



NOTICE OF THE 2012 ANNUAL GENERAL MEETING AND EXPLANATORY
STATEMENT OF PHARMAXIS LTD

TO BE HELD AT THE SYDNEY HARBOUR MARRIOTT HOTEL, 30 PITT STREET,
SYDNEY, NSW ON 17 OCTOBER 2012 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 15 OCTOBER 2012 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 stockbroker, solicitor, accountant or other professional adviser immediately.

11 September 2012

Dear Shareholder,

The 2012 annual general meeting of shareholders of Pharmaxis Ltd (**Company**) will be held at the Sydney Harbour Marriott Hotel, located at 30 Pitt Street, Sydney NSW, on 17 October 2012 at 2:30 pm. The notice of meeting along with a proxy voting form is enclosed.

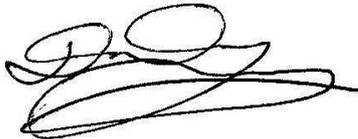
The Chairman, the Chief Executive Officer and the Chief Financial Officer will each give presentations at the meeting in relation to the Company's progress over and an overview of some of the Company's key objectives for the current financial year. Additional details of the Company's performance and operations are set out at www.pharmaxis.com.au and in the Company's 2012 annual report.

The formal part of the meeting will cover the consideration of the Company's financial statements and remuneration report, the re-election of two directors and the grant of performance rights and options. 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 2012 annual general meeting of Pharmaxis Ltd ABN 75 082 811 630 (**Company**) will be held at the Sydney Harbour Marriott Hotel, located at 30 Pitt Street, Sydney NSW on 17 October 2012 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 2012.

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 2012 be adopted.

3. Re-election of Mr Richard van den Broek as a Non Executive Director

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

That Mr Richard van den Broek be re-elected as a non executive director of the Company.

4. Re-election of Dr Simon Buckingham as a Non Executive Director

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

That Dr Simon Buckingham be re-elected as a non executive director of the Company.

SPECIAL BUSINESS

5. Grant of Performance Rights to Dr Alan Robertson

To consider and, if thought fit, to pass item 5 as an ordinary resolution:

*That, for the purposes of Listing Rule 10.14 of the Listing Rules of the Australian Securities Exchange (**ASX Listing Rules**), the Corporations Act 2001 (Cth) (**Corporations Act**) and for all other purposes, approval be given for the grant of 200,000 zero grant and zero exercise price employee options (**Performance Rights**) to Dr Alan Robertson under the Company's performance rights plan, resolved to be granted by the Board in June 2012 and, upon exercise of those Performance Rights, the acquisition of 200,000 ordinary shares underlying those Performance Rights, in accordance with the terms of the performance rights plan and the explanatory statement accompanying this notice of meeting.*

6. Grant of Options to Dr Simon Buckingham

To consider and, if thought fit, to pass item 6 as an ordinary resolution:

*That, for the purposes of Listing Rule 10.14 of the ASX Listing Rules, the Corporations Act and for all other purposes, approval be given for the grant of 30,000 zero grant and zero exercise price employee options (**Options**) to Dr Simon Buckingham under the Company's employee option plan, resolved to be granted by the Board in August 2012 and, upon exercise of those Options, the acquisition of 30,000 ordinary shares underlying those Options, in accordance with the terms of the performance rights plan and the explanatory statement accompanying this notice of meeting.*

7. Renewal of Proportional Takeover Provision in the Constitution of the Company

To consider and, if thought fit, to pass item 7 as a special resolution:

That approval be given for the proportional takeover provision contained in article 45 of the current constitution of the Company to be renewed for a further three years from the date of the 2012 annual general meeting, as detailed in the explanatory statement accompanying this notice of meeting.

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

Item 2 – Pursuant to section 250 of the Corporations Act, a vote must not be cast (in any capacity) on item 2 by or on behalf of the following persons:

- a) a member of the Company's key management personnel details of whose remuneration are included in the remuneration report; or
- b) a closely related party of such a member.

However a person described above may cast a vote on item 2 if:

- c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on item 2; and
- d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of key management personnel include its directors and certain senior executives.

A closely related party of a member of the key management personnel means any of the following:

- a) a spouse, child or dependant of the member;
- b) a child or dependant of the member's spouse;
- c) anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- d) a company the member controls; or
- e) a person prescribed by regulations (as at the date of this notice of meeting, no additional persons have been prescribed by regulation).

Items 5 & 6 - As required by the ASX Listing Rules, the Company will disregard any votes cast on the resolutions set out in items 5 and 6 by:

- a) any director of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to the Company) and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the Employee Option Plan by anyone else, that person; and
- b) any of their associates.

