Corporate Overview

June 2011

QRx Pharma

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OPIOID SIDE EFFECTS POSE PATIENT RISKS AND LIMIT PAIN RELIEF

- Two centuries since morphine was discovered; despite quest for better opioids, at equi-analgesic doses, all produce same spectrum of dose-limiting side effects…
- **In order of severity, important side effects** are respiratory depression, vomiting, nausea, somnolence and constipation
- Many patients won't take opioids and are denied pain relief
- Opioid side effects delay recovery; cost patients, reimbursers and hospitals
- Key opinion leaders emphasize the enormous need for improved pain relief with fewer side effects.

PAIN THERAPY MARKET

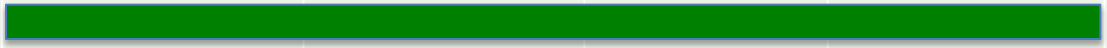
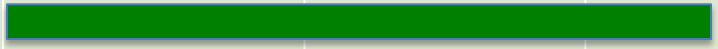
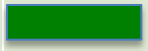
- Large specialty pharma opportunity
  - US$14 billion global opioid market ($8bn+ US); CAGR in excess of 6%*
- 150mm people in major markets suffer from acute pain
  - 75 million Americans experience acute pain each year
    - 210 million prescriptions of immediate release drugs
    - Combination products (e.g. Vicodin and Percocet®) dominate
- Opioids are the “gold standard” in treating pain
  - Limited innovation with reliance on old therapies
- Paracetamol (Acetaminophen) containing opioids now restricted by FDA
  - Vicodin and Percocet limited to 325 mg; significantly reduces their market
  - 100 million prescriptions at risk
- Payor incentives
  - Need for better pain relief with fewer side effects
  - Better pain management means shorter hospitalization; Major cost savings!

** Sources: AVOS Life Sciences, Decision Resources, IMS*

FORMULATIONS: FROM HOSPITAL TO HOME

- **MoxDuo IR** (Immediate Release): oral capsules
  - Target: Moderate to severe acute pain
  - Status: Phase 3 registration program completed
  - **Anticipated NDA filing in August, 2011**
- **MoxDuo IV** (Intravenous): liquid formulation
  - Target: Hospital-based moderate to severe pain
  - Status: Phase 2; concurrent formulation development
- **MoxDuo CR** (Controlled Release): oral tablet with abuse deterrent technology
  - Target: Chronic pain (i.e. osteoarthritis, back, neuropathic)
  - Status: Phase 1

