



ASX RELEASE
18 August 2010

Frost & Sullivan recognises QRxPharma's MoxDuo® IR for innovation in pain therapy

Sydney, Australia and Bedminster, New Jersey – QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) announced today that it has been awarded the 2010 North American Frost & Sullivan Award for New Product Innovation of the Year for its lead compound MoxDuo IR. Frost and Sullivan is a global research and market analysis firm, and this award is the culmination of their comprehensive analysis of the opioid pain management market.

“We are honoured to receive this prestigious award which recognises the potential of our patented Dual Opioid® technology in terms of the benefits it will deliver to patients by offering superior pain relief with fewer side effects than competing products.” said Dr. John Holaday, Managing Director and Chief Executive Officer, QRxPharma. “Frost & Sullivan’s assessment of the opioid pain management highlights the limitations of existing therapies and validates the opportunity for MoxDuo to become a major player in this market which is over US\$7 billion annually in the US alone.”

Full details of Frost & Sullivan’s award and commentary on the opioid pain management market are in the attached press release issued by Frost & Sullivan in the US today.

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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.

Frost & Sullivan Recognizes QRxPharma for Innovative Pain Relief Product MoxDuo

More Effective, Fewer Side Effects Than Competing Products

MOUNTAIN VIEW, Calif. —August 17, 2010 — Based on its recent analysis of the opioid pain management market, Frost & Sullivan recognizes QRxPharma Limited with the 2010 North American Frost & Sullivan Award for New Product Innovation of the Year for MoxDuo[®] immediate-release (IR) (Q8003IR) – the first patented dual opioid for the management of pain that also addresses some major challenges experienced by currently marketed opioids.

Pain is the leading cause of disability in the U.S., costing over a \$100 billion annually. Untreated, pain can negatively affect a patient's quality of life and is associated with social, physical, and psychological problems. While the U.S. opioid pain management market is robust, some undesirable intrinsic features of existing opioids challenge patients and doctors trying to achieve pain relief. One challenge is managing the large amount of severe side effects – nausea, vomiting, respiratory depression, somnolence, and constipation – associated with the use of opioid drugs.

QRxPharma's MoxDuo formulations are novel medications that contain the well-respected opioids morphine and oxycodone in a fixed-ratio dosage form. Together, these two opioids have a complementary effect on pain, ultimately allowing patients to achieve pain relief with a decreased total opioid dose and fewer side effects.

"Moderate-severe adverse events are most likely to affect the patient's recovery, as well as result in increased demand for medical management, including use of concomitant drugs, dosage adjustments, and doctor visits," says Frost & Sullivan Research Analyst Katheryn Symank. "MoxDuo's formulation is based on QRxPharma's patent protected Dual-Opioid[®] Technology that allows morphine and oxycodone to work synergistically resulting in a more potent pain reliever and a 25 to 75 percent decrease in moderate-severe adverse side effects."

Recent public scrutiny over safety concerns of Vicodin[®] (hydrocodone and acetaminophen) and Percocet[®] (oxycodone and acetaminophen), the leading opioids for the treatment of acute pain in terms of number of prescriptions, has seen the FDA's Drug Safety and Risk Management Advisory Committee recommend a ban on two combination drugs of this type. The recommendation was due to the large incidents of liver damage and death from high doses of acetaminophen. Moreover, as opioids are associated with tolerance, patients taking these medications over a long period of time typically require higher doses to achieve the same effect.

In contrast, MoxDuo IR is more effective in pain relief and has a more attractive side effect profile than that of competing products. As part of its comprehensive Phase III clinical trial program, QRxPharma compared equianalgesic doses of MoxDuo IR with morphine, oxycodone or Percocet[®] in patients with moderate to severe pain following bunionectomy surgery and/or total knee replacement surgery. Patients taking MoxDuo IR reported fewer occurrences of hypotension, constipation, vomiting, and moderate to severe nausea than patients receiving equal analgesic doses of these traditional opioids. In a pivotal Phase III clinical trial comparing the safety and efficacy of MoxDuo IR with its individual components, oxycodone and morphine, MoxDuo IR at twice the dose of each its morphine or oxycodone components was found to provide better efficacy

In addition to MoxDuo IR, QRxPharma is also developing a controlled-release (CR) and an intravenous (IV) formulation of MoxDuo. MoxDuo CR will provide at least 12 hours of pain relief

for patients who need around-the-clock pain relief for lower back pain or cancer pain, while MoxDuo IV can be used in hospitals following surgery by means of patient controlled analgesia (PCA). Recently, the company compared MoxDuo IV in pain following hip replacement, and demonstrated superior pain relief and fewer side effects than PCA morphine, the standard of care. Development of these additional formulations of MoxDuo serves to maximize the patient population with moderate to severe pain for whom an opioid analgesic is needed and allows the company to address the \$12 billion moderate to severe pain relief market from the hospital to the home.

“With its lead compound MoxDuo IR, QRxPharma has established itself as a major participant in the U.S. opioid pain management market; no other opioid-opioid combination product is marketed anywhere in the world,” says Symank. “Moreover, the development of multiple formulations of MoxDuo acts as a positive driver for growth potential and showcases the company’s interest in addressing the pain management needs of a variety of patient groups.”

In recognition of the company’s achievements in innovative new product development, Frost & Sullivan is pleased to present QRxPharma with the 2010 New Product Innovation of the Year Award in the U.S. opioid pain management market. Each year, Frost & Sullivan presents this award to a company that has developed an innovative element in a product by leverage leading-edge technologies. The award recognizes the value added features/benefits of the product and the increased ROI it offers customers, which in turn increases customer acquisition and overall market penetration potential.

Frost & Sullivan’s Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

About QRxPharma Limited

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About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company’s Growth Partnership Service provides the CEO and the CEO’s Growth Team with disciplined research and best-practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages over 45 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 40 offices on six continents. To join our Growth Partnership, please visit <http://www.awards.frost.com>.

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