ASX / NASDAQ Media Release

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LONG-TERM SAFETY STUDY OF BRONCHITOL COMPLETES

Pharmaceutical company Pharmaxis (ASX:PXS, NASDAQ:PXSL) today announced that the 12 month Phase III clinical trial evaluating the safety of Bronchitol in 100 subjects with bronchiectasis has completed.

This 12 month treatment period was an open label extension to a three month efficacy trial which has already reported, showing that Bronchitol improved quality of life and mucus clearance. The objective of the open label extension is to determine the adverse event profile of Bronchitol following prolonged use.

Following statistical analysis, the results from this second phase of the trial will be reported in July 2008.

Pharmaxis CEO Alan Robertson said following receipt of the study report, Pharmaxis intends filing its first marketing application in Australia for Bronchitol next quarter.

"We are receiving strong demand to continue treatment after participation in the trial has concluded and, where possible, we make this available."

Bronchitol is being developed as a twice daily inhalation therapy for people with the incurable lung condition bronchiectasis.

It is estimated that more than 600,000 people in the major pharmaceutical markets suffer from bronchiectasis and Pharmaxis expects Bronchitol to be the first targeted medication for this patient group in 20 years, addressing an important medical need. Total U.S. medical care expenditure is US$13,000 per bronchiectasis patient, double that of patients without the disorder; and an increased overall cost to the US health system of US$630 million.

Bronchiectasis is an incurable, degenerative and chronic lung condition that makes breathing difficult through excessive mucus build up in the lungs.

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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 immune disorders. Its development pipeline of products includes 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 Investor Relations on phone +61 2 9454 7200.

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 dry powder with four-way action helps restore normal lung clearance mechanisms.

Clinical studies have shown Bronchitol to be safe, 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 and significantly improve quality of life for people with bronchiectasis. Additional short term studies have also shown Bronchitol to improve lung function in people affected by cystic fibrosis.

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.