PRODUCT PIPELINE

	PRE-CLINICAL	PHASE 1	PHASE 2	PHASE 3	NDA
PAIN MANAGEMENT					
MoxDuo IR					
MoxDuo IV					
MoxDuo CR					
NEUROLOGIC DISEASES					
T9001: Dystonia					
T9001: Parkinson's					
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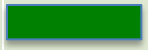
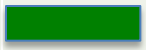
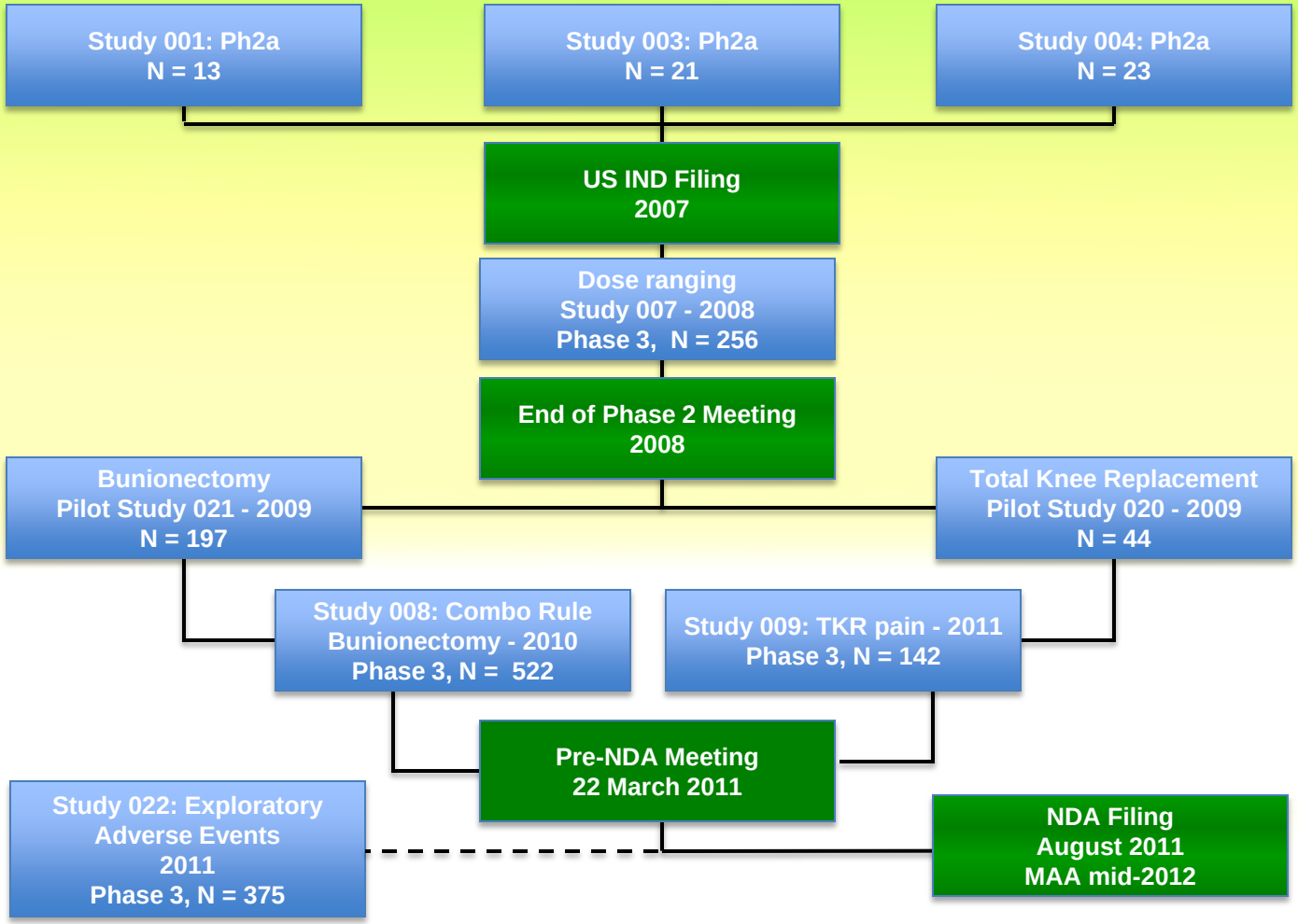
Haempatch™					
Textilinin					

OPPORTUNITY SNAPSHOT

- **Blockbuster potential in a growing market**
  - In the US: IR $2.0bn; IV $274mm; CR $5.6bn
  - MoxDuo IR ready to launch in 2012
- **MoxDuo key advantages**
  - Widen therapeutic window for acute pain relief
  - Equal or better pain relief with fewer side effects than morphine, oxycodone and Percocet®
  - **Possible breakthrough benefits with fewer oxygen desaturations and less risk of opioid-induced respiratory failure**
- **Economic impact to healthcare system**
  - Speedier recoveries = fewer days in hospital
  - KOL and payor acceptance of value/clinical benefits
- **Strong patent protection**
  - Composition of matter, therapeutic use, MOA, and new formulations

MoxDuo IR – Better pain relief, fewer and less severe side effects

CLINICAL DEVELOPMENT PATH: MOXDUO IR



- Successfully completed 4 postoperative Phase 3 pain studies with MoxDuo IR
- Met primary endpoints
- Various studies demonstrated >50% reduction in respiratory impairment, moderate to severe nausea, vomiting, dizziness and constipation
- Opens the therapeutic window for relief of moderate to severe pain

NDA for MoxDuo IR
TO BE FILED IN AUGUST

Morphine + Oxycodone

STUDY 022 COMPLETED

Study of respiratory advantage with MoxDuo IR

- An exploratory Phase 3 study comparing the tolerability and safety profile of MoxDuo IR to equi-analgesic doses of either morphine or oxycodone alone.
- Double-blind, randomized, fixed dose trial with 375 patients with moderate to severe postoperative pain following bunionectomy surgery at 4 US clinical research sites.
- Although not required for product approval, Study 022 results will be submitted as part of a New Drug Application (NDA) product registration filing with the US Food and Drug Administration (FDA).
- Also supports QRxPharma's European Marketing Authorisation Application (MAA) scheduled for submission in the first half of 2012.

