ASX RELEASE

16 November 2009

2009 ANNUAL GENERAL MEETING

Sydney, Australia & Bedminster, NJ – QRxPharma (ASX: QRX and OTCQX: QRXPY) is a clinical-stage specialty pharmaceutical company focused on the development and commercialisation of therapies for pain management and central nervous system (CNS) disorders, is conducting its Annual General Meeting today at The Grace Hotel, 77 York Street, Sydney commencing at 10:00am. Please find attached the addresses to be delivered by Dr Peter Farrell (Chairman) and Dr John Holaday (Managing Director and Chief Executive Officer).

###

For more information please contact:
John Holaday
Managing Director and Chief Executive Officer
Tel: +1 301 908 3086
Email: john.holaday@qrxpharma.com

Chris J Campbell
Chief Financial Officer and Company Secretary
Tel: +61 2 9492 8021
Email: chris.campbell@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.

About QRxPharma

QRxPharma (ASX: QRX and OTCQX: QRXPY) is a clinical-stage specialty pharmaceutical company focused on the development and commercialisation of therapies for pain management and central nervous system (CNS) disorders. Based on a business strategy to expand the clinical utility and commercial value of marketed and/or existing compounds, QRxPharma's product portfolio includes both late and early stage clinical drug candidates with well-defined paths to regulatory approval and sales. The Company intends to directly commercialise its products in the US and seek strategic partnerships for worldwide markets. QRxPharma's lead compound, MoxDuo™IR (Q8003IR), is in Phase 3 clinical development and has successfully completed multiple comparative studies evaluating its efficacy and safety against equianalgesic doses of morphine, oxycodone and Percocet® for the treatment of acute pain. Study results consistently demonstrate MoxDuo™IR's greater overall tolerability, achieving better pain relief with substantially fewer incidences of moderate to severe side effects. The Company's preclinical and clinical pipeline includes other technologies in the fields of pain management, neurodegenerative disease and venomics. For more information: www.QRxPharma.com.

Chairman's Address – Dr Peter Farrell
16 November 2009

Ladies and gentlemen, QRxPharma is at a key phase of its clinical and commercial development.

I am sure you are all aware of the announcement we made to the market this morning – the announcement of the share placement and the launch of a rights issue.

The placement which was significantly oversubscribed has raised A$8.0 million, and the rights issue will raise an additional A$13.6 million.

We are very pleased and encouraged by the level of support that the market is showing us - and with these new funds we now have sufficient capital to take our lead compound, MoxDuo™ IR (immediate release) dual opioid product, through to lodgement of New Drug Application (NDA) with the US Food & Drug Administration (FDA) in 2010.

MoxDuo™ IR

We started the Phase 3 clinical trials of MoxDuo™ IR, a drug for the treatment of moderate to severe pain, in November 2007, and we plan to launch the product in the U.S. marketplace in 2011.

That target to take the product to market was supported by solid clinical progress made over the past year.

Over the past year we undertook two studies for MoxDuo™ IR, and were pleased to report very strong data out of these trials.

The trials continue to demonstrate the clinical benefits of MoxDuo™ IR – with a significant reduction of pain and side effects.

The trials also continue to demonstrate the commercial value that our Dual Opioid™ program offers.

Results to date - from over 400 patients - show that we can significantly improve level of care, providing equal or better analgesia, with fewer and less intense side effects than current standards of care.

As well as patient benefit, MoxDuo™ IR targets a very significant commercial market – worth $1.5 billion for the acute pain use of opioids in the U.S. alone.

The development of MoxDuo™ IR clearly demonstrates that QRxPharma's business model – one of re-engineering currently marketed drugs to enhance and expand clinical and commercial value - offers shareholders and the medical community a swift and cost-effective way of developing new drug treatments.

Other Products

Aside from MoxDuo™ IR, we also continue to develop other products in the Company's pipeline.

Our product portfolio includes controlled release (CR) and intravenous (IV) formulations to address pain management in hospitals and at home.

I will let John Holaday expand in more detail on the development of these programs.

Away from the clinic we have also been active.

In October 2009, we finalised a strategic alliance with a Chinese partner to develop our Venomics assets for the Chinese market. Data generated through the development of these products in China will support partnering activities in other territories.

This venture will target the underserved market for products to control blood loss in surgery and trauma.

While that is an exciting market, the strategic alliance, and the investment made by our partner, allows us to develop our snake venom assets without distracting us from our main focus – which will remain on our dual opioids.

Financial Report

While economic conditions have improved over the past few months, we continue to be aware that financial markets do remain vulnerable. Given this reality, it is especially pleasing to see the strong level of support that the market has recently shown us through the capital raising.

With this in mind, we remain focused on our core products – and the early commercialisation of these assets.

For the last financial year, the Company reported a net loss of $13.5 million – that compares to a loss of $36.6 million the year before. This was in line with our expectations – as we continue to fund research and development and the progression of our product pipeline.

QRxPharma has continued to closely monitor its cash spend, ending the financial year with cash reserves of $17.8 million. This; together with the net proceeds of the share placement and current rights issue will provide sufficient funding to complete the necessary two pivotal Phase 3 clinical trials and lodge the NDA with the FDA for MoxDuo™ IR, while also continuing to progress the development of the intravenous and controlled release formulations of MoxDuo™.

