



ASX RELEASE

16 November 2009

QRxPharma Limited Announces A\$21.6 Million Fully Underwritten Capital Raising

QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) has today announced the completion of an underwritten institutional placement raising A\$8.0 million which was significantly oversubscribed. The Company has also launched a fully underwritten 1 for 5 renounceable rights issue to raise a further A\$13.6 million. The combined Placement and Rights Issue will raise A\$21.6 million.

The issue price under the Placement and Rights Issue is A\$0.80 per share; a 33.3% discount to the last closing price of QRxPharma shares on 10 November 2009.

The Placement and Rights Issue are fully underwritten by RBS Morgans Corporate Limited.

QRxPharma intends to use the proceeds from the Placement and Rights Issue for funding the Phase 3 drug development and expenditure programme for its MoxDuo™ IR (immediate release dual opioid) product. This includes the lodgement of a New Drug Application with the US Food and Drug Administration in 2010, and for additional working capital purposes.

QRxPharma plans for launch of MoxDuo™ IR in the US marketplace in 2011. MoxDuo™ IR is intended for the management of moderate to severe acute pain. QRxPharma's product pipeline also includes intravenous (IV) and controlled release (CR) formulations which are in earlier stages of clinical development.



QRxPharma CEO and Managing Director, Dr John Holaday commented, “It is pleasing to see the support we have received from the market for our capital raising. We welcome many new institutional shareholders to our register and look forward to them sharing our success as we progress towards the commercialisation of our lead compound MoxDuo™ IR. We are encouraged by this strong level of support for the commercialisation of MoxDuo™.”

Dr. Peter Farrell, Chairman of QRxPharma, stated, “This offering enables the Company to complete the MoxDuo™ IR pivotal Phase 3 clinical trials as we continue the development of MoxDuo™ IV and MoxDuo™ CR, to address pain management from hospital to home.” He continued, “Recent clinical trials have exceeded our expectations in demonstrating that MoxDuo™ IR provides superior pain relief with significantly fewer side effects than morphine, oxycodone and Percocet® in post-surgical pain following bunionectomy and total knee replacement. These results have attracted the attention of investors and potential strategic partners.”

Rights Issue

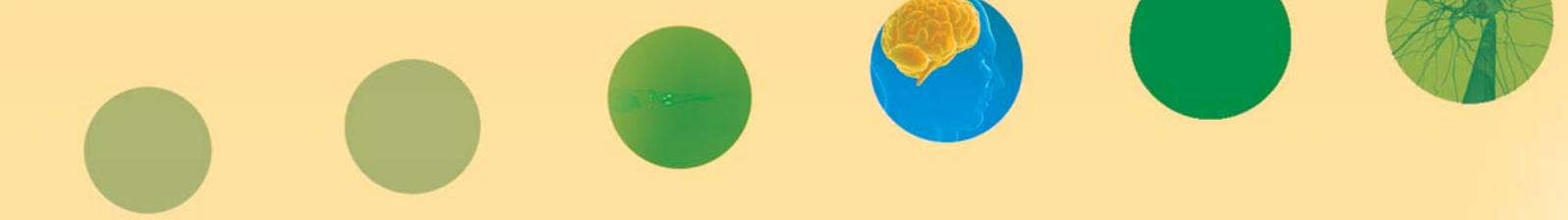
The Rights Issue will give all QRxPharma shareholders the opportunity to acquire 1 new QRxPharma share for every 5 existing QRxPharma shares held on the Record Date (24 November 2009) at the issue price of A\$0.80 per New Share. This is the same price paid by investors in the Placement. Participants in the Placement will also be eligible to participate in the Rights Issue.

The Rights Issue is renounceable, which means that rights may be traded on the ASX or otherwise transferred if shareholders do not wish to take up some or all of the New Shares to which they are entitled. Shareholders who take up their full entitlement will be able to apply for additional New Shares at the same issue price, being A\$0.80 per share.¹

New Shares issued under the Rights Issue will rank equally with existing ordinary shares on issue.

Post the Placement and Rights Issue, QRxPharma’s net cash position will be \$33.7 million.

¹ Additional shares will be subject to availability. Applications for additional shares may be scaled at the sole discretion of QRxPharma Limited and RBS Morgans Corporate Limited.



Further details regarding the timetable for the Rights Issue are included in the Annexure to this announcement.