Respiratory depression is the leading cause of death from opioids

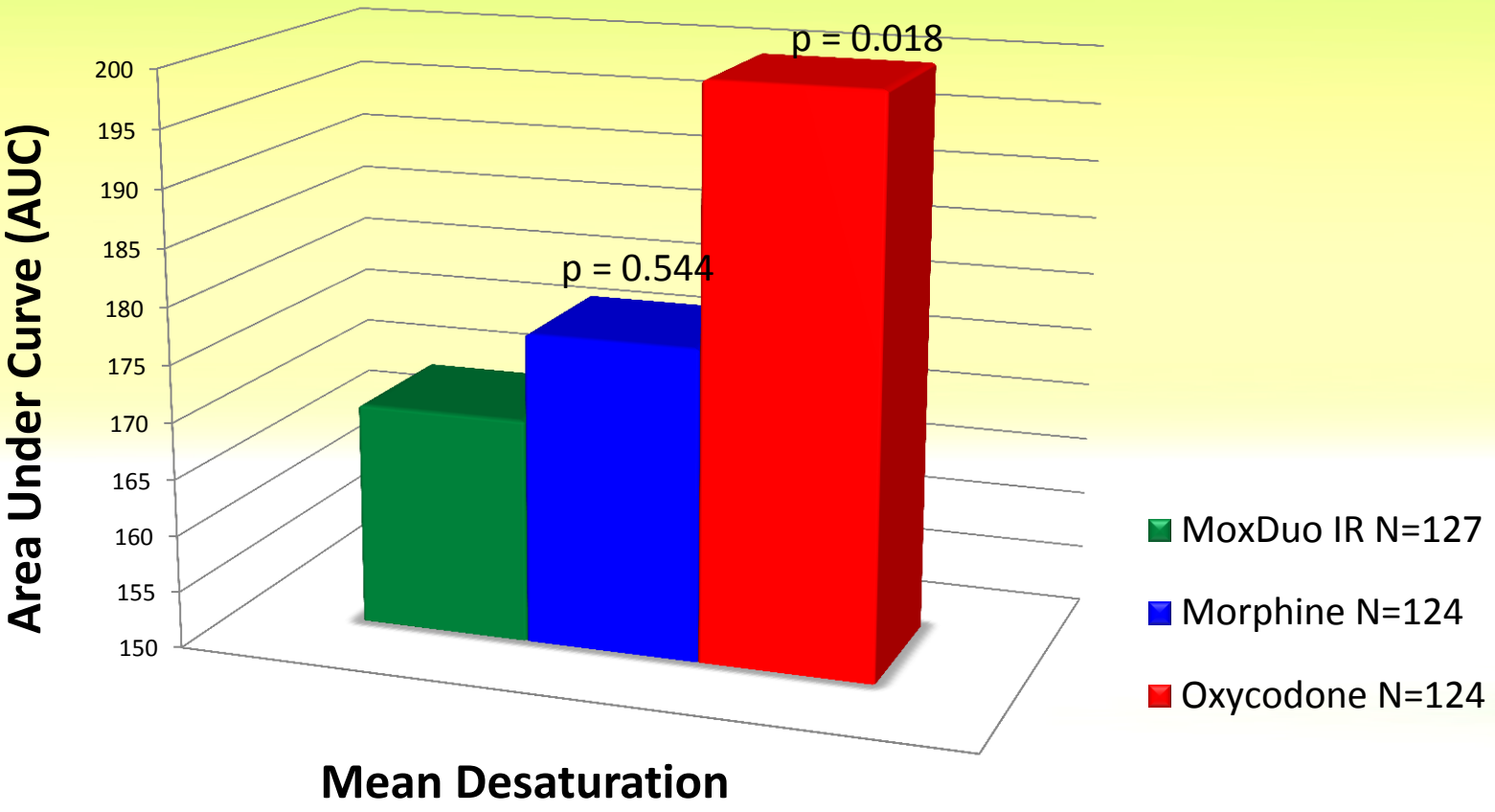
STUDY 022 TOP-LINE RESULTS

Met primary comparative endpoint of respiratory advantage with MoxDuo IR

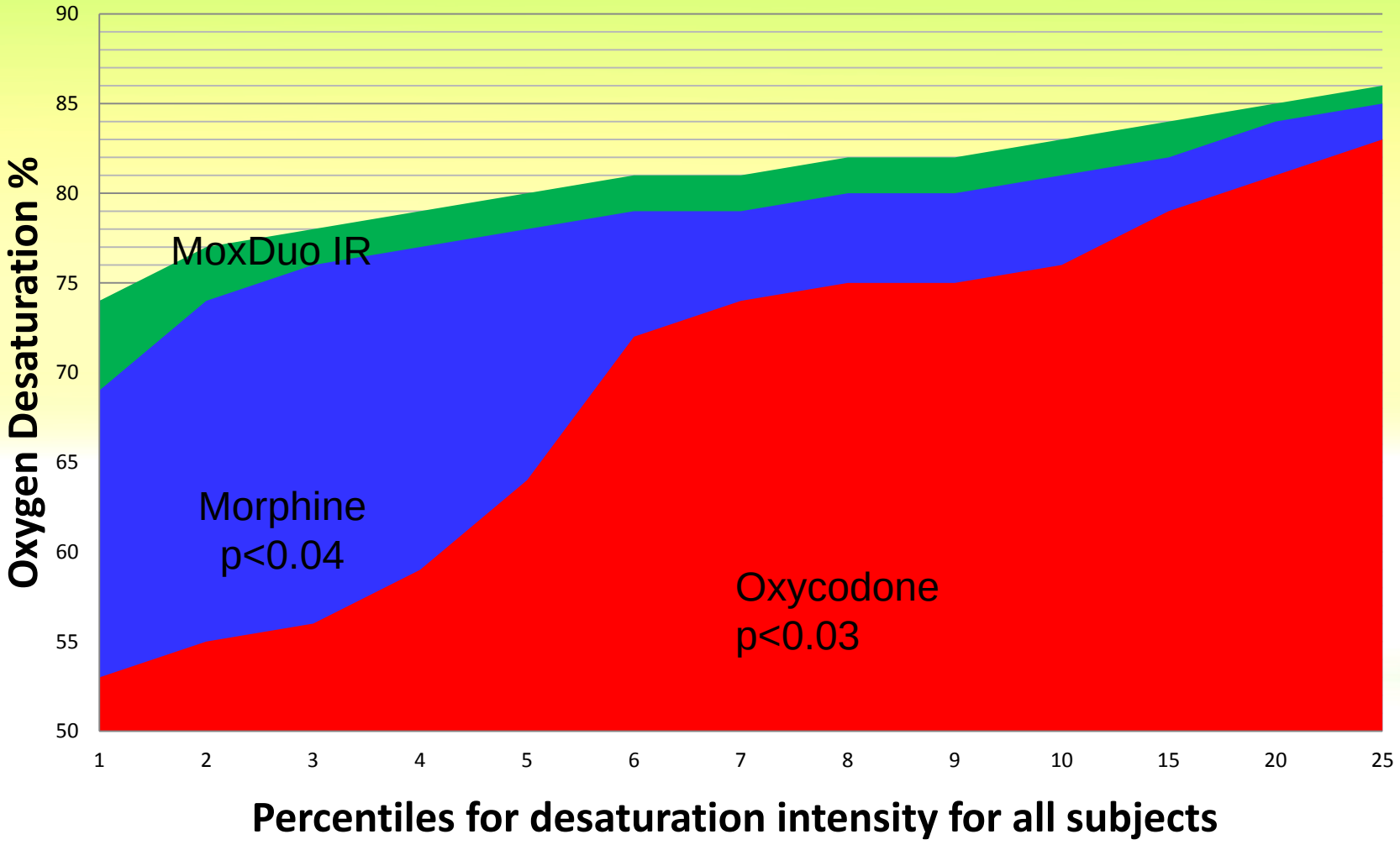
- Overall less severe and of shorter duration oxygen desaturations ($SpO_2<90\%$) in patients receiving MoxDuo IR (12 mg/8 mg) compared to those receiving equi-analgesic doses of either morphine (24mg) or oxycodone (16 mg) alone.
- Analysis of covariance of area under the curve of blood oxygen desaturations, an FDA accepted endpoint reflecting both severity and duration of respiratory impairment, indicated MoxDuo IR produced substantially less ($p=0.018$) impairment than oxycodone.

Equal analgesic doses (no differences in SPID scores)

ANALYSIS OF OXYGEN DESATURATION (AUC)



