Beyond Convention...*Changing Paradigms*

Investor Update and Capital Raising

July 2011

QRx Pharma

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EXECUTIVE SUMMARY

NDA Filed	• QRxPharma is a commercial-staged specialty pharmaceutical company focused on the development and commercialisation of therapies for pain management and central nervous system (CNS) disorders • On 18 July, 2011, QRX filed its New Drug Application with the US Food and Drug Administration for its lead drug MoxDuo® IR; a major milestone for the Company
Equity Raising	• Total raising of A$30 million [1], by way of: - A$20 million Placement [2]; and - A$10 million Rights Issue
Offer Structure	• Placement of 13.8 million shares [1] (11% of issued capital) at A$1.45 per share • 1 for 20 non renounceable rights issue at A$1.45 per share • Representing a: - 10% discount to last closing price of $1.61 per share - 13% discount to the 5 day VWAP
Use of Proceeds	• The raising will allow QRX to take lead product MoxDuo IR to point of commercialisation and provides the Company with a strong financial position as it negotiates with potential partners

[1] *The Company and the Joint Lead Managers reserve the right to increase the size of the Placement to $25 million (subject to demand)*

[2] *Placement shares will be eligible to participate in the rights issue*

INVESTMENT HIGHLIGHTS

- **Major milestone achieved:** New Drug Application filed with the US FDA for MoxDuo IR in preparation for market launch in 2012
- **Multi-Billion dollar global market:** Global opioid market estimated at $US14bn[1]
- **Opens therapeutic window:** equal or greater analgesia with fewer side effects than monotherapy
- **Global IP strength:** (all products/formulations – IR, IV & CR); expected patent exclusivity through 2029
- **Strategic partnerships:** Partnerships are in negotiation with a partnering deal expected in CY2011
- **MoxDuo sales revenues expected in CY2012:** FDA approval expected to take 10 to 12 months from NDA filing

Source: [1] Avos Life Sciences (Decision Resources)

CAPITAL RAISING OVERVIEW
USE OF PROCEEDS

- The Company is committed to finalising a licensing deal for MoxDuo IR before the end of CY2011
- Discussions with a number of parties are ongoing regarding a corporate transaction and / or commercial partnership
- The equity raising is being used to ensure the Company can meet its objectives and maintain flexibility irrespective of how these discussions evolve
- This capital raising puts the Company in a strong financial position as it continues to negotiate with potential partners
- The Company's expectations are that first sales of MoxDuo IR will be achieved in CY2012 and this capital raising would allow the company to progress to this important milestone

This capital raising will take MoxDuo IR through to point of commercialisation in CY2012

CAPITAL RAISING OVERVIEW
USE OF PROCEEDS[1]

Regulatory costs for MoxDuo IR:	A$ 2.6 million
Pre-commercialisation of MoxDuo IR:	A$ 6.2 million
Progression of MoxDuo CR:	A$ 8.6 million
Fixed costs and working capital:	A$11.1 million
Offer costs:	A$ 1.5 million
Total:	**A$30.0 million [1]**

Key points:

- Progression of MoxDuo IR to FDA typically takes 10 to 12 months from NDA filing
- The capital raising will take the company through to the point of commercialisation of MoxDuo IR
- Expectations for first sales will be achieved by the end of CY2012

[1] The Rights Issue is not underwritten. In the event that the Company receives subscriptions of less than $10 million in the Rights Issue, the Company will reduce its expenditure accordingly

VALUE DRIVERS:
NEAR TERM 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 July 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 mid year 2012

Company Overview

MOXDUO®

Morphine + Oxycodone

PAIN THERAPY MARKET

- **Large specialty pharma opportunity**
  - US$14 billion [1] global opioid market ($8bn [2] + US); CAGR in excess of 6% [3]
- **150 million[1] people in major markets suffer from acute pain**
  - 210 million [2] prescriptions of immediate release drugs in US annually
  - **Opioids are the "gold standard" in treating pain**
  - Limited innovation with reliance on old therapies
- **Paracetamol (Acetaminophen) containing opioids restricted by FDA [4]**
  - Vicodin® and Percocet® affected (100mm [2] prescriptions annually)
- **Payors and Key Opinion Leaders: 'need for better pain relief with fewer side effects'**
  - In order of severity, side effects are: respiratory depression, vomiting, nausea, somnolence and constipation
  - Opioid side effects delay recovery; cost patients, reimbursers and hospitals
  - Better pain management means shorter hospitalization; Major cost savings!