Conclusion

Ladies and gentlemen, it is a great pleasure for me to report to you the progress that the Company has made over the past year, and the exciting phase that we are entering.

I would like to take this opportunity to thank all of you for your ongoing support and I look forward to reporting further clinical and commercial developments over the year ahead.

Thank you

Managing Director's Address – Dr John Holaday
16 November 2009

Thank you Peter and good morning ladies and gentlemen.

We have a clear business model – one of taking new formulations of existing drugs to market as efficiently as possible – and as Peter has outlined, the last year has seen QRxPharma come a long way in delivering on this.

We are now at a stage where we are confident of being able to take our lead product to market in 2011.

2009 Achievements

Our focus for the year has been on MoxDuo™ IR, our most clinically advanced product, and a product with significant potential market.

Over the year we completed another two critical comparative studies in MoxDuo™ IR. These have further demonstrated that the product can deliver relief for moderate to severe pain without the debilitating side effects that currently limit the use of opioids.

In MoxDuo™IR we are combining two powerful opioids - morphine and oxycodone – and demonstrating that the two act synergistically to provide pain relief while significantly abrogating the side effects that severely limit opioid use.

These are remarkable clinical findings – that we believe offer exciting new options for health professionals.

Our first study looked at the efficacy and safety of MoxDuo™ IR compared to corresponding doses of oxycodone and morphine.

This study showed that the frequency of moderate to severe adverse events – such as nausea, vomiting and constipation – were down 50-75% among those using MoxDuo™ IR, compared to equal analgesic doses of either morphine or oxycodone alone.

Our second study compared MoxDuo™ IR with equal analgesic doses of Percocet®, the second most widely prescribed opioid in the U.S.

This again showed that MoxDuo™ IR provided significantly improved tolerability – meaning doctors can achieve better pain relief, while decreasing the frequency and severity of side effects.

What these two studies clearly show – and the studies in over 400 patients to date have shown - is that MoxDuo™ IR can open the therapeutic window for treating pain in patients. This will allow medical practitioners to increase pain relief without increasing side effects.

This year, at the encouragement of the FDA, we submitted two Special Protocol Assessment applications for our pivotal Phase 3 program. As we await review feedback, we have benefitted from our dialogue with the FDA in focusing our protocols to minimize the risks and prepare for NDA filing for MoxDuo™ IR in 2010.

MoxDuo Product Line

We have also made significant advances in the development of other product candidates within our drug pipeline.

In July 2009, we started a Phase 2 investigator comparative proof-of concept study to evaluate the efficacy and safety of MoxDuo™ IV – our intravenous Dual Opioid product.

Data from this study will serve as a significant predictor of the product's clinical benefits and provide guidance for the design of further clinical trials leading to submission of an NDA to the FDA.

We are also on track to start Phase I trials of our continuous release product – MoxDuo™ CR within the next couple of months.

Other Assets

Whilst our focus has clearly been on our Dual Opioid assets, we have also made progress with other products in our product pipeline.

We continue to make progress in our collaborative agreement with the University of Alabama to help develop our small molecule program targeting neurological diseases.

That research is being supported by the Michael J Fox Foundation, and preclinical research currently underway has focused on very promising existing drugs that are our lead candidates for treating patients with dystonia, Huntington's disease, Parkinson's disease and Alzheimer's disease.

On the commercial front, as Peter mentioned, we announced in October 2009, finalisation of a strategic alliance with a Chinese partner for the development of our Venomics assets – targeting the blood loss market.

This deal, specifically targeted at the Chinese market, allows us to develop what we consider some very promising assets, without distracting us from our immediate goals of taking the MoxDuo™ products to market.

We believe our Chinese partner has the necessary experience in developing snake venom products to take these assets to the clinic in the quickest possible way.

We look forward to reporting ongoing progress from this strategic alliance to you.

Capital Raising

This morning we were very pleased to announce a placement of shares and the launch of a fully underwritten rights issue. The funds raised from this – A$21.6 million in total (before offering expenses of A$1.4 million) – will be sufficient to progress MoxDuo™ IR through to filing our NDA with the FDA in 2010, proceeding in parallel with strategic partnering discussion efforts.

The rights issue gives all shareholders the opportunity to acquire 1 new QRxPharma ordinary share for every 5 ordinary shares held. The issue price will be $0.80 cents, the same price paid by investors in the placement.

We have been greatly encouraged by the support the market has given us through this raising and welcome all new shareholders to the company. I believe the support shown indicates the market's strong support for our commercialisation goals.

Conclusion

Ladies and Gentlemen, with all the achievements over the past year we have remained focused on our main goal – that of taking our lead products to market in the most efficient way.

I am proud to report that we have made significant progress in this regard – and as we have mentioned, believe we will have our lead candidate MoxDuo™ IR in the U.S. market of $1.5 billion in 2011.

As well as the commercial promise that our clinical assets offer, I am very excited by the improvements in patient care that we will be offering the market.

On behalf of the management team I would like to thank the Board for its continuing support as we take our company's products to market.

Thank you.

####