



27 June 2014

Dear Shareholder,

I am writing to request your support to retain the current board of the Company and to reject the Walker Group's strategy to obtain control of the Company and its cash resources, and I would also like to clarify several key matters.

In the first place, just to be clear, the "anonymous" Members' Statement that you will have received about a week ago which was without letterhead or signature was sent by Mr Hancox of the Walker Group and not by anyone associated with the current board or management. That letter contained numerous misstatements or errors that are incorrect or taken out of context.

Like all shareholders, we are devastated by the turn of events but that is not a reason to panic and lose the accumulated knowledge, experience and connections of the current team.

Throughout the clinical trials for Moxduo the Company followed the FDA guidance to meet the Combination Rule. The Company was encouraged by its interactions with FDA leading up to June 2012 and was very disappointed in not receiving approval as a consequence of FDA's novel interpretation in June 2012, of the Combination Rule and its applicability to Moxduo. Despite the existing regulation that equivalence in efficacy and safety was required for approval, FDA elected to ask for a clinical benefit for some particular patient population. They then agreed that Study 022 and post hoc analyses could satisfy their requirements. That review took over 12 months during which time the FDA was under intense and controversial pressure regarding opioid approvals. Unfortunately, in the April 2014 Advisory Committee meeting, the committee rejected Study 022's post hoc analyses, and preferred prespecified outcomes and statistical metrics instead. Following this feedback, FDA declined to approve the drug. Throughout the Study 022 review, the Company's announcements show they were 'hopeful' in tone, not 'extremely confident / very confident / firm belief' as Mr Hancox claims.

Our plan is now to work with the FDA to see if we can design a study that meets their requirement. The Walker team, with no concrete background and little comparative experience in FDA matters, and no plan, claim they can do a better job.

The Walker Group lack the experience and intent to recover the maximum possible value for all shareholders. Mr Hancox was quoted in the Australian Financial Review on 3 June 2014, 'that to attempt to put a way forward would be absolutely ludicrous'. Yet their subsequent Members' Statement has now outlined a plan that replicates exactly what QRxPharma's management team has resolved to do, but without the requisite experience and knowledge of the existing team. They have insufficient experience to execute the Company's proposed plan, let alone some "better" one.

Mr Hancox is known as a "corporate raider" and even his own CV cites him as a consultant in takeovers. As a shareholder, you need to ask yourself what the Walker Group intends to do with QRxPharma.

QRxPharma is not opposed to "fresh eyes" on the Board. QRxPharma has on several occasions offered to include Dr. Treagus on the Board but this continues to be rejected by Mr Hancox.

A Board spill will prove very costly, with investors paying the ultimate price. This move has created instability among current management and employees. This instability has the potential to strip the Company of product knowledge, industry relationships and the development expertise required to move Moxduo forward.

The existing Board of Directors is committed to giving a voice to all shareholders and we will continue to disclose all relevant information to you in a transparent, timely and proactive manner. We urge you to exercise your right to be heard and submit your proxy to vote AGAINST the four resolutions to be considered at the 9 July General Meeting.

We have established a freecall number for shareholders to contact the Company. If you have any questions please call us on **1800 788 884** (within Australia) and **+61 3 9866 4722** (from outside Australia).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. P. Campbell'.

Mr Peter Campbell
Director; Chairman of the General Meeting