



Chairman's Letter

15 November 2013

Dear Shareholder

QRxPharma Limited – Share Purchase Plan

On behalf of QRxPharma Limited (**QRxPharma**), I am pleased to invite you to participate in a Share Purchase Plan which gives you the opportunity to subscribe for up to A\$15,000 of new QRxPharma ordinary shares (**New Share**), at an issue price of A\$0.60 per New Share (the **SPP**).

On 13 November 2013, QRxPharma announced it had completed a placement of shares to institutional and sophisticated investors raising A\$7.5 million at A\$0.60 per share (**Placement**). In addition to this QRxPharma has announced a Share Purchase Plan of up to A\$2.5 million, to allow its eligible shareholders at the Record Date (8 November 2013) to participate in the capital raising at the same price paid by investors in the Placement.

The proceeds from the Placement and the SPP will be used to fund operations through the anticipated date of the United States Food and Drug Administration (**FDA**) decision on the approval of immediate release MOXDUO®; to submit regulatory filings in Europe, Australia, New Zealand and Canada; and assuming MOXDUO® is approved, provides the capital for a sufficient period post approval to initiate the launch of MOXDUO®.

QRxPharma will refile its MOXDUO New Drug Application (**NDA**) for the treatment for moderate to severe acute pain with the FDA by the end of November 2013. The Company anticipates the new Prescription Drug User Fee Act (**PDUFA**) date (the date when the Company anticipates receiving regulatory approval of the drug) will be in Q2 CY2014. QRxPharma expects to meet with an FDA Advisory Committee prior to the PDUFA date. The funds raised will also allow QRxPharma to prepare fully for the Advisory Committee as the Company believes the Panel's view will be a significant consideration in the FDA's decision.

You will find enclosed in this mail pack important information, including;

- key dates and terms for the SPP,
- instructions on "How to Apply" setting out how to accept all or part of your Entitlement; and
- SPP Application Form which details your Entitlement, to be completed in accordance with the instructions provided on the form and the instructions on "How to Apply".

The SPP closes at **5.00pm (Sydney time) on Friday, 6 December 2013**. To participate, you need to ensure that your completed SPP Application Form is received by QRxPharma, **and**

that you have paid your Application Monies with your SPP Application Form or via BPAY® prior to the SPP closing date and time, in line with the instructions that are set out on the SPP Application Form. Please refer to the instructions in the Terms and Conditions on “How to Apply” that accompany this letter for further information.

Participation in the SPP is optional. However, the offer under the SPP is non-renounceable. This means that you cannot transfer your right to purchase Shares under the SPP to another person or entity. The Directors reserve the right to scale back applications received in excess of the limit on the SPP of \$2.5 million, as permitted by the ASX Listing Rules.

QRxPharma has continued to enjoy very strong shareholder support since its listing in May 2007, and it is conscious of providing all shareholders with the opportunity, where possible, to participate in the future growth of the company.

We look forward to your consideration of this Share Purchase Plan and your continued support.

Yours faithfully
QRxPharma Limited

A handwritten signature in black ink, appearing to read 'Peter Farrell', written in a cursive style.

Peter Farrell
Chairman

QRxPHARMA LIMITED
ACN 102 254 151
(QRx)

2013 SHARE PURCHASE PLAN (SPP) TERMS AND CONDITIONS

1. Eligible Shareholders

You are eligible to participate in the SPP if you were the registered holder of one of more fully paid ordinary shares in QRx (**Shares**) at 7:00pm (Sydney time) on Friday, 8 November 2013 with an address as recorded in QRx's register of ordinary shareholders in Australia and New Zealand.

Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder.

2. The SPP

The SPP enables Eligible Shareholders to purchase up to AUD\$15,000 of ordinary shares in QRx, without being required to pay brokerage fees or incurring additional transaction costs.

3. Participation in the SPP

Participation in the SPP is optional. However, the offer under the SPP is non-renounceable. This means that you cannot transfer your right to purchase Shares under the SPP to another person or entity.

