ASX RELEASE
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QRxPharma Awarded Grants Totalling US$489,000 for Two MoxDuo® Pain Management Product Candidates

Funding Through the U.S. Department of the Treasury's Qualifying Therapeutic Discovery Project

Sydney, Australia & Bedminster, NJ – QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) announced today that its U.S. subsidiary, QRxPharma, Inc has been awarded US$488,958 in grant funding for two of the Company's Dual-Opioid® pain management therapeutic projects. The MoxDuo®IR (immediate release) and MoxDuo®CR (controlled release) programs were each awarded US$244,479. These competitive grants were awarded by the Qualifying Therapeutic Discovery Project program offered by the U.S. Government's Department of the Treasury.

"As we move towards filing a New Drug Application for MoxDuo IR in 2011, this source of non-dilutive funding provides support for our late stage clinical and regulatory activities as well as for Phase 1 and 2 development of MoxDuo CR," said Dr. John Holaday, Managing Director and Chief Executive Officer of QRxPharma. "Pain is cited as the most frequent reason for visiting the doctor in the United States, and current standards of care to manage moderate to severe pain are limited due to associated side effects. Our Dual-Opioid products are focused on delivering better pain management with fewer side effects."

QRxPharma's MoxDuo product portfolio is based on a proprietary, fixed-ratio combination of morphine and oxycodone for the treatment of moderate to severe pain and includes immediate release, controlled release and intravenous formulations. Data from several Phase 2 and 3 clinical trials demonstrate MoxDuo IR not only provides equal or better analgesia compared to current standards of care, but also significantly reduces the frequency, duration and severity of unwanted, opioid-induced side effects.

In Phase 3 combination rule studies, MoxDuo IR demonstrated statistically superior analgesic effect compared to morphine and oxycodone alone, as well as a favourable side effect profile despite delivering twice the opioid dose of its individual components. When compared to equal analgesic doses of morphine, oxycodone and Percocet® (a widely prescribed opioid-acetaminophen combination), MoxDuo IR reduced both the occurrence rate and intensity of moderate to severe nausea, vomiting and dizziness by 50% to 75%.

MoxDuo CR is designed to provide twelve hours of pain relief in patients suffering from moderate to severe chronic pain (including cancer, lower back, osteoarthritis and neuropathic). The compound has successfully completed a Phase 1 trial to determine which of the various experimental formulations provided the optimum duration of drug levels in the blood. The Company plans to finalise the MoxDuo CR tablet formulation in 2011 and initiate Phase 2 trials shortly thereafter.

"Enhancing analgesia while simultaneously reducing the frequency and intensity of opioid related adverse events is potentially a paradigm changing therapeutic advance. This opens the therapeutic window for better pain management and directly addresses the growing global market that exceeds US$12 billion annually," added Holaday.

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About the Qualifying Therapeutic Discovery Project

The Qualifying Therapeutic Discovery Project is a grant or tax credit benefit, targeted to therapeutic discovery projects that show a reasonable potential to: (a) result in new therapies to treat areas of unmet medical need or prevent, detect or treat chronic or acute diseases and conditions; (b) reduce the long-term growth of health care costs in the United States, or (c) significantly advance the goal of curing cancer within thirty years. The credit is only available to taxpayers with no more than 250 employees and covers up to fifty percent of a taxpayer's qualified investment.

About QRxPharma Limited

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 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 U.S. 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 the first half of 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.

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.