



ASX RELEASE
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QRxPharma Limited and China Aoxing Pharmaceutical Company Announce Strategic Alliance for Development of MoxDuo[®] IV


China Opioid Market Growing at a CAGR of 28.5%

Sydney, Australia & Bedminster, New Jersey – QRxPharma Limited (ASX:QRX and OTCQX:QRXPY), and China Aoxing Pharmaceutical Company (OTCBB: CAXG) (“China Aoxing”) announced today a strategic alliance to collaborate in the development of MoxDuo[®] IV, an intravenous formulation of QRxPharma’s patented morphine and oxycodone Dual-Opioid[™] technology for the acute treatment of moderate to severe pain. Under the terms of the agreement, China Aoxing will fund the development of MoxDuo[®] IV for the China market in exchange for exclusive marketing rights in China. QRxPharma will retain ownership of MoxDuo[®] IV and may use the clinical work completed by China Aoxing for product registration purposes outside of China.

“We are pleased to announce this strategic alliance as it furthers our MoxDuo[®] IV development objectives and provides access to an important and rapidly growing market,” said Dr. John Holaday, Managing Director and Chief Executive Officer, QRxPharma. “By leveraging China Aoxing’s technical resources, we are able to cost effectively advance development of MoxDuo[®] IV. Our team will work closely with China Aoxing to ensure the development program meets both US Food and Drug Administration (FDA) and China State Food and Drug Administration (SFDA) regulatory requirements.”

China Aoxing has also licensed the rights to the China market for MoxDuo[®] IR, an immediate release capsule presently in pivotal Phase 3 studies in the United States. A binding term sheet has been signed by the parties and the transaction is expected to be closed by the end of March 2010.

“We are excited to enter into this strategic alliance with QRxPharma to co-develop two promising drugs for China and ex-China markets,” said Zhenjiang Yue, the CEO and Chairman of China Aoxing. “This partnership further solidifies China Aoxing’s leading position in the rapidly growing narcotics and pain management market in China. It also bolsters our capability to develop and bring to market innovative, high-value medicines that have the potential to address significant unmet medical needs. We believe that the partnership will generate significant opportunities and benefits for both companies.”



In July 2009, QRxPharma announced the initiation of a comparative proof-of-concept study to evaluate the efficacy and safety of MoxDuo[®]IV versus IV morphine alone for the treatment of moderate to severe post-operative pain in patients following hip replacement surgery. Data from this study, available in 2Q 2010, may serve as a significant predictor of MoxDuo[®]IV's clinical benefits and provide guidance for the design of clinical trials with China Aoxing which may be used to support any later submission of a New Drug Application (NDA) with the FDA.

MoxDuo[®]IV is one of three complementary Dual-Opioid[™] products in development. MoxDuo[®]IR, an immediate-release oral formulation, is in pivotal Phase 3 trials and clinical studies for a controlled-release oral formulation will be initiated in the near future. Extensive clinical studies have demonstrated QRxPharma's Dual-Opioids[™] provide as good or better pain relief with significantly fewer side effects, giving doctors and patients more options in the treatment of moderate to severe pain from the hospital to the home.

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Forward Looking Statements from QRxPharma Limited


This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations. Any statement in this release that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of QRxPharma. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include risks relating to the stage of products under development; uncertainties relating to clinical trials; dependence on third parties; future capital needs; and risks relating to the commercialisation of the Company's proposed products.

Safe Harbor Statement from China Aoxing Pharmaceutical Company, Inc

Statements made in this press release are forward-looking and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. The economic, competitive, governmental, technological and other risk factors identified in the Company's filings with the Securities and Exchange Commission, including the Form 10-K for the year ended June 30, 2009, may cause actual results or events to differ materially from those described in the forward looking statements in this press release. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

About QRxPharma

QRxPharma (ASX: QRX and OTCQX: QRXPY) is a clinical-stage specialty pharmaceutical company focused on the development and commercialisation of therapies for pain management and central nervous system (CNS) disorders. Based on a business strategy to expand the clinical utility and commercial value of marketed and/or existing compounds, QRxPharma's product portfolio includes both late and early stage clinical drug candidates with well-defined paths to regulatory approval and sales. The Company intends to directly commercialise its products in the US and seek strategic partnerships for worldwide markets. QRxPharma's lead compound, MoxDuo[®]IR (Q8003IR), is in Phase 3 clinical development and has successfully completed multiple comparative studies evaluating its efficacy and safety



against equianalgesic doses of morphine, oxycodone and Percocet® for the treatment of acute pain. Study results consistently demonstrate MoxDuo® IR's greater overall tolerability, achieving as good or better pain relief with substantially fewer incidences of moderate to severe side effects. The Company's preclinical and clinical pipeline includes other technologies in the fields of pain management, neurodegenerative disease and venomics. For more information: www.QRxPharma.com.

About China Aoxing

China Aoxing is a US incorporated specialty pharmaceutical company with its main operations in China, specializing in research, development, manufacturing and distribution of a variety of narcotics and pain-management products. Headquartered in Shijiazhuang City, outside Beijing, China Aoxing has the largest and most advanced manufacturing facility for highly regulated narcotic medicines. Its facility is one of the few GMP facilities licensed for the manufacture of narcotic medicines by the China State Food and Drug Administration (SFDA). For more information: www.chinapainmed.com.