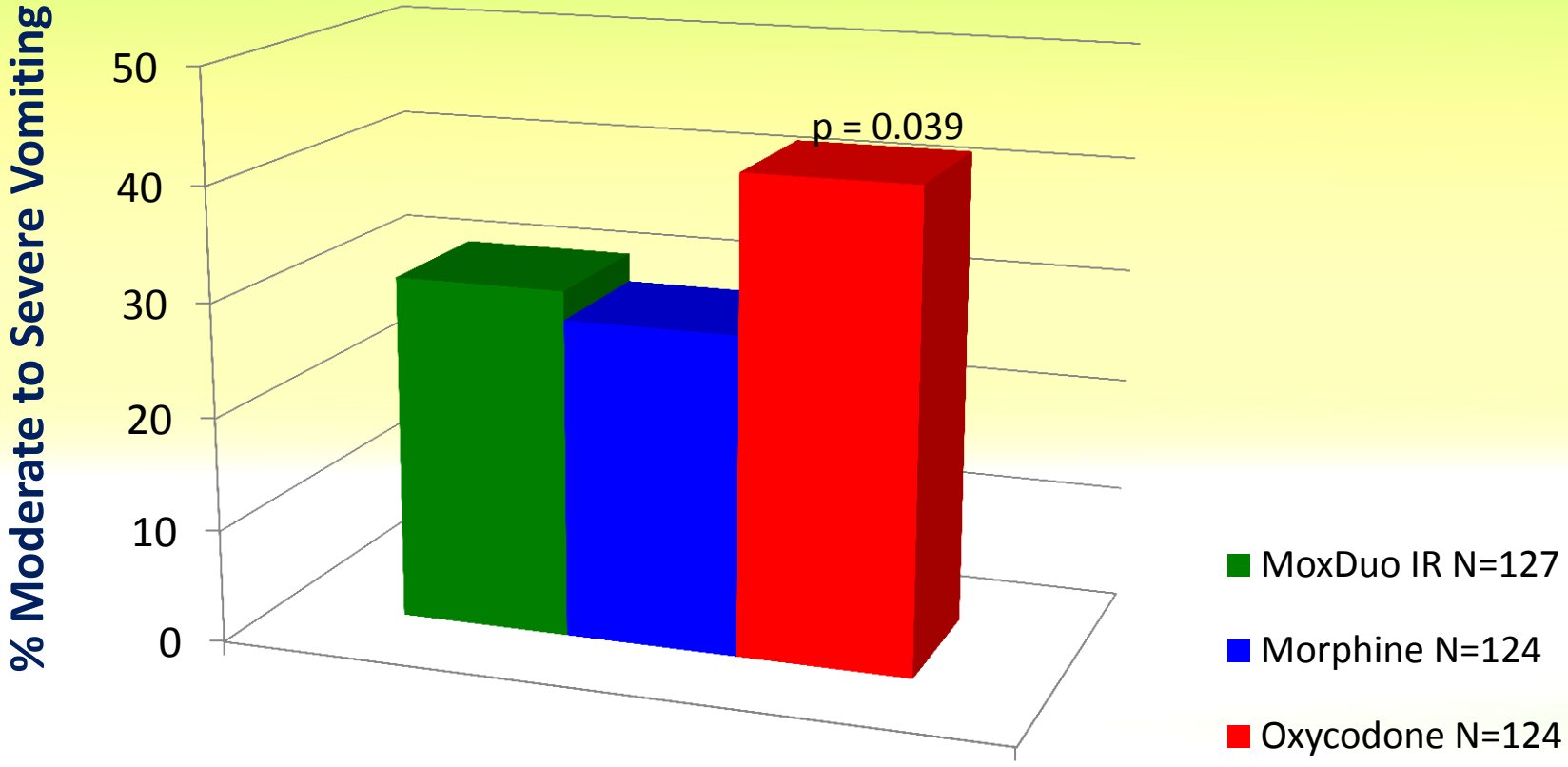
DESATURATION INTENSITY VALUES BY TREATMENT



STUDY 022 TOP-LINE RESULTS
Secondary endpoints of opioid-related side effects

- Unlike earlier MoxDuo studies, Study 022 included a number of FDA newly requested design elements which required administration of anti-nausea medication only to patients that vomited, limiting the interpretation and comparative value of nausea and vomiting measurements.
- Even so, moderate to severe vomiting was significantly ($p<0.05$) reduced (32% vs. 42%) in MoxDuo IR treated subjects compared to patients receiving oxycodone alone at the same 24 mg morphine equivalent dose
- The overall incidence of patient reported nausea were lower in the MoxDuo treated subjects than each of the controls, but the differences were not significant.

PERCENTAGE OF PATIENTS WITH MODERATE TO SEVERE VOMITING



STUDY 022 CONCLUSIONS

- MoxDuo IR produces substantially less severe and shorter duration oxygen desaturations when compared to morphine and oxycodone. *Respiratory depression is the leading cause of death from opioids* ***– to our knowledge such a safety benefit has never been reported for any opioid.***
- Met an agreed upon safety threshold for the BfArM (European regulatory authority) and therefore supports our planned EU MAA filing in 2012.