Source: [1] Avos Life Sciences (Decision Resources) [2] IMS [3] Datamonitor [4] FDA News Release – 13 January 2011

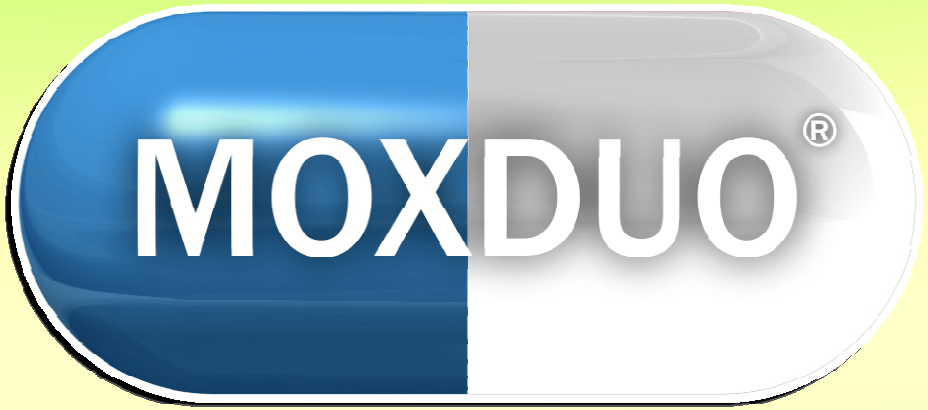
FORMULATIONS: FROM HOSPITAL TO HOME

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

LEAD PRODUCT:
MoxDuo IR

New Drug Application filed with the US FDA

18 July 2011



Morphine + Oxycodone

NDA FOR MOXDUO IR FILED 18 JULY, 2011

- **Pivotal Phase 3 studies completed; primary endpoints achieved**
  - In post-surgical bunionectomy combination rule studies vs. morphine and oxycodone (Study 008) and placebo-controlled dose-ranging study (007)
  - In post-surgical total knee replacement (Study 009)
- **Safety advantage of MoxDuo IR when directly compared to equi-analgesic doses of morphine, oxycodone or Percocet®**
  - Significantly fewer patients with medically meaningful oxygen desaturations in Study 022, ($p < .05$ for MoxDuo vs. both morphine and oxycodone)
  - 50% -75% lower frequency of moderate to severe nausea, vomiting and dizziness in Study 021 and Study 020
- **MoxDuo IR proven superior to components on efficacy and safety**

QRxPharma's NDA is only the second NDA filed by a stand-alone Australian therapeutics company in the last 10 years

MARKETING STUDY 022 COMPLETED
Significant respiratory advantage with MoxDuo IR

- **The intensity of oxygen desaturation (respiratory depression) was significantly less for MoxDuo IR than for morphine or oxycodone at equi-analgesic doses**
- Double-blind, randomized, fixed dose trial; n=375; 4 U.S. sites in patients with moderate to severe post-operative pain following bunionectomy surgery
- FDA requested administration of anti-nausea medication to patients that vomited, limiting the interpretation and comparative value of nausea and vomiting measurements (not study objective); nonetheless, MoxDuo produced significantly less vomiting than oxycodone

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**
- **Secondary endpoints also show advantage**
  - Moderate to severe vomiting was significantly ($p<0.05$) reduced (32% vs. 42%) in MoxDuo IR treated subjects compared to patients receiving oxycodone alone; nausea was also lower in the MoxDuo treated subjects than each of the controls (not statistically significant)
- **Regulatory impact**
  - Met an agreed upon safety threshold for the BfArM (European regulatory authority) **to support our planned EU MAA filing in 2012**.
  - To augment U.S. NDA although not required for product approval

