



**ASX RELEASE**

22 July 2011

**QRxPharma Announces A\$35 Million Capital Raising To Progress MoxDuo Formulations and Support Commercialisation of MoxDuo® IR**

*Raise Also Strengthens Company Position For Partnering Negotiations*

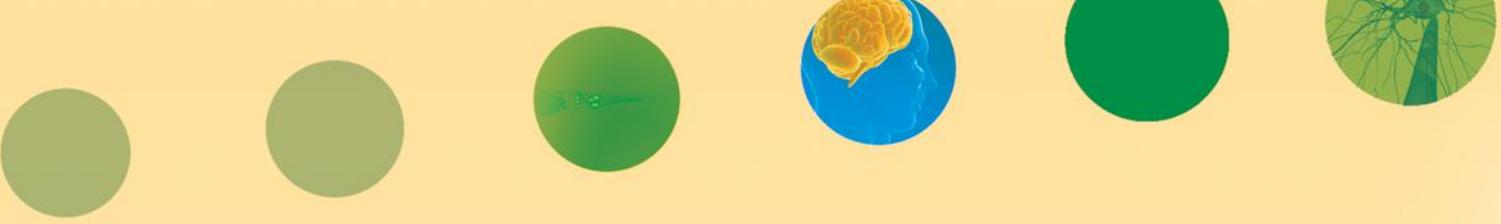
**Sydney, Australia and Bedminster, New Jersey** -- QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) is pleased to announce the successful completion of a placement to institutions and professional investors raising A\$25 million ("Placement") which was significantly oversubscribed. The Placement was very well supported by both existing and new investors including Australia, US and UK based fund managers. The Company has also launched a 1 for 20 non-renounceable rights issue to raise up to an additional A\$10.4 million ("Rights Issue"). The combined Placement and Rights Issue (if fully subscribed) will raise gross proceeds of up to A\$35.4 million.

The issue price under the Placement and Rights Issue is A\$1.45 per share which represents a 10% discount to the last closing price of QRxPharma shares on 19 July 2011.

RBS Morgans Corporate Limited and Bell Potter Securities Limited were Joint Lead Managers to the Capital Raising.

QRxPharma intends to use the proceeds from the Placement and Rights Issue to progress MoxDuo® IR through FDA approval and commercialisation leading to product launch expected in 2012, to progress the development of MoxDuo controlled release (CR) and to provide additional working capital. The capital raising also puts the Company in a strong financial position as it negotiates with potential partners.

As announced to ASX on Monday 18 July 2011, the Company achieved another significant milestone as it commenced filing its New Drug Application (NDA) with the United States Food and Drug Administration (FDA) for MoxDuo IR for the treatment of moderate to severe acute pain, a \$2.5 billion segment of the \$8 billion spent annually on prescription opioids in the US. QRxPharma's product pipeline also includes intravenous (IV) and CR formulations which are in earlier stages of clinical development.



QRxPharma CEO and Managing Director, Dr. John Holaday commented “we continue to make significant progress towards commercialising MoxDuo IR, having just initiated our NDA filing with the FDA. With this capital raising, we are in an excellent position to further develop our portfolio of Dual Opioid<sup>®</sup> pain products as we await FDA feedback on our NDA over the coming year. These additional resources also place us in a solid position as we continue our partnering negotiations.”

Dr. Peter Farrell, Chairman of QRxPharma, stated, “This capital raising will allow QRxPharma to further important milestones including the commercialisation of MoxDuo IR for acute pain management, as well as enabling significant progress with its MoxDuo CR formulation for chronic pain, which the Board believes will support partnering discussions and add significant shareholder value.”

### **Rights Issue**

The Rights Issue is non-renounceable giving all eligible QRxPharma shareholders the opportunity to subscribe for 1 new QRxPharma share for every 20 existing QRxPharma shares held on the Record Date (7.00pm, 2 August 2011) at the issue price of A\$1.45 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 not underwritten.