However the Company need not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

By order of the Board



Mr David McGarvey,
Company Secretary and Chief Financial Officer
11 September 2012

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 15 October 2012.

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. You will be taken to have duly executed the proxy form if you lodge it in accordance with the instructions prior to 2:30 pm Australian Eastern Daylight Time on 15 October 2012. 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 15 October 2012.**

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 15 October 2012 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).

DIRECTING YOUR PROXY ON ITEMS 2, 5 & 6

The key management personnel of the Company (which includes each of the directors and executives named in the Company's 2012 Remuneration Report) and their closely related parties will not be able to vote as your proxy on items 2, 5 and 6 unless you tell them how to vote. If you intend to appoint a member of the key management personnel or one of their closely related parties as your proxy, please ensure that you direct them how to vote on items 2, 5 and 6. If the Chairman of the meeting is appointed, or taken to be appointed, as a proxy, you can direct the Chairman of the meeting to vote for or against, or to abstain from voting on, items 2, 5 and 6 by marking the appropriate box opposite the relevant item on the proxy form. However, if the Chairman of the meeting is the proxy and the relevant shareholder does not mark any of the boxes opposite any of item 2, 5 and/or 6, the relevant shareholder will be deemed to have directed the Chairman to vote in favour of the relevant item.

HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES ON ITEMS 2, 3, 4, 5, 6 and 7

Subject to the law, the Chairman of the meeting will vote undirected proxies on, and in favour of, the proposed resolutions in items 2, 3, 4, 5, 6 and 7.

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 2012 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 2012 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. 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**).

If at least 25% of the votes cast on the resolution are voted against adoption of the remuneration report at this meeting and then again at next year's annual general meeting, the Company will be required to put to shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (spill resolution). If more than 50% of shareholders vote in favour of the spill resolution, the Company is required to convene the extraordinary general meeting (spill meeting) within 90 days of the 2013 annual general meeting. At this time, all of the directors of the Company with the exception of the managing director will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following any such spill meeting, those persons whose election or re-election as directors is approved will be the directors of the Company.

The remuneration report is set out in section 2 of our 2012 statutory annual report. 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.

Item 3 - Re-election of Mr Richard van den Broek – Non Executive Director

Mr Richard van den Broek has been an independent non executive director of the Company since April 2009. In accordance with the retirement requirements of the Company's constitution and the ASX Listing Rules, Mr Richard van den Broek retires and offers himself for re-election.

Mr van den Broek is a life science investment manager with over 18 years experience in the life sciences industry. Mr van den Broek is founder and managing partner of HSMR Advisors

LLC, a U.S. based fund manager with an investment emphasis on small and mid-cap biotech public companies. Prior to this Mr van den Broek was a Partner at Cooper Hill Partners, LLC, an investment fund focused on the healthcare sector and earlier in his career worked as a biotech analyst, at Oppenheimer & Co., then Merrill Lynch, and finally at Hambrecht & Quist. Mr van den Broek is a Chartered Financial Analyst, and is a graduate of Harvard University. Mr van den Broek is a member of the Remuneration and Nomination Committee.

If re-elected, Mr Richard van den Broek'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 Richard van den Broek abstaining) recommends that shareholders vote in favour of this resolution.

Item 4 - Re-election of Dr Simon Buckingham – Non Executive Director

Dr Simon Buckingham was appointed as a non executive director of the Company on 25 July 2012 to fill a casual vacancy. In accordance with the requirements of the Company's constitution and the ASX Listing Rules, Dr Simon Buckingham retires and offers himself for re-election.

Dr. Buckingham has over two decades of experience in the global pharmaceutical industry across a range of functions and a variety of therapeutic areas. Now based in Sydney, he is currently a Senior Global Advisor at Actelion, one of the world's leading biopharmaceutical companies. Dr. Buckingham was President, Global Corporate and Business Development at Actelion from 2005-2011, a position which spanned licensing, M&A, alliance management and corporate strategic planning. He served as President, North America and Asia-Pacific at Actelion from 2000-2005, with responsibility for all commercial operations in the region. He was the founding President of Actelion Pharmaceuticals US. From 1998-2000 he worked for Parke-Davis (now part of Pfizer) in the US and prior to that served in roles in sales, marketing and development at Roche, both in Switzerland and Australia, for 9 years. Dr. Buckingham holds a Bachelor of Veterinary Science degree from the University of Sydney (1984) and a PhD from the University of Melbourne (1988). Dr Buckingham is a member of the Audit Committee.