To our knowledge, a safety benefit for respiratory depression has never been reported for any opioid

OPPORTUNITY SNAPSHOT

- **Blockbuster potential in a growing market**
  - In the US: IR $2.0bn; IV $274mm; CR $5.6bn [1]
  - Subject to FDA approval, MoxDuo IR ready to launch in CY2012
- **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 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, Method of Administration, and new formulations

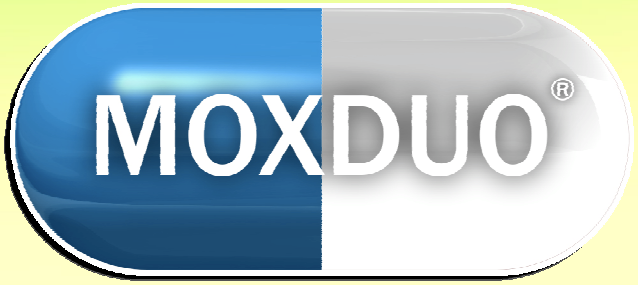
MoxDuo IR – Better pain relief, fewer and less severe side effects

Source: [1] IMS

ADDITIONAL PROGRAMS

MoxDuo CR

MoxDuo IV



Morphine + Oxycodone

MOXDUO CR: DEVELOPMENT STATUS

- **Controlled-release (MoxDuo CR) dual-opioid**
  - 12 hours of pain relief
  - Abuse deterrent and tamper resistant tablet
- **Phase 1 pharmacokinetic (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, metabolised and eliminated
  - Confirmed advantageous PK profile of MoxDuo CR

Next Phase 1 study IND approved, ready to initiate in CY2011

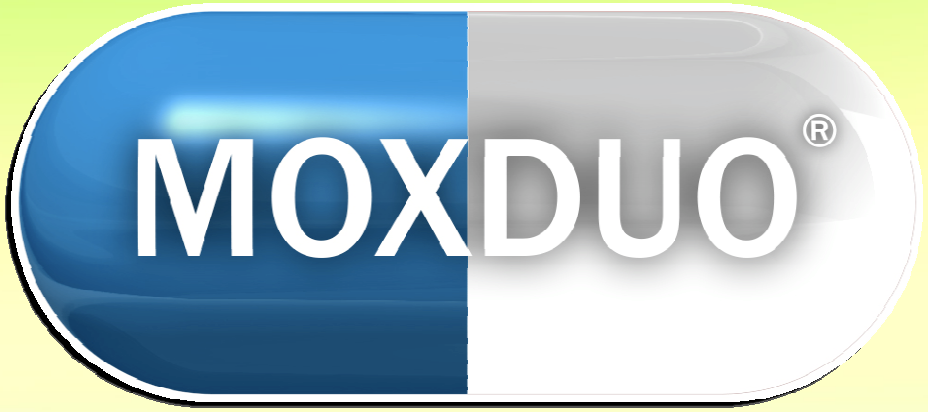
MOXDUO IV: DEVELOPMENT STATUS

- **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 pain relief scores with morphine/oxycodone (MoxDuo IV formulation) with fewer doses required and reduced adverse events

MOXDUO PRODUCT PIPELINE

	PRE-CLINICAL	PHASE 1	PHASE 2	PHASE 3	NDA LODGED
PAIN MANAGEMENT					
MoxDuo IR					
MoxDuo IV					
MoxDuo CR					

Corporate Overview and Capital Raising



Morphine + Oxycodone

FINANCIAL SUMMARY (19 JULY 2011)

Shares on issue:	126 million (ordinary)
Market cap:	A$202 million
Cash on hand:	
30 June 2011	A$ 7.3 million
Net proceeds from raising[1]	A$28.5 million
Proforma cash on hand	**A$35.8 million**
Cash burn:	FY2013
Share registry:	+80% institutional / HNW
Listing:	ASX: QRX / OTCQX: QRXPY