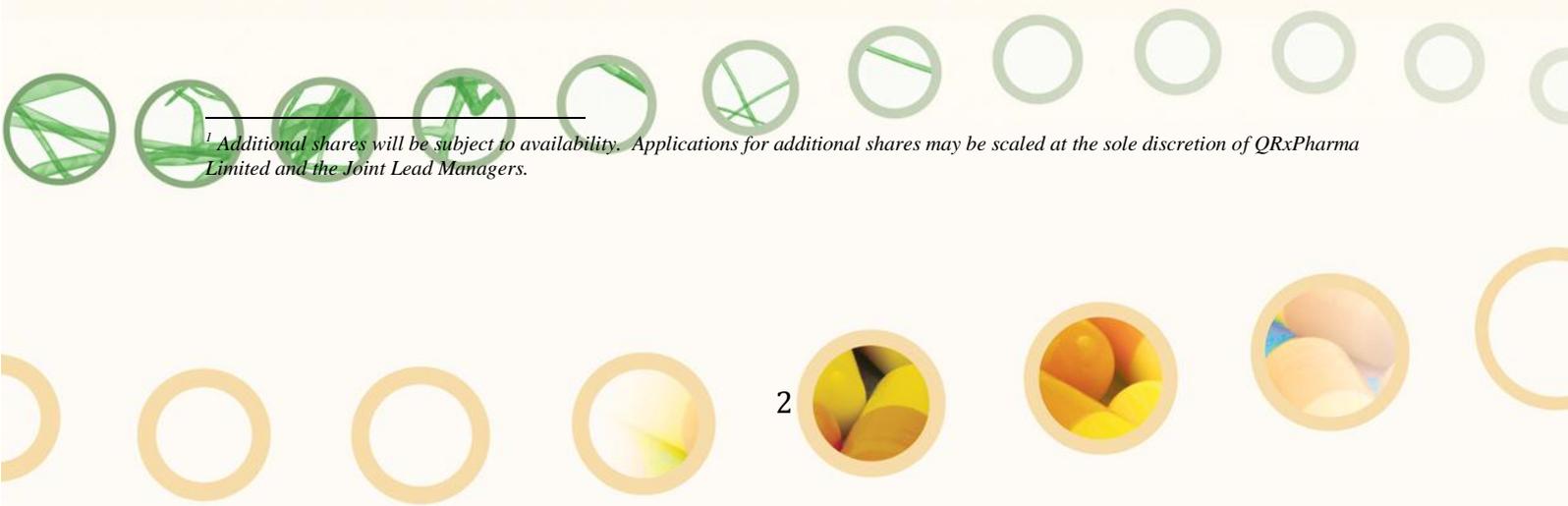
Eligible shareholders will be able to apply for additional new shares at the same issue price being A\$1.45 per share.<sup>1</sup>

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

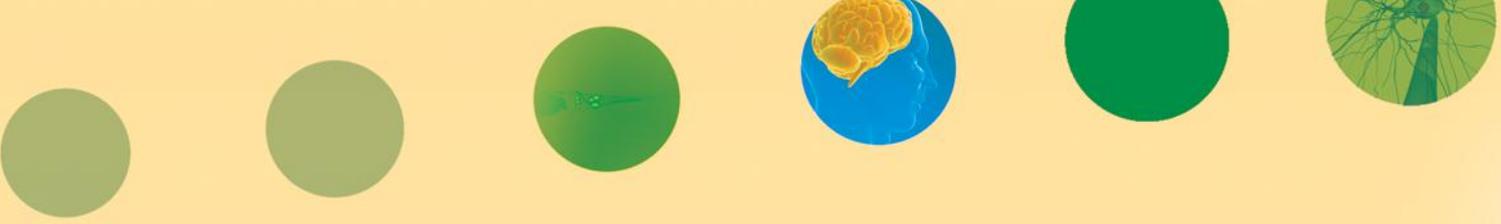
Post the Placement and Rights Issue (if fully subscribed), QRxPharma’s net cash position (after expenses of the capital raising) will be A\$41 million.

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

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<sup>1</sup> Additional shares will be subject to availability. Applications for additional shares may be scaled at the sole discretion of QRxPharma Limited and the Joint Lead Managers.



For more information please contact:

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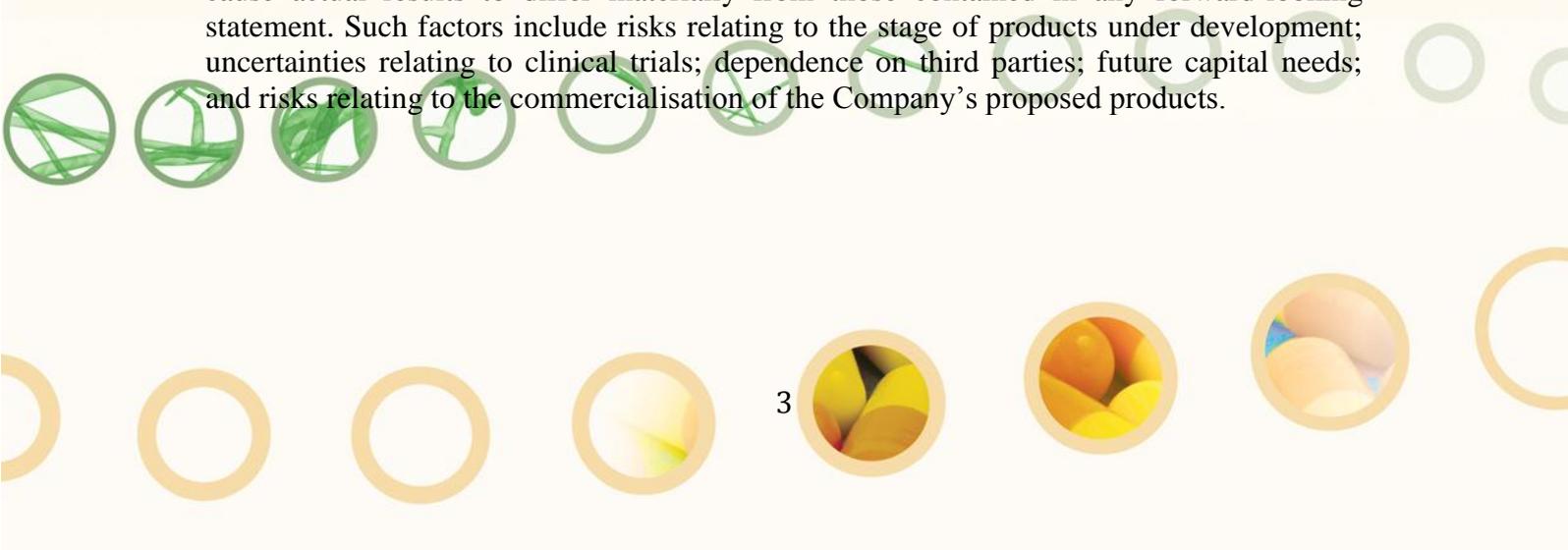
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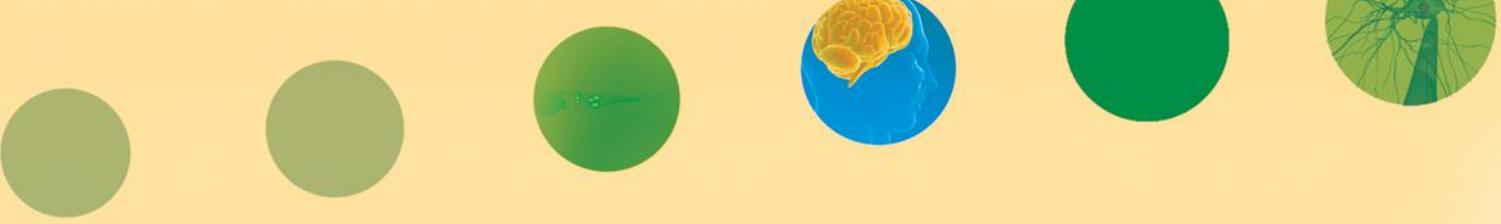
### **About QRxPharma**

QRxPharma Limited (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 that 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 U.S. and seeks strategic partnerships for worldwide markets. QRxPharma's lead product candidate, immediate release MoxDuo, successfully completed pivotal Phase 3 studies and the Company has filed its New Drug Application (NDA) with the US Food and Drug Administration (FDA). The Company's clinical pipeline includes an intravenous (IV) and continuous release (CR) formulation of MoxDuo, as well as other technologies in the fields of pain management, neurodegenerative disease and venomics. For more information, visit [www.qrxpharma.com](http://www.qrxpharma.com).

### **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.





## Annexure A

### Rights Issue Timetable

Event	Date
Announcement date	Friday 22 July 2011
708AA cleansing notice, offer document, and Appendix 3B lodged with the ASX	Friday 22 July 2011
Ex Date	Tuesday 26 July 2011
Record Date	7.00pm, Tuesday 2 August 2011
Rights Issue opening date – Rights Issue Booklet mailed to shareholders	Monday 8 August, 2011
Offer closes	5.00pm, Monday 22 August 2011
ASX notified of under-subscriptions	Thursday 25 August 2011
Despatch date	Tuesday 30 August 2011
Normal trading commences	Wednesday 31 August 2011

*Dates and times are indicative only and subject to change without notice. All times and dates refer to AEST time (Sydney time).*