4. Indicative Dates*

Record date to determine entitlements (7:00pm Sydney time)	8 November 2013
Announcement of SPP	11 November 2013
Despatch of Offer Documents	15 November 2013
SPP opens	19 November 2013
Closing date for application for shares (5:00pm Sydney time)	6 December 2013
Date of allotment and despatch of transaction confirmation statements to shareholders	13 December 2013

* QRx has the discretion to vary these dates by making an announcement to the ASX.

5. Issue Price and Variation in Market Price

The issue price for each Share is AUD\$0.60 (**Issue Price**).

The market price of the Shares on the ASX may rise and fall between the SPP opening date, the closing date and the date when QRx allots the Shares to you under the SPP (**Allotment Date**). This means that the price you pay under the SPP offer may exceed the price at which Shares are trading on the ASX at the time the Shares are allotted to you under the SPP. Accordingly, you should seek your own financial advice in relation to this SPP offer and your participation in the SPP.

QRx recommends that you monitor its announcements and share price, which can be found on QRx's website at www.qrxpharma.com and on the ASX website at www.asx.com.au (ASX code: QRX). The share price can also be found in the financial pages of major Australian metropolitan newspapers.

6. Opening and Closing Dates of the SPP

The SPP offer opens on 19 November 2013 (**Opening Date**) and closes at 5:00pm (Sydney time) on 6 December 2013 (**Closing Date**), unless it is extended by QRx. QRx reserves the right to change at any time the Closing Date or the proposed Allotment Date, by making an announcement to the ASX. QRx also reserves the right to terminate the SPP at any time prior to the issue of Shares under the SPP. If QRx terminates the SPP, it will refund any money paid by Eligible Shareholders under the SPP. Interest will not be paid on any money refunded under this clause.

7. Amount of Shares Eligible Shareholders can Apply for Under the SPP

You may apply for a dollar amount of Shares under the SPP, not a number of Shares. You may apply for Shares in any of the following amounts:

- (a) AUD\$2,100 (3,500 Shares);
- (b) AUD\$5,100 (8,500 Shares);
- (c) AUD\$7,500 (12,500 Shares);
- (d) AUD\$9,900 (16,500 Shares);
- (e) AUD\$12,450 (20,750 Shares); or
- (f) AUD\$15,000 (25,000 Shares).

If you are an Eligible Shareholder and have received more than one offer under the SPP (for example because you are the joint holder of shares or hold more than one shareholding under separate share accounts), **you may not apply for Shares with an aggregate value exceeding AUD\$15,000 under the SPP**. QRx reserves the right (exercisable at its sole discretion) to reject any application for Shares where it believes this requirement has not been met. Any necessary refund will be paid by QRx to Eligible Shareholders shortly after the Closing Date or the date upon which the Closing Date is extended. Interest will not be paid on any money refunded under this clause.

If a trustee or nominee is expressly noted on the QRx share register as holding Shares on behalf of another person (**the Beneficiary**), the Beneficiary is taken to be the registered holder of the Shares for the purpose of the SPP and any application by the trustee or nominee is taken to be an application and certification by the Beneficiary (**although a Beneficiary who is resident outside of Australia or New Zealand is not eligible to participate in the SPP**).

8. Scale-back

The SPP will be capped at AUD\$2.5 million. QRx may scale-back applications under the SPP to the extent and in the manner that it sees fit. Factors that QRx may take into account in determining any scale-back include compliance with regulatory requirements, the amount applied for by each shareholder under the SPP, the number of Shares held at the Record Date and whether the Eligible Shareholder remains on the register at the close of the SPP offer period.

In any scale-back, the difference between the value of the Shares allotted and the Application Amount paid to QRx (only where the amount is greater than the Issue Price) will be refunded to you as soon as practicable following the Allotment Date. Any scale-back will be announced on the Allotment Date. No interest will be paid on any money refunded.

9. How to Apply for Shares under the SPP and Payment

If you wish to apply for Shares under the SPP, you can either:

- (a) complete the enclosed personalised application form (**Application Form**) and return it together with a cheque, bank draft or money order made payable to 'QRxPharma SPP Offer Account'; **or**
- (b) make a BPAY® payment by using the personalised reference number shown on your enclosed Application Form. You do not need to return your application form.

Please do **not** send cash.

