicines Australia, and is chairman of the Pharmaceuticals Industry Council. Mr Delaat holds a Bachelor of Science, Physiology & Chemistry from the University of London. Mr Delaat is a member of our Audit Committee.

If re-elected, Mr William Delaat's term of appointment will be until the end of the third annual general meeting following his re-election or three years (whichever is longer), subject to the constitution of the Company, the ASX Listing Rules and the Corporations Act.

The Board (with Mr William Delaat abstaining) recommends that shareholders vote in favour of this resolution. The Chairman of the meeting will vote all available undirected proxies on this resolution in favour of this resolution.

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Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 PXS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 2:30pm (AEDT) on Saturday 19 November 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Pharmaxis Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Pharmaxis Ltd to be held at the Intercontinental Sydney, corner of Phillip and Bridge Streets, Sydney NSW 2000 on Monday, 21 November 2011 at 2:30pm (AEDT) and at any adjournment of that meeting.

Important for Item 2 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 2 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Item 2, the Chairman of the Meeting will not cast your votes on Item 2 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Item 2).

The Chairman of the Meeting intends to vote all available proxies in favour of Item 2 of business.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 2 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel.

STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Item 2 To adopt the remuneration report for the year ended 30 June 2011	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 To re-elect Mr Denis Hanley as a Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 To re-elect Mr William Delaat as a Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>

Sole Director and Sole Company Secretary Director Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____