



22 July 2011

Dear Option holder

**QRxPharma Limited – Non-Renounceable Rights Issue**

On 22 July 2011, QRxPharma Limited (**QRxPharma**) announced a non-renounceable rights issue of up to 7,153,275 new fully paid ordinary shares (**Rights Issue**) under which its eligible shareholders will be offered 1 fully paid ordinary share in QRxPharma for every 20 fully paid ordinary shares held on the record date, at an issue price of A\$1.45 per share.

This Rights Issue offer will be made to those shareholders of QRxPharma with registered addresses in Australia, New Zealand and the U.S. The Rights Issue is not underwritten.

The Rights Issue (if fully subscribed) will raise up to approximately \$10.4 million before costs. QRxPharma intends to use the proceeds from the Rights Issue to progress MoxDuo<sup>®</sup> 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 record date for determining entitlements to the rights issue is **2 August 2011**.

Under the terms and conditions of the options that you currently hold, there is no entitlement to participate in the Rights Issue. If you wish to participate in the Rights Issue you must first exercise your options by **7.00 pm (Sydney time) on 2 August 2011** so that QRxPharma can allot and issue your shares in time for you to participate in the Rights Issue.

**Please note that only vested options can be exercised.**

It is not compulsory to exercise your vested options. However, if you wish to do so, please complete all of the steps required by the terms and conditions of the options, including payment of the relevant exercise price. Failure to exercise your options by this deadline will mean that you are not eligible to participate in the Rights Issue for those options or the shares to be issued upon exercise of those options.

Please contact me on (02) 9492 8021 if you have any questions about your options.

For your information, further details on the Rights Issue can be accessed on our website at [www.qrxpharma.com](http://www.qrxpharma.com) or the ASX website at [www.asx.com.au](http://www.asx.com.au) under ASX Code “QRX”.

Yours faithfully  
QRxPharma Limited

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

Chris Campbell  
Company Secretary