



16 November 2009

Dear Shareholder

QRxPharma Limited – Renounceable Rights Issue

On 16 November 2009, QRxPharma Limited (**QRxPharma**) announced a fully underwritten renounceable rights issue of approximately 17,000,000 new fully paid ordinary shares (**Rights Issue**) under which its eligible shareholders will be offered 1 fully paid ordinary share in QRxPharma (**New Share**) for every 5 fully paid ordinary shares held on the record date, at an issue price of A\$0.80 per share.

This Rights Issue offer will be made to those shareholders of QRxPharma with registered addresses in Australia, New Zealand and the US only (**Eligible Shareholders**) and will be fully underwritten by RBS Morgans Corporate Limited.

The Rights Issue will raise approximately \$13,600,000 before costs. The funds raised 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.

QRxPharma has decided that it is unreasonable to make the offer to shareholders with registered addresses outside of Australia, New Zealand and the US (**Ineligible Shareholders**) due to:

1. the small number of shareholders with registered addresses outside of these countries;
2. the number and value of shares those shareholders would be offered; and
3. the cost of complying with the legal and other regulatory requirements in each of the countries concerned.

The Rights Issue will not be extended to Ineligible Shareholders and they will not receive a copy of the Rights Issue booklet or an Entitlement and Acceptance Form. QRxPharma will appoint a nominee in Australia to sell the Ineligible Shareholders' entitlements under the Rights Issue and in due course will forward the net proceeds (if any) to the relevant Ineligible Shareholders.

No action has been taken to register or qualify the Rights Issue booklet and Entitlement and Acceptance Form, the Rights Issue or the New Shares or to otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia, New Zealand or the US.

QRxPharma expects to despatch the Rights Issue booklet and Entitlement and Acceptance Forms to Eligible Shareholders on or around 30 November 2009. The Rights Issue booklet has been lodged with the ASX and is available on the ASX website at www.asx.com.au.

The key dates for the Rights Issue are set out below:

QRxPharma Limited ABN 16 102 254 151

Level 1, 194 Miller St, North Sydney, NSW 2060 Australia Tel: 61 2 9492 8021 Fax: 61 2 8920 0314

Postal Address: PO Box 1810 North Sydney, NSW 2059 Australia

www.qrxpharma.com

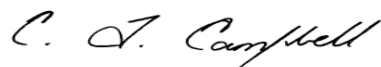
Event	Date
Announcement of Rights Issue	Monday 16 November 2009
Ex-Date and rights trading commences	Wednesday 18 November 2009
Record Date for the Rights Issue	6:00pm on Tuesday 24 November 2009
Mailing of Rights Issue Booklet and Entitlement and Acceptance Form to Eligible Shareholders	Monday 30 November 2009
Rights Issue opening date – mailing Rights Issue Booklet and Entitlements and Acceptance Form to Eligible Shareholders	Monday 30 November 2009
Rights trading ends	Tuesday 8 December 2009
Deferred Settlement trading commences	Wednesday 9 December 2009
Rights Issue closing date – last date for receipt of acceptances and payment of application money in full	5:00pm on Tuesday 15 December 2009
Issue of New Shares under the Rights Issue	Monday 21 December 2009
Despatch of holding statements and CHES notices and Deferred Settlement trading ends	Monday 21 December 2009
Normal trading of New Shares issued under the Rights Issue expected to commence on ASX	Tuesday 22 December 2009

This timetable is indicative only and may be subject to change, subject to the ASX Listing Rules.

Existing option holders may participate in the Rights Issue upon exercise of their vested options. QRxPharma sent a letter to its option holders on the date of this letter to notify them of their right to participate in the Rights Issue upon exercise of their vested options.

For further information about the Rights Issue please contact the QRxPharma Shareholder Information Line on 1800 612 532 (free call from within Australia) or +61 2 8280 7713 (outside Australia) at any time from 8.30 am to 5.30 pm (Sydney time) Monday to Friday during the Rights Issue offer period.

Yours faithfully
QRxPharma Limited



Chris Campbell
Company Secretary

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