[1] *Assuming a $30 million capital raising*

OFFER DETAILS

Pricing	
Closing price on 19 July 2011	$1.61
Equity raising price	$1.45
Discount to closing price	10%

Equity raising details	
Placement [1]	
Placement shares (11%)	13.8m
Placement proceeds	$20.0m
Entitlement offer	
Ratio	1 for 20
Number of shares issued	7.0m
Entitlement offer proceeds	$10.1m
Total equity raised	**$30.1m**

Shares on issue	
Current shares on issue	125.8m
Placement shares	13.8m
Entitlement offer shares	7.0m
Shares on issue after capital raising	**146.6m**

Offer Structure & size

Placement

Followed by a non renounceable rights issue (new placement shares eligible to participate in rights issue)

Shareholders are able to apply for additional shares in excess of their rights

Placement and rights issue are not underwritten

Ranking

Shares issued under the placement and rights issue will rank equally in all respects with existing ordinary shares from allotment

[1] *The Company and the Joint Lead Managers reserve the right to increase the size of the Placement to $25 million (subject to demand)*

TIMETABLE

	Dates
Trading Halt	Wednesday 20 July – Thursday 21 July 2011
Placement Book closes	**10.00am Thursday 21 July 2011**
Capital raising announced, Offer Documents lodged with ASX, QRX shares re-commence trading	Friday 22 July 2011
Ex date for the Rights Issue	Tuesday 26 July 2011
Settlement of Placement and Allotment of Placement Shares	Wednesday 27 July 2011
Placement Shares trade on ASX	Thursday 28 July 2011
Record Date for the Rights Issue	6pm (Sydney time) Tuesday 2 August 2011
Rights Issue opens	Monday 8 August 2011
Rights Issue closes	5pm (Sydney time) Monday 22 August 2011
Rights Issue shares trade on a deferred basis	Tuesday 23 August 2011
ASX notified of under-subscriptions	Thursday 25 August 2011
Despatch date	Tuesday 30 August 2011
Normal trading commences	Wednesday 31 August 2011

Note: All dates are subject to change at the discretion of the Company

CORPORATE SNAPSHOT

Key Statistics

ASX Code: QRX
Last share price: $1.61
12 month high: $2.51
12 month low: $0.845
Shares on issue: 126 million
Market cap: $202 million (at last close)

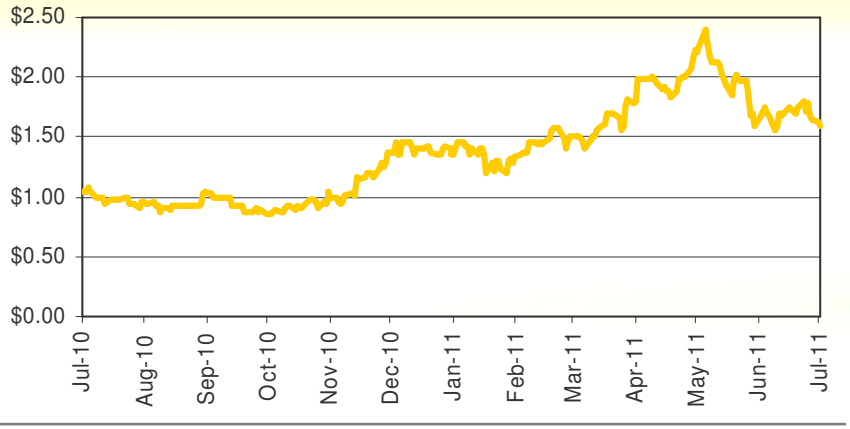
Major shareholders

Orbis Investment Management – 7.6%
BT Investment Management – 6.8%
Innovation Capital Group – 6.7%
John Holaday (MD) – 6.0%
Four Hats – 5.8%

Register

Top 20: 67.4%
Top 50: 76.1 %
Total = 1,717 shareholders

Share price performance



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)

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

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)*

"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

RISKS

An investment in QRxPharma will be accompanied by various risks and should be considered speculative in nature. Some of these risks are specific to the Company while others relate to investing in shares in general. It is for this reason that none of QRxPharma nor its Directors or advisors provide any guarantee with respect to market value or that profitability will be achieved or dividends will be paid.