NDA FOR MOXDUO IR TO BE FILED AUGUST, 2011

- **Pivotal Phase 3 studies completed:** met agreed upon primary analgesic efficacy endpoints in post-surgical bunionectomy combination rule studies (vs. morphine and oxycodone) and with post-surgical knee pain

- **Safety advantage of MoxDuo IR when directly compared to equi-analgesic doses of morphine, oxycodone or Percocet**

  - 50% -75% lower frequency of moderate to severe nausea, vomiting and dizziness in Study 021 and Study 020
  - Significantly fewer patients experienced medically meaningful oxygen desaturations in Study 022, ($p = < .05$ for MoxDuo vs. both morphine and oxycodone)

- **MoxDuo IR proven superior to components on efficacy and safety measures**

ADDITIONAL PROGRAMS

MoxDuo IV

MoxDuo CR

MOXDUO IV: DEVELOPMENT STATUS

- Aoxing Strategic Alliance
  - Aoxing funds clinical development in exchange for exclusive marketing rights in China (royalties to QRxPharma)
  - QRxPharma retains ownership of MoxDuo IV and rights to use Aoxing generated data for product registration outside China
- Completed Phase 2 POC study: IV morphine/oxycodone vs. IV morphine alone
  - Moderate to severe post-operative pain (hip replacement)
  - Improved SPID scores with morphine/oxycodone, fewer doses required and reduced adverse events

MOXDUO CR: DEVELOPMENT STATUS

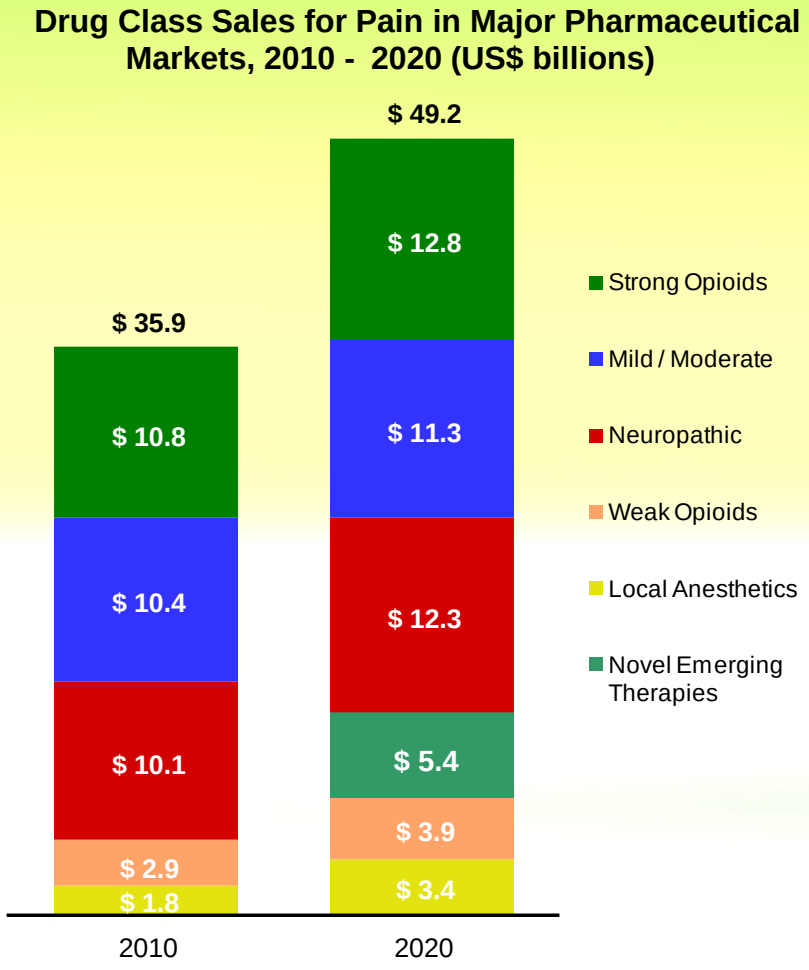
- Controlled-release (MoxDuo CR) dual-opioid
  - 12 hours of pain relief
  - Abuse deterrent and tamper resistant tablet
- Phase 1 PK study: Formulation demonstrated profile consistent with twice-daily administration
  - Component doses of MoxDuo CR vs. Oxycontin® 20 mg (sustained release oxycodone)
  - N=14 normal, healthy volunteers, single dose crossover design
  - Compared the rate at which oxycodone component of the CR formulation was absorbed, distributed, metabolized and eliminated

