ASX RELEASE
1 October 2010

QRxPharma Limited Announces A$14 Million Placement together with a Share Purchase Plan

On track for registration of MoxDuo® IR pain drug in US and Europe in anticipation of launch in 2012

Sydney, Australia and Bedminster, New Jersey – QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) has today announced a Placement which raised A$14 million and which was significantly oversubscribed.

The issue price under the Placement is A$0.85 per share, a 15% discount to the last closing price of QRxPharma shares on 28 September 2010 of A$1.00.

The Company was pleased to accept some of the oversubscriptions from investors and increase the size of the placement from A$10 million to A$14 million.

RBS Morgans Corporate Limited was Lead Manager to the Capital Raising.

QRxPharma intends to use the proceeds from this capital raising to fund a Phase 3 labelling claim study that will enable the company to make marketing and advertising claims in Europe and the US for MoxDuo IR, an immediate release Dual-Opioid® pain therapy. The funds will also be used to support the company as it files its New Drug Application (NDA) with the US Food and Drug Administration (FDA) and advances its Marketing Authorisation Application (MAA) in Europe in CY2011.

The additional funds raised by increasing the size of the placement will enable the company to further progress the development programmes of MoxDuo CR (controlled release) and MoxDuo IV (intravenous).

The Placement shares will be allotted in two tranches with Tranche 1, comprising approximately 3.8 million shares, to be allotted on Thursday 7 October 2010. The allotment of Tranche 2, comprising approximately 12.6 million shares, is subject to shareholder approval at the company's AGM to be held on Monday 8 November 2010. These shares are expected to be allotted on Tuesday 9 November 2010.

The Company will also implement a Share Purchase Plan (SPP) to allow its retail shareholders to participate in the capital raising for up to A$15,000 per shareholder at A$0.85 per share. The Record Date for participation in the SPP is Thursday 30 September 2010. The details of the SPP will be sent to shareholders in due course.

QRxPharma CEO and Managing Director, Dr John Holaday commented "We are encouraged by the strong level of support we received for this offering as we progress towards the commercialisation of our Dual Opioid portfolio of products. QRxPharma is pleased to be one of the few Australian companies with a drug in the final stages of clinical development."

"MoxDuo has the potential to revolutionize the management of pain from the hospital to the home. We have administered MoxDuo IR to well over 500 patients with moderate to severe pain following bunionectomy or total knee replacement surgery, and data indicate excellent pain relief with a 50-75% reduction in moderate to severe side effects. Results from our Phase 3 studies set the stage for NDA filing with the FDA, and once approved, we anticipate the launch of MoxDuo IR into the US$12 billion marketplace in the US and Europe in 2012" he added.

Further details regarding the timetable for the Placement and Share Purchase Plan are included in the Annexure to this announcement.

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Annexure A

Placement and Share Purchase Plan Issue Timetable

SPP Record Date	30 September 2010
Tranche 1 Placement Shares Allotment Date	7 October 2010
Tranche 1 Placement Shares Quotation Date	8 October 2010
SPP Opens	18 October 2010
AGM, which will include approval of the issue of the Tranche 2 Placement Shares	8 November 2010
Tranche 2 Placement Shares Allotment Date	9 November 2010
Tranche 2 Placement Shares Quotation Date	10 November 2010
SPP Closing Date	12 November 2010
SPP Allotment Date	19 November 2010
SPP Quotation Date	22 November 2010

Dates and times are indicative only and subject to change without notice. All times and dates refer to Sydney time.

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.

About QRxPharma

QRxPharma (ASX: QRX and OTCQX: QRXPY) is a clinical-stage specialty pharmaceutical company focused on the development and commercialisation of new treatments for pain management and central nervous system (CNS) disorders. Based on a development strategy which 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. The Company intends to co-promote its products in the US and seeks strategic partnerships for worldwide markets. QRxPharma's lead product candidate, MoxDuo®IR, is in Phase 3 clinical development and has successfully completed multiple comparative studies evaluating its efficacy and safety against equi-analgesic doses of morphine, oxycodone and Percocet® for the treatment of acute pain. QRxPharma expects to complete its Phase 3 program in Q4 CY2010 and file its New Drug Application (NDA) with the US Food and Drug Administration (FDA) for MoxDuo IR in Q1 CY2011. The Company's preclinical and clinical pipeline includes other technologies in the fields of pain management, neurodegenerative disease and venomics. For more information, visit www.qrxpharma.com.