Applications may only be made for parcels of QRx Shares in the amounts set out on your Application Form.

9.1 Payment by cheque, bank draft or money order

If you choose to pay by cheque, bank draft or money order, you should complete your Application Form in accordance with the instructions on the form and return it together with a cheque, bank draft or money order in Australian dollars, payable to "QRxPharma SPP Offer Account" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- (a) for an amount equal to either AUD\$2,100, AUD\$5,100, AUD\$7,500, AUD\$9,900, AUD\$12,450 or AUD\$15,000; and
- (b) in Australian currency drawn on an Australian branch of a financial institution.

If the payment received is not for the exact amount required to buy the number of Shares the Eligible Shareholder elected to purchase under the SPP, QRx reserves the right to round down your application to the closest number of shares by dividing your payment by the Issue Price. In these circumstances QRx will amend the Eligible Shareholder's Application Form for the number of Shares applied for.

Application Forms together with the appropriate payment must be received by QRx's Share Registry by the Closing Date, currently 5:00pm (Sydney time) on 6 December 2013. **Application Forms received after the Closing Date will not be accepted.**

Please send your Application Form to:

By post:

QRxPharma Limited SPP Offer
c/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

By hand delivery:

QRxPharma Limited SPP Offer
c/- Link Market Services Limited

1A Homebush Bay Drive
Rhodes NSW 2138
(Please do not use hand delivery address for mailing purposes)

A reply paid envelope is enclosed for Eligible Shareholders based in Australia. Eligible shareholders in New Zealand will need to affix the appropriate postage stamp.

If your Application Form is incomplete, contains errors or is otherwise invalid or defective, QRx may, in its sole discretion, accept, reject, correct or amend your Application Form, issue such number of Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the Closing Date. No interest will be paid on any refund.

Should your cheque for payment of the Shares not clear, your Application Form will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.

You will not be able to withdraw or revoke your Application Form once you have sent it in.

9.2 Payment by BPAY®

If you choose to pay by BPAY®:

- (a) you do not need to submit your Application Form but are taken to have made the declarations on that Application Form; and
- (b) please follow the instructions on your Application Form (and use the specific Biller Code and your unique Reference Number listed). If you receive more than one Application Form, please only use the Reference Number specific to each form.

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

New Zealand shareholders will not be able to make a payment using BPAY.

You must ensure that your BPAY® payment is received by QRx's share registry by the Closing Date, currently 5:00pm (Sydney time) on 6 December 2013.

10. Broker fees

A handling fee equal to 1.5% of the application amount (plus GST) of new shares issued under the SPP will be paid to stockbrokers (being those entities listed as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a broker handling fee on valid applications.

11. Allotment Date

It is anticipated that the Shares will be allotted under the SPP on 13 December 2013 and application for quotation of your Shares on the ASX will be made at the same time. You should receive your allotment statement, or confirmation advice, shortly after this date.

12. What Rights Attach to the Shares?

Shares issued under the SPP will rank equally with existing fully paid ordinary shares in QRx and will carry the same voting rights, dividend rights and other entitlements as at the date of allotment.

13. Modification, Waiver, Suspension and Termination of the SPP

The directors of QRx may resolve to change the terms and conditions of this SPP from time to time. QRx reserves the right to issue fewer Shares than an Eligible Shareholder applied for under the SPP (or none at all) if it believes that the allotment of the Shares would contravene any law or rules of any stock exchange on which QRx's Shares are listed.

In addition, QRx reserves the right to waive compliance with any provision of the terms and conditions of the SPP and suspend, withdraw or terminate the SPP at any time.

Any amendment, variation, suspension, withdrawal or termination of the SPP will be binding on all Eligible Shareholders even where QRx does not notify the Eligible Shareholders of that event.

QRx is not liable for any exercise of its discretions under the terms and conditions of the SPP. Any refund made to you is despatched at your own risk.

14. Dispute Resolution

QRx may settle in any manner it thinks fit any disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application for shares. The decision of QRx will be conclusive and binding on all Eligible Shareholders and any other persons to whom the decision relates. QRx reserves the right to waive compliance with any provision of the SPP terms and conditions, subject to compliance with the Corporations Act, the ASX Listing Rules and ASIC Class Order CO09/425.