Phase 1 study IND approved, ready to initiate next study in 2011

THE MARKET OPPORTUNITY

GLOBAL PAIN MARKET
CURRENT STATE OF PAIN PRODUCTS

- Large market opportunity-US $14bn global market ($8 bn + US); CAGR > 6%
- 210 mm Rxs in US acute pain opioid market - Vicodin/Percocet dominate
- Limited product innovation to date in the pain market; clear need for opioids with fewer side effects
- Strong opioids are the “gold standard” in treating moderate to severe pain
- Strong opioids are forecast to maintain sales dominance through 2020 (aging population)



Sources: AVOS Life Sciences, Decision Resources, IMS

US PAIN MARKET
FUTURE STATE OF PAIN PRODUCT OFFERINGS

- **Regulatory and political climate creates significant potential for rescheduling/limiting hydrocodone/paracetamol products, increasing MoxDuo's market potential**
  - 2009 FDA Advisory Panel vote to eliminate some prescription products that combine paracetamol (acetaminophen) with other drugs like narcotics, specifically Vicodin & Percocet
  - Vicodin and its generics are the most abused opioids in the US with a Bill before Congress to reschedule, leveling the playing field
- **2011 FDA mandates that all products containing >325mg of paracetamol to be off the market within 3 years**
  - Greater use of lower strength opioid/paracetamol combos will likely increase number of patients with inadequate pain control

Acute pain market in the US will undergo disruptive change

OPTIMIZING THE MOXDUO IR VALUE

- **Target healthcare providers:** orthopedic surgeons, other surgical sub-specialties and primary care physicians
- **Markets:** hospitals and pharmacies, US, Europe and Asia
- **Third party payers:** enter market in Tier 3 then move to Tier 2 with pharmacoeconomic benefit data from Managed Care “time to discharge” study
- **Market research:** extremely high acceptance rate of MoxDuo by physicians and payers

50-75% reduction in clinically significant side effects

MOXDUO US PEAK SALES POTENTIAL

	MoxDuo IR	MoxDuo IV	MoxDuo CR
Market Size	▪ ~200 mm Rx (2012) ▪ Annual market growth of 1.0% ▪ QRx targets approx. 50% of market	▪ ~29 mm Rx (2014)[1] ▪ Annual market growth of 1.0% ▪ QRx targets 100% of market	▪ ~34 mm Rx (2015) ▪ Annual market growth of 3.0% ▪ QRx targets 100% of market
Market Penetration	▪ Initial share: 1.0% (2012) ▪ Peak share: 5.0% (2015)	▪ Initial share: 1.5% (2014) ▪ Peak share: 13.0% (2018)	▪ Initial share: 1.4% (2015) ▪ Peak share: 13.9% (2020)
Pricing	▪ Initial price: $112 based on 4 doses per day and 14 days of therapy ▪ Annual price improvement: 5.0% ▪ **Peak sales: ~$680 mm**	▪ Initial price: $32 based on 4 vials per day and 2 days of therapy ▪ Annual price improvement: 5.0% ▪ **Peak net sales: ~$150 mm**	▪ Initial Rx Price: $180 based on 2 doses per day and 30 days of therapy ▪ Annual price improvement: 5.0% ▪ **Peak net sales: ~$1,300 mm**
Blockbuster Opportunity	▪ Paracetamol Limitation - **Peak sales: ~$1,350 mm** ▪ plus Vicodin Rescheduling - **Peak sales: ~$2,000 mm**		

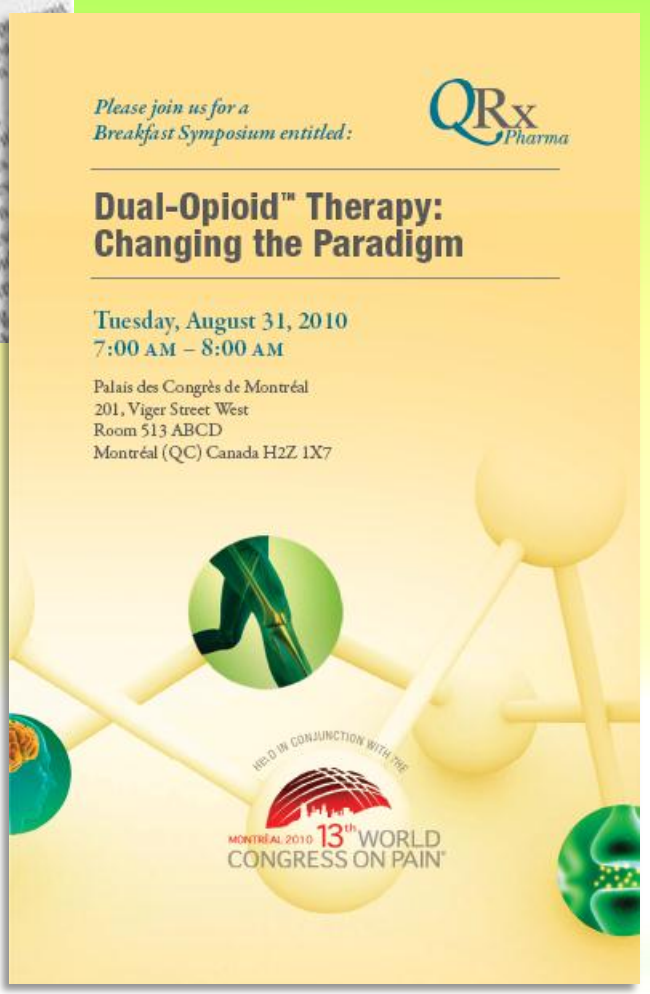
Respiratory depression is the leading cause of death from opioids