If re-elected, Dr Simon Buckingham'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 Dr Simon Buckingham abstaining) recommends that shareholders vote in favour of this resolution.

Item 5 – Grant of Performance Rights to Dr Alan Robertson

The grant of securities to directors under an employee incentive scheme requires the approval of shareholders under Listing Rule 10.14 of the ASX Listing Rules.

Following the annual review of performance for the year ended 30 June 2012, in June 2012 our Board resolved, subject to the receipt of necessary shareholder approval, to grant 200,000 zero grant price and zero exercise price options (**Performance Rights**), all on the same terms, to Dr Alan Robertson, our Chief Executive Officer. The Performance Rights were approved by the Board as part of its annual review of remuneration for all directors and employees.

If approved by shareholders, the Performance Rights would be granted pursuant to the terms and conditions of our performance rights plan which is governed by our existing employee option plan (**Performance Rights Plan**). The Performance Rights are proposed to be granted for no cash consideration and with a zero exercise price. The Performance Rights would be granted to the Chief Executive Officer as soon as practicable after the meeting and in any event, no later than 12 months from the date of the meeting.

The proposed Performance Rights have a life of 10 years and half the Performance Rights vest two years from the grant date and the other half vest three years from the grant date subject to Dr Robertson being an employee of the Company at the time of vesting. In accordance with the Performance Rights Plan, if a formal takeover offer is made for the

Company, all Performance Rights which have not yet vested, automatically vest. When exercisable, each Performance Right would entitle Dr Robertson to subscribe for one fully paid ordinary share. Each ordinary share issued on exercise of a Performance Right will rank equally with all other ordinary shares then on issue. While Dr Robertson is our Chief Executive Officer, restrictions will apply to the shares issued on exercise of Performance Rights, including that the shares may not be disposed of until the third anniversary of grant and thereafter may only be traded following Board approval.

Further information about our remuneration framework for executive officers, including the use of Performance Rights, is set out in the remuneration report contained in the 2012 statutory annual report. The Board considers that Performance Rights are widely accepted in the Australian context to provide equity remuneration to management and employees. Performance Rights typically provide lower potential rewards to managers and employees when compared to traditional options, but by also reducing the risk for employees they provide a stable equity remuneration instrument to retain and reward employees over the longer term. The Company intends to grant Performance Rights to the Chief Executive Officer on a recurring basis subject to the review of progress in achieving performance targets and the recommendation of the Remuneration and Nomination Committee.

The Board (with Dr Robertson abstaining) recommends that shareholders vote in favour of this resolution.

Additional ASX Listing Rule disclosures for Item 5: The Company will not provide any loans or other financial assistance in connection with the grant or exercise of Performance Rights or Options. The Board has resolved not to grant equity securities to non executive directors other than upon the appointment of new directors. Dr Robertson is an executive director and therefore entitled to participate in our employee option plan. Dr Buckingham is a non executive director and therefore will only be entitled to participate in our employee option plan once in connection with his appointment. No other directors are currently entitled to participate in the employee option plan, other than Dr Robertson and Dr Buckingham. No equity securities have been issued by the Company to Dr Robertson or any other director since the 2011 annual general meeting under our employee option plan.

Item 6 - Grant of Options to Dr Simon Buckingham

In connection with his appointment as a Director, our Board has approved the issue of 30,000 zero grant price and zero exercise price options (**Options**) to Dr Simon Buckingham.

The Options are proposed to be granted for no cash consideration and with a zero exercise price. The Options would be granted as soon as practicable after the meeting and in any event, no later than 12 months from the date of the meeting.

The proposed Options have a life of 10 years and vest three years from the grant date subject to Dr Buckingham being a director of the Company at this time. In accordance with the Employee Option Plan, if a formal takeover offer is made for the Company, all Options which have not yet vested, automatically vest. When exercisable, each Option would entitle Dr Buckingham to subscribe for one fully paid ordinary share. Each ordinary share issued on exercise of an Option will rank equally with all other ordinary shares then on issue. While Dr Buckingham is a Director, the shares issued on exercise of Options cannot be traded without prior approval of the Board.

It has been our Board's practice to grant equity to non executive directors upon their appointment. Equity has not been granted to non-executive directors other than on their appointment since October 2006. Prior to March 2009 it was our Board's practice to grant 200,000 market exercise priced options to non executive directors upon their appointment as directors. In September 2009 the Board changed its practice and granted 30,000 restricted shares to directors on their appointment. Since that time the company has introduced the use of zero grant and zero exercise price options for employee remuneration as discussed in the Remuneration Report. The Board has now determined to issue zero grant price and zero exercise price options to non executive directors in lieu of restricted shares. The terms of grants to newly appointed directors differ from the terms applicable to employees.