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

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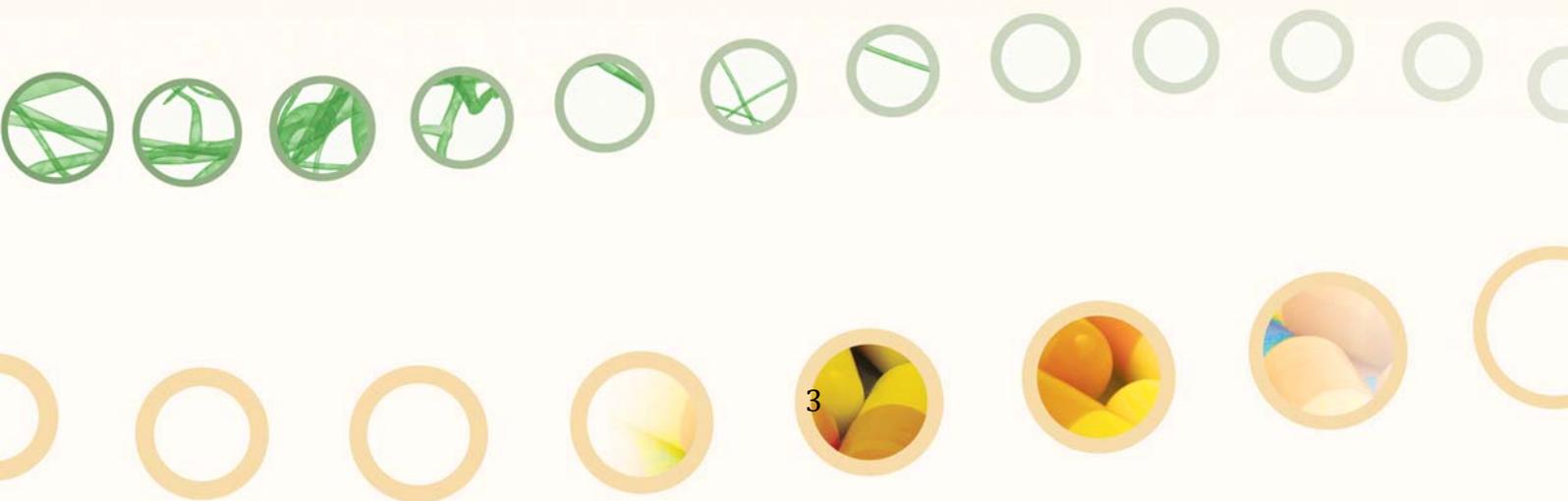
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Annexure A

Rights Issue Timetable

Event	Date
Announcement date	Monday 16 November 2009
708AA cleansing notice, offer document, shareholder presentation and Appendix 3B lodged with the ASX	Monday 16 November 2009
Rights begin trading and shares quoted as 'ex-rights'	Wednesday 18 November 2009
Record Date	6.00pm, Tuesday 24 November 2009
Rights Issue opening date – Rights Issue Booklet mailed to shareholders	Monday, 30 November 2009
Rights trading ends	Tuesday 8 December 2009
Deferred settlement trading commences	Wednesday, 9 December 2009
Offer closes	5.00pm, Tuesday 15 December 2009
ASX notified of under-subscriptions	Friday 18 December 2009
Despatch date (deferred settlement trading ends)	Monday 21 December 2009
Normal trading commences	Tuesday 22 December 2009

Dates and times are indicative only and subject to change without notice. All times and dates refer to AEDST time (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 therapies for pain management and central nervous system (CNS) disorders. Based on a business strategy to expand the clinical utility and commercial value of marketed and/or existing compounds, QRxPharma's product portfolio includes both late and early stage clinical drug candidates with well-defined paths to regulatory approval and sales. The Company intends to directly commercialise its products in the US and seek strategic partnerships for worldwide markets. QRxPharma's lead compound, MoxDuoTMIR (Q8003IR), is in Phase 3 clinical development and has successfully completed multiple comparative studies evaluating its efficacy and safety against equianalgesic doses of morphine, oxycodone and Percocet® for the treatment of acute pain. Study results consistently demonstrate MoxDuoTMIR's greater overall tolerability, achieving better pain relief with substantially fewer incidences of moderate to severe side effects. The Company's preclinical and clinical pipeline includes other technologies in the fields of pain management, neurodegenerative disease and venomics. For more information: www.QRxPharma.com.