

16 November 2011

Manager of Company Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

Pharmaxis Ltd ABN 75 082 811 630 (Company)
Notice under section 708AA(2)(f) of the Corporations Act 2001 as modified by ASIC
Class Order CO 08/35

Pharmaxis Ltd (**Pharmaxis or the Company**) has today announced a pro-rata accelerated non-renounceable entitlement offer of 1 new ordinary share (**New Share**) for every 3 existing Pharmaxis ordinary shares held at 7.00pm (Sydney time) on 21 November 2011 to eligible shareholders with a registered address in Australia or New Zealand and any other jurisdictions which Pharmaxis has decided to make offers (**Entitlement Offer**).

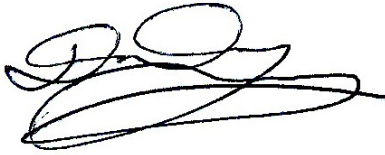
This notice is given by Pharmaxis under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by Australian Securities and Investments Commission Class Order CO 08/35 (**CO 08/35**).

Pharmaxis advises that:

1. the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by CO 08/35;
3. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to Pharmaxis; and
 - (b) section 674 of the Corporations Act;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as modified by CO 08/35 that is required to be disclosed by the Company; and
5. the potential effect the Entitlement Offer will have on the control of Pharmaxis, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. Eligible shareholders who do not take up all or part of their entitlements and shareholders who are not eligible to participate will have their proportional interests in Pharmaxis diluted. However, given the structure of the Entitlement Offer as a pro-rata issue and the current level of holdings of substantial holders (based on substantial holder notices that have been given to the Company and lodged with ASX on or prior to the date of this notice), the

Entitlement Offer is not expected to have any material effect or consequence on the control of Pharmaxis.

Yours sincerely

A handwritten signature in black ink, appearing to be 'D. McGarvey', with a large, sweeping flourish underneath.

David McGarvey
Chief Financial Officer/ Company Secretary