15. Further Information

If you have any questions in relation to the Terms and Conditions of the SPP or how to make an application, you may phone QRx on (within Australia) 1800 612 532 or (outside Australia) +61 2 8767 1198.

QRx will not provide financial, investment or taxation advice.

16. Independent Financial or Investment Advice Recommended

We recommend that you contact your stockbroker, accountant or professional adviser before investing in QRx's Shares under the SPP.

17. Declaration and Acknowledgement

By forwarding and completing an Application Form for Shares under the SPP and by making payment, each Eligible Shareholder:

- (a) acknowledges that he/she has read, understands and agrees to be bound by the Terms and Conditions of the SPP;

(b) certifies that (except where Shares are held as trustee or nominee on account of a beneficiary which is expressly noted on QRx's register of shareholders) the aggregate of the application price for:

- (i) the Shares or interests the subject of the Application Form; and
- (ii) any other Shares or interests in the class applied for by or on behalf of the Shareholder under the SPP or any similar plan operated by QRx in the 12 months prior to date of the Application Form,

does not exceed AUD\$15,000;

(c) certifies that where Shares are held as trustee or nominee on account of a beneficiary which is expressly noted on QRx's register of shareholders (**Beneficiary**) the aggregate of the application price for:

- (i) the Shares or interest the subject of the Application Form; and
- (ii) any other Shares or interest in the class applied for by, or on behalf of, the Beneficiary under the SPP or any similar plan in the 12 months prior to the application,

does not exceed AUD\$15,000.

18. **Governing Law**

The terms and conditions of the SPP are governed by the laws in place in New South Wales, Australia and you submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.



QRxPharma Limited

ABN 16 102 254 151

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: +61 1300 554 474
ASX Code: QRX

Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Record Date: 8 November 2013

Offer Opens: 19 November 2013

Issue Price per Share: A\$0.60

Offer Closes
5:00pm (Sydney time): 6 December 2013

SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the Terms and Conditions Booklet and further important instructions on the reverse of this form.
 - Option 1: Paying by BPAY®.
 - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 5:00pm (Sydney time) on 6 December 2013. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your Application Payment.

If you make a payment by BPAY® and QRxPharma Limited receives an amount which is not equal to either A\$2,100, A\$5,100, A\$7,500, A\$9,900, A\$12,450 or A\$15,000, QRxPharma Limited may round down the number of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$2,100.

	Billers Code: 68742
	Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.
More info: www.bpay.com.au

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Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

- Tick the box beside the amount you wish to apply for, either A\$2,100, A\$5,100, A\$7,500, A\$9,900, A\$12,450 or A\$15,000.
- Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "QRxPharma Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A\$2,100, A\$5,100, A\$7,500, A\$9,900, A\$12,450 or A\$15,000, QRxPharma Limited may round down the number of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$2,100.
- Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:



A I/we wish to purchase a parcel of Shares to the dollar amount of (tick one box only):

<input type="checkbox"/>	3,500 Shares A\$2,100	OR	<input type="checkbox"/>	8,500 Shares A\$5,100	OR	<input type="checkbox"/>	12,500 Shares A\$7,500	OR	<input type="checkbox"/>	16,500 Shares A\$9,900	OR	<input type="checkbox"/>	20,750 Shares A\$12,450	OR	<input type="checkbox"/>	25,000 Shares A\$15,000
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B Make your cheque, bank draft or money order payable to "QRxPharma Limited" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

C Telephone Number – Business Hours Telephone Number – After Hours Contact Name

<input type="text"/>	<input type="text"/>	<input type="text"/>
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IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be received. The Schedule can be obtained by contacting the QRxPharma Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
 - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$15,000.
7. QRxPharma Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as QRxPharma Limited may scaleback applications in its discretion.

SAMPLE

How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

QRxPharma Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

QRxPharma Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on 6 December 2013. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. QRxPharma Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

If you require information on how to complete this Acceptance Slip please contact the QRxPharma Limited SPP Offer Information Line on 1800 612 532 if calling within Australia or +61 8767 1198 if calling from outside of Australia.