## ASX / NASDAQ Media release

**18 October 2007**

**PHARMAXIS APPOINTS KOREAN DISTRIBUTOR FOR ARIDOL**
**FIRST COMMERCIALISATION STEP IN ASIA**

Pharmaxis (ASX:PXS, PXSL:NASDAQ) today announced the appointment of BL&H Co Ltd to market and distribute its asthma diagnostic product, Aridol, in South Korea. Korea is the first Asian country in which Pharmaxis has filed a New Drug Application and was chosen because of the high patient numbers and acceptance of bronchial challenge tests in diagnosing and managing respiratory diseases.

”With a comprehensive health insurance system that covers the entire population, the Korean pharmaceutical market is one of the twenty largest in the world. We are delighted to announce our agreement with BL&H and anticipate a fruitful relationship that promises to change the way that asthma is managed amongst the 2.5 million sufferers in Korea.” said Pharmaxis Chief Executive Officer Dr Alan Robertson.

BL&H is a privately owned Korean pharmaceutical company, established in 1999, with the aim of becoming a leader in the delivery of pharmaceuticals and services that fulfill unmet medical needs of the Korean market. BL&H specialises in hospital based products in haematology, oncology and respiratory medicine. BL&H’s management team has extensive experience in the pharmaceutical and healthcare sector and brings specialist products to these markets.

Mr D C Roh, president of BL&H said “With the introduction of Aridol, I am pleased that we will be able to offer an exciting new option for asthma diagnosis in Korea. Aridol will be an important product for BL&H and will complement our innovative product portfolio. We are looking forward to its successful introduction to the market. Our partnership with Pharmaxis will make a valuable contribution to the improvement of the quality of life of asthma patients in Korea.”

Aridol was submitted for marketing to the Korean regulatory authorities in July 2007 and the approval process is expected to complete during Q1 2008, after which Pharmaxis will seek reimbursement approval through the national health scheme. The partnership with BL&H will permit pre-marketing activities to commence immediately approval is granted.

Aridol is administered to patient’s lungs as a dry powder in a convenient hand-held inhaler. Doctors can use the results of this test to identify airway hyper-responsiveness – a hallmark of asthma.

To find out more about Pharmaxis, go to http://www.pharmaxis.com.au.

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**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 easy to administer test uses a patented formulation of mannitol processed into a breathable powder. The test requires the patient to inhale increasing doses of Aridol, which causes 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.

**About Pharmaxis**
Pharmaxis (ACN 082 811 630) is a pharmaceutical company involved in the research, development and commercialization of therapeutic products for chronic respiratory and immune disorders. Its development pipeline of products include, Aridol for the management of asthma, Bronchitol for cystic fibrosis, bronchiectasis and chronic obstructive pulmonary disease (COPD) and PXS64 for the treatment of multiple sclerosis.
Founded in 1998, Pharmaxis is listed on the Australian Stock Exchange (symbol PXS), and on NASDAQ Global Market (symbol PXSL). The company is headquartered in Sydney at its TGA-approved manufacturing facilities. For more information about Pharmaxis, go to www.pharmaxis.com.au or contact Jane Sugden, Investor Relations +61 2 9454 7230.

**Forward-Looking Statements**
The statements contained in this media 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 media release include statements regarding our expectations, beliefs, hopes, goals, intentions, initiatives or strategies, including statements regarding the potential for Aridol and/or Bronchitol. All forward-looking statements included in this media 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. We can not guarantee that any product candidate will receive FDA or other regulatory approval or that we will seek any such approval. Factors that could cause or contribute to such differences include, but are not limited to, factors discussed in the "Risk Factors and Other Uncertainties" section of our Form 20-F lodged with the U.S. Securities and Exchange Commission.