ASX RELEASE
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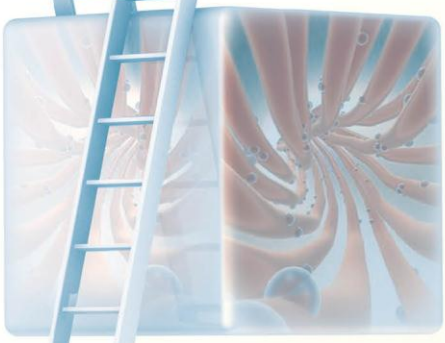
QRxPharma Successfully Completes Phase 1 Studies for MoxDuo® CR

Controlled-Release Formulation with Tamper/Abuse Resistance Shows Superior Pharmacokinetic Profile to Currently Marketed Products

Sydney, Australia and Bedminster, New Jersey – QRxPharma (ASX: QRX and OTCQX: QRXPY) announced today successful completion of two Phase 1 studies in healthy volunteers for MoxDuo® CR, a controlled-release Dual-Opioid® utilising a 3:2 ratio of morphine and oxycodone. The proprietary MoxDuo CR formulation, encompassing both sustained delivery technology as well as abuse deterrent and tamper resistant features, is designed to provide at least 12 hours of analgesia in patients suffering from moderate to severe chronic pain including cancer, lower back, osteoarthritis and neuropathic pain. The clinical trials compared blood levels of MoxDuo CR's components to OxyContin® and MS Contin® and demonstrated MoxDuo CR's superior results, with sustained blood levels for up to 24 hours. Further studies indicated MoxDuo CR's increased resistance to tampering.



"The successful completion of these trials confirms the advantages of this formulation and enables QRxPharma to initiate Phase 2 Proof-of-Concept clinical studies mid-year 2012," said Dr. John Holaday, Managing Director and Chief Executive Officer of QRxPharma. "These data suggest MoxDuo CR may be positioned as a once or twice per day formulation for treating chronic pain, with the potential advantage of significantly reduced side effects as witnessed with immediate release MoxDuo. In the US alone, the chronic opioid pain market is a $6 billion a year opportunity."

Two Phase 1 trials were conducted in healthy volunteers to evaluate the rate at which key components of the MoxDuo controlled-release (CR) formulation were absorbed, distributed, metabolised and eliminated by the body. The first study compared MoxDuo CR (30mg morphine SO_4/20mg oxycodone HCl) to the pharmacokinetic profiles of the same doses of MS Contin (30mg morphine SO_4) and OxyContin (20 mg oxycodone HCl) in 10 healthy adult human subjects using a three-way crossover design. Pharmacokinetic results from the measurement of opioid blood levels over time revealed a MoxDuo CR profile consistent with expectations for a once to twice-daily formulation.

USA: 1430 US Highway 206N • Suite 230 • Bedminster, NJ 07921 • Phone: +1 (908) 506-2900
Australia: Level 1, 194 Miller Street • North Sydney NSW 2060 • Australia • Phone: +61 (2) 9492 8021
www.qrxpharma.com

The second study demonstrated that food consumption does not alter the pharmacokinetic profiles of morphine and oxycodone from MoxDuo CR (30 mg/20 mg) tablets using a two-way crossover design with 17 healthy volunteers. To demonstrate the effects of chronic use on steady-state blood levels, this study also measured the repetitive-dose pharmacokinetic profiles of morphine and its metabolites as well as oxycodone during repetitive (twice daily) administration of MoxDuo CR tablets for 5 days.

The MoxDuo CR tablets used in these clinical tests included QRxPharma's proprietary Abuse Deterrence Formulation (ADF) technology. As an indication of tamper resistance, attempts to extract morphine or oxycodone by crushing and solubilising in water or alcohol resulted in very limited (less than 15%) drug recovery. In addition, the ADF technology did not impair human bioavailability of the opioids following oral administration.

"Clinical performance of the oral MoxDuo CR formulation clearly exceeded our expectations. When directly compared to OxyContin, the largest selling opioid for chronic pain, MoxDuo CR demonstrated superior bioavailabilty and sustained blood levels for over 12 hours, especially in the 12-24 hour time period. At steady-state, MoxDuo CR provided very low fluctuations of oxycodone. MoxDuo CR appears to be a true once or twice a day delivery system for dual opioids," said Dr. Ed Rudnic, Chief Operating Officer, QRxPharma. "We expect that MoxDuo CR's sustained blood levels, ADF attributes and potential side effect benefits will enhance the tolerability and acceptability of MoxDuo CR in the global chronic pain marketplace."

The CR formulation of MoxDuo encompasses the same 3:2 ratio of morphine and oxycodone as in MoxDuo IR, QRxPharma's immediate release acute pain formulation that is scheduled for PDUFA feedback from the US Food and Drug Administration (FDA) in June 2012. QRxPharma's US partner for MoxDuo IR, Actavis, Inc has the option to negotiate for the US license of MoxDuo CR pending achievement of certain MoxDuo IR sales milestones in the acute pain market.

MoxDuo CR is expected to launch into the US chronic pain market in 2015.

OxyContin® and MS Contin® are registered trademarks of Purdue Pharma L.P.

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About MoxDuo CR

MoxDuo CR is a patented 3:2 ratio fixed dose combination of morphine and oxycodone designed to relieve moderate to severe chronic pain as a once- to twice-a-day formulation. The MoxDuo CR formulation contains proprietary technology to limit tampering or abuse by inhalation or solubilisation in water or alcohol.

About QRxPharma

QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) is a commercial-stage specialty pharmaceutical company focused on the development and commercialisation of new treatments for pain management. Based on a development strategy that focuses on enhancing and expanding the clinical utility of currently marketed compounds, the Company's product portfolio includes both late and early stage clinical drug candidates with the potential for

reduced risk, abbreviated development paths, and improved patient outcomes. QRxPharma's lead product candidate, immediate release MoxDuo, has a Prescription Drug User Fee Act (PDUFA) date of 25 June 2012 when the New Drug Application review by the US Food and Drug Administration (FDA) will be completed. The Company recently signed a strategic partnership agreement with Actavis, Inc. to commercialise MoxDuo IR in the US acute pain market, with product launch anticipated in 3Q, CY2012. QRxPharma may co-promote its products in the US and plans to seek strategic partnerships for worldwide markets. Additionally, the Company's clinical pipeline includes an intravenous (IV) and continuous release (CR) formulation of MoxDuo. For more information, visit www.qrxpharma.com.

Forward Looking Statements

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.

Contact information:

John W Holaday, Ph.D.
Managing Director and Chief Executive Officer
Tel: +1 301 908 3086
Email: john.holaday@qrxpharma.com

Chris J Campbell
Chief Financial Officer and Company Secretary
Tel: +61 2 9492 8021
Email: chris.campbell@qrxpharma.com