



Ms Emma Badhni
Senior Adviser, Issuers (Sydney)
Australian Securities Exchange
20 Bridge Street
Sydney, NSW, 2000.

6 May 2010

Dear Ms Badhni

QRxPharma Limited ACN 102 254 151

We provide the following in response to the queries raised in your letter of 4 May 2010.

1. There are other factors which should be taken into account in assessing the Company's cash position. On 14 April 2010, the Company announced the successful completion of a 522 patient Phase 3 "combination rule" clinical trial for MoxDuo[®]IR, the initiation of which was announced on 30 November 2009. Expenses for this study were substantively incurred during the quarter ended 31 March 2010. This resulted in research and development cash payments for the quarter ended 31 March 2010 being unusually high. The Company notes that payments for research and development for the two previous quarters to 31 December 2009 totalled \$5.826 million compared to payments for the March quarter alone of \$9.147 million.
2. The Company does not currently expect that it will have negative operating cash flows in the future similar to that reported in the Appendix 4C for the quarter ended 31 March 2010. As explained above the cash outflows for the March quarter were unusually high.
3. The Company finalised a capital raising in December 2009 to fund completion of two Phase 3 clinical trials and the lodgement of a New Drug Application with the US Food and Drug Administration for MoxDuo IR. The Company's expenditure during the quarter has been for these purposes and is aligned with prior announcements. The Company continues to closely manage its cash position.
4. The Company confirms that it is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.
5. The Company is fully compliant with Listing Rule 12.2 in terms of its financial condition being adequate to warrant the continued quotation of its securities and its continued listing.

Yours sincerely

A handwritten signature in black ink that reads "C. J. Campbell".

Chris J Campbell
Company Secretary



4 May 2010

Mr Chris Campbell
Company Secretary
QRxPharma Limited
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Sydney NSW 2000

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By Email

Dear Chris

QRxPharma Limited (the "Company")

I refer to the Company's Quarterly Report in the form of an Appendix 4C for the period ended 31 March 2010, released to ASX Limited ("ASX") via a Company Announcement on 27 April 2010 (the "Appendix 4C"). ASX notes that the Company has reported the following.

1. Receipts from customers of \$0.
2. Negative net operating cash flows for the quarter of \$10,279,000.
3. Positive cash at end of quarter of \$16,667,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives Company?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number (02) 9241 7620 or by email at emma.badhni@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 9.30 am A.E.S.T on Friday, 7 May 2010.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

(sent electronically without signature)

Emma Badhni

Senior Adviser, Issuers (Sydney)