

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

QRxPharma Limited (QRx Pharma)

ABN

16 102 254 151

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares in QRxPharma ( <b>Shares</b> ).  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 5,810,416 (subject to rounding and reconciliation of security holder entitlements) under the renounceable pro-rata rights issue announced by QRxPharma on 16 November 2009 ( <b>Rights Issue</b> ). |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | As per fully paid ordinary shares in QRxPharma.   |

+ See chapter 19 for defined terms.

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4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

Yes.

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

5 Issue price or consideration

\$0.80 per Share.

6 Purpose of the issue  
 (If issued as consideration for the acquisition of assets, clearly identify those assets)

The net proceeds of the Rights Issue will be used for funding the Phase 3 drug development and expenditure programme of QRxPharma's MoxDuo™ IR (immediate release) product and for additional working capital purposes.

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

23 December 2009

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	102,000,000	Ordinary Shares

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+ See chapter 19 for defined terms.

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9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	<sup>+</sup> Class
		402,726	Options with an exercise price of \$1.42 and expiry date of 31 March 2014;
		2,013,630	Options with an exercise price of \$1.00 and expiry date of 14 April 2014;
		1,448,450	Options with an exercise price of \$2.00 and expiry date of 25 May 2014;
		552,726	Options with an exercise price of \$1.00 and expiry date of 25 May 2014;
		322,181	Options with an exercise price of \$2.20 and expiry date of 25 May 2010;
		50,000	Options with an exercise price of \$1.70 and expiry date of 1 September 2014;
		75,000	Options with an exercise price of \$1.45 and expiry date of 1 October 2014;
		50,000	Options with an exercise price of \$1.34 and an expiry date of 9 October 2014;
		350,000	Options with an exercise price of \$1.11 and an expiry date of 1 January 2015;
		600,000	Options with an exercise price of \$1.05 and an expiry date of 1 April 2015;
		75,000	Options with an exercise price of \$1.04 and an expiry date of 1 April 2015;
		50,000	Options with an exercise price of \$0.60 and an expiry date of 1 October 2015;
		100,000	Options with an exercise price of \$0.37 and an expiry date of 4 November 2015;
		710,000	Options with an exercise price of \$0.20 and an expiry date of 1 January 2016.
		537,500	Options with an exercise price of \$0.65 and an expiry date of 31 August 2016.
		150,000	Options with an exercise price of \$0.90 and an expiry date of 1 October 2016.
		300,000	Options with an exercise price of \$1.12 and an expiry date of 16 November 2016.

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|----|--|---|
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Shares issued under the Rights Issue will rank equally with existing ordinary shares. |
|----|--|---|

## Part 2 - Bonus issue or pro rata issue

- |    |   |  |
|----|---|--|
| 11 | Is security holder approval required?   | No   |
| 12 | Is the issue renounceable or non-renounceable?  | Renounceable   |
| 13 | Ratio in which the +securities will be offered  | 1 new Share for every 5 existing Shares held as at the record date.  |
| 14 | +Class of +securities to which the offer relates  | Fully paid ordinary shares.  |
| 15 | +Record date to determine entitlements  | 6.00pm 24 November 2009  |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?  | No.  |
| 17 | Policy for deciding entitlements in relation to fractions   | Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number of new Shares. |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.<br/>Cross reference: rule 7.7.</small> | All countries except Australia, New Zealand and the United States.   |
| 19 | Closing date for receipt of acceptances or renunciations  | Rights Issue – 15 December 2009  |
| 20 | Names of any underwriters   | RBS Morgans Corporate Limited  |

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+ See chapter 19 for defined terms.

21	Amount of any underwriting fee or commission	As disclosed in the Appendix 3B lodged with the ASX on 16 November 2009: (a) an underwriting fee equal to 4% of the Rights Issue proceeds; and (b) a management fee equal to 1% of the Rights Issue proceeds; and (c) an additional amount of up to 0.5% of the total gross issue proceeds raised under the Capital Raising (comprising the Rights Issue and Placement as disclosed in the Appendix 3B lodged with the ASX on 16 November 2009)
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	A broker stamping fee of 1.5% (plus GST) will be paid on the value subscribed pursuant to a stamped entitlement and Acceptance Form, up to a maximum of \$500 in respect of any one entitlement and acceptance form
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	30 November 2009
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	16 November 2009
28	Date rights trading will begin (if applicable)	18 November 2009
29	Date rights trading will end (if applicable)	8 December 2009

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30 How do <sup>+</sup>security holders sell their entitlements *in full* through a broker?

Security holders must insert the information required in the “Instructions to Your Stockbroker” section of the entitlement and acceptance Form and send the form to their stockbroker. The sale of their entitlements must be completed by Tuesday, 8 December 2009 when rights trading ceases.

31 How do <sup>+</sup>security holders sell *part* of their entitlements through a broker and accept for the balance?

To accept some of the new Shares security holders must complete on their entitlement and acceptance form:

- (a) the number of new Shares accepted; and
- (b) the amount of their cheque for those new Shares,

or make a BPAY® payment for the number of new Shares accepted, in accordance with the instructions in the entitlement and acceptance form.

They must also indicate in the “Instructions to Your Stockbroker” section of the entitlement and acceptance form, the number of new Shares they are accepting, the amount of payment for those new Shares and the number of entitlements which they intend to sell. The completed entitlement and acceptance form must be sent to their stockbroker (together with their cheque for the new Shares accepted, if they are paying by cheque). The sale of entitlements must be completed by Tuesday, 8 December 2009 when rights trading ceases.

32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?

N/A

33 <sup>+</sup>Despatch date

Rights Issue – 21 December 2009  
For shortfall shares under Rights Issue – 23 December 2009

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**Part 3 - Quotation of securities –**

<sup>+</sup> See chapter 19 for defined terms.

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

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+ See chapter 19 for defined terms.



**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....Date: 23 December 2009  
Company Secretary

Print name: Chris J Campbell

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