Further information about our remuneration framework for non executive directors, including the use of Performance Rights, is set out in the remuneration report contained in the 2012 statutory annual report.

The Board (with Dr Buckingham abstaining) recommends that shareholders vote in favour of this resolution.

Refer above to Item 5 above for additional information required by the ASX Listing Rules.

Item 7 - Renewal of Proportional Takeover Provision in our Constitution

Pharmaxis' constitution contains a proportional takeover provision which provides that if a person makes a takeover offer for less than all of our shares, shareholders are entitled to vote to determine whether the proportional takeover offer may proceed. In accordance with the Corporations Act, the proportional takeover provision expires three years after adoption and may be renewed by special resolution of shareholders. The Board considers that it is in the best interests of shareholders for the constitution to contain a proportional takeover provision and is therefore seeking approval for it to be renewed.

Effect of the Proposed Proportional Takeover Provision - In conjunction with the Corporations Act, article 45 of our constitution provides that if a person makes a takeover offer for less than all of our shares, our Board must ensure that an approving shareholder resolution is voted on no more than 14 days before the last days of the bid period. The Board will decide whether the vote is to be taken at a general meeting or by a postal ballot. If the resolution seeking the approval of shareholders for the specific proportional takeover offer is rejected by simple majority within the time permitted under the Corporations Act, the registration of any transfer of shares resulting from that proportional takeover bid will be prohibited. If no approval resolution is voted on more than 14 days before the last day of the bid period, the approval resolution will be deemed to have been approved. If the approval resolution is passed by simple majority, the relevant transfers of shares will be registered provided they otherwise comply with the provisions of our constitution.

If renewed, the proportional takeover provisions will expire three years after its adoption unless renewed by a further special resolution of shareholders. The proportional takeover provisions do not apply to full takeover bids.

Reasons for Renewing the Proportional Takeover Provision - In the absence of a proportional takeover provision, a person holding or acquiring less than a majority interest in us may be able to gain control of us without acquiring a majority interest and without shareholders having the opportunity to dispose of all of their shares to the potential buyer. The Board considers that shareholders should have the opportunity to vote on a proposed proportional takeover bid. Accordingly, our Board has proposed the renewal of the proportional takeover provisions of our constitution.

No Present Acquisition Proposals - Our Board is not aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in us.

Potential Advantages to the Directors and shareholders - The Board considers that the primary advantage of the proportional takeover provision is to give all shareholders an opportunity to consider and vote upon a proportional takeover bid. For a proportional takeover bid to be approved, it must be approved by more than half of the shares voted at the meeting, excluding the shares of the offeror and their associates. The ability to vote on a proportional takeover bid gives shareholders the opportunity to prevent the proportional takeover from proceeding if they so desire and should ensure that the terms of any future proportional takeover bids are structured in a way which would be attractive to the majority of shareholders. Our Board also considers that the opportunity for shareholders to vote is desirable because it enables the directors to formally obtain the views of shareholders in respect of a proportional takeover bid.

Potential Disadvantages to the Directors and shareholders - A potential disadvantage of the proposed provision is that it makes it more difficult for a proportional takeover bid to proceed and may discourage proportional takeover bids. However, our Board believes that the

requirement that the views of shareholders be obtained prior to a proportional takeover should not adversely affect any offer which is attractive to the majority of shareholders.

The Board recommends that shareholders renew article 45 for a further three years from the date of the 2012 annual general meeting to ensure that the provision continues to apply.

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
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: 19999999999

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 2:30 pm (AEDT) on Monday, 15 October 2012

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

IND

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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Pharmaxis Ltd to be held at the Sydney Harbour Marriott Hotel, 30 Pitt Street, Sydney NSW on Wednesday, 17 October 2012 at 2:30 pm (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 5 and 6 (except where I/we have indicated a different voting intention below) even though Items 2, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Items 5 and 6, this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 5 and 6 by marking the appropriate box in step 2 below.

Important for Items 5 and 6: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Items 5 and 6 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Items 5 and 6, the Chairman of the Meeting will not cast your votes on Items 5 and 6 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 5 and 6 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Items 5 and 6 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

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 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Mr Richard van den Broek as a Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of Dr Simon Buckingham as a Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

Item 5 Grant of Performance Rights to Dr Alan Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Grant of Options to Dr Simon Buckingham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Renewal of Proportional Takeover Provision in the Constitution of the Company	<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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/ /

PXS

999999A

Computershare +