(1) Rx represents eaches.

PHARMACOECONOMIC BENEFITS

- Knee replacement study (020) demonstrated that MoxDuo treated patients, when compared to Percocet® treated patients, were out of bed faster, walked and slept better.
- Pharmacoeconomic studies report that up to $30,000 per patient is spent on managing the side effects of opioid therapies by extending hospitalization, increased nursing care and readmissions.
- QRxPharma meetings with reimbursers, managed care providers and key opinion leaders indicate that decreasing hospitalization time by as little as 4 hours, or recovery room time by 20 minutes, would be an enormous pharmacoeconomic benefit and enhance MoxDuo IR prescriptions.

Knee replacement patients were out of bed faster, walked and slept better



"The clinical advantages of MoxDuo IR have the potential to change the traditional methods of treating moderate to severe pain by providing **better pain relief without many of the debilitating side effects** seen with traditional opioid drugs."

Dr. Bruce Nicholson, leading US pain physician

CORPORATE OVERVIEW

LEADERSHIP TEAM

Senior Management

- John Holaday, PhD (CEO)*
- Chris Campbell (CFO)
- Richard Paul, MD (EVP Drug Development)
- Warren Stern, PhD (Clinical Consultant)
- Janette Dixon, PhD (VP Global BD)
- Patricia Richards, MD, PhD (CMO)
- Phil Magistro (Chief Commercial Officer)

Board of Directors

- Peter Farrell, PhD - Chairman (ResMed)
- Michael Quinn (Innovation Capital)
- Peter Campbell (Sonic Healthcare)
- Gary Pace, PhD (ResMed, founder QRxPharma)
- John Holaday, PhD (CEO)*

Scientific Advisory Board

- Solomon Snyder, MD (Chair)
- Lester Crawford, DVM, PhD
- Robert Lenox, MD
- Guy A. Caldwell, PhD
- Michael J Cousins, MD, AM
- Horace H Loh, PhD
- Gavril Pasternak, MD, PhD
- David Janowsky, MD
- Ed Rudnic, PhD

VALUE DRIVERS: 2011 TARGETED MILESTONES

- ✓ MoxDuo IR Phase 3 total knee replacement trial Q1, 2011
- ✓ MoxDuo IR Pre-NDA meeting with FDA end Q1, 2011
- ✓ MoxDuo IR adverse events study results Q2, 2011
- MoxDuo IR NDA submission August 2011
- Strategic partnership 2011
- Finalize formulation, complete two Phase 1 trials for MoxDuo CR by Q1, 2012
- Implement plan to bring MoxDuo IR to market in 2012
- Submit Marketing Authorisation Application (MAA) in Europe for MoxDuo IR first half, 2012

FINANCIAL SUMMARY (17 JUNE 2011)

Shares on issue:	126 million (ordinary)
Market cap:	AUD$201 million
Cash on hand:	AUD$14.9 million (31 March 2011)
Cash burn:	Runway into FY 2012
Share registry:	+80% institutional/high net worth
Listing:	ASX: QRX / OTCQX: QRXPY

KEY DIFFERENTIATORS

- Multi-Billion dollar market; broad spectrum technology
- Opens therapeutic window; equal or greater analgesia with fewer side effects than monotherapy
- ‘De-Risked’ clinical program; 505(b)(2) regulatory path
- Global IP strength (all products/formulations – IR, IV & CR); expected exclusivity through 2029
- Strategic partnerships in negotiation
- Revenues expected in 2012

CONTACT INFORMATION

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