This section describes a range of risks associated with an investment in QRxPharma. The risks outlined should not be considered exhaustive of the risks faced by QRxPharma and its investors but these and other risks could have a material impact on the financial performance of the company and the value of the Shares offered under the Placement and the Rights Issue.

Before making a decision, investors should consider each of the risks described in this section and QRxPharma's periodic and continuous disclosure announcements lodged with the ASX. Investors should carefully consider these factors in light of their investment objectives and financial circumstances. If investors are in any doubt regarding the terms and conditions of the capital raising they should seek professional advice from their stockbroker, solicitor, accountant, or other qualified professional financial advisor.

General Risks

Share Market Risks

Potential investors should recognise that there are risks associated with any investment in shares. On completion of the Placement and Rights Issue, the Shares may trade on the ASX at higher or lower prices than the offer price. The price at which the Shares trade on the ASX may vary as a result of QRxPharma's financial performance and as a result of external factors which are not under the control of the Company and the Directors. The share price will be subject to changes in overall market conditions and investor perspectives of the specialty pharmaceutical industry. The share prices of specialty pharmaceutical companies can be volatile and there can be no guarantee that the price of the Shares will increase after the Placement and Rights Issue.

Liquidity and Realisation Risk

There is no guarantee that an active market in the Company's Shares will develop. There may be relatively many or few buyers or sellers of the Shares trading on the ASX at any given time which may increase share price volatility.

General Economic Conditions and Currency Fluctuations

There are a wide range of macro-economic and political factors, both in Australia and internationally, which are beyond the Company's control and which may affect the Company's operating and financial performance. These may include factors such as economic growth, inflation, exchange rates, interest rates, consumer spending and government fiscal, monetary and regulatory policies. There is also the risk of terrorist and other activities which may adversely impact the global economy and share market conditions in general.

A significant proportion of QRxPharma's revenues and expenses is expected to be denominated in currencies other than Australian dollars, in particular US dollars. The Company expects approximately 90% of the Placement and Rights Issue proceeds will be exposed to fluctuations between the Australian dollar and the US dollar. As a result, if proper hedging is not in place, exchange rate movements could have an adverse impact on the Company's financial results.

Tax Risk

Any change to the rate of company income tax in the jurisdictions in which QRxPharma operates will impact on financial performance, cash flows the share price and shareholder returns. Any changes to the rates of income tax applying to individuals or trusts will also impact shareholder returns. Additionally, any change to the tax arrangements between Australia and other jurisdictions could adversely impact the Company's future earnings and the level of dividend franking.

SPECIFIC RISKS TO QRXPHARMA

Legislative and Regulatory Changes

Changes to laws and regulations or accounting standards which apply to QRxPharma could have an adverse impact on the Company's financial performance. Some legislative and regulatory changes that could have an adverse impact on the Company include changes to regulatory requirements for the commercialisation of the Company's pipeline products.

Clinical Development

Whilst QRxPharma has completed its Phase 3 registrational study programme for MoxDuo IR it has additional products at an earlier stage of development. There are inherent risks involved with the development of pharmaceutical products including failure during clinical trials or failure to achieve sufficient robustness and reliability. QRxPharma is yet to commercialise any products from its development programmes and cannot guarantee that its research and development activities will lead to the development and successful commercialisation of its products. There is also no guarantee that QRxPharma will succeed in bringing its products to market at a time that allows it to capture market opportunities.

Regulatory Risks

To obtain regulatory approval for the commercial sale of any one of its products, QRxPharma must prove that its products are both safe and effective for use in each proposed indication and whilst QRxPharma has completed its Phase 3 registrational study programme for MoxDuo IR there can be no guarantees that NDA approval from the FDA to sell MoxDuo IR is obtained in a reasonable timeframe or is obtained at all. Unexpected delays to regulatory approval and commercialisation may therefore occur.

As with any company involved in developing pharmaceutical products, QRxPharma must comply with the regulatory framework in any country in which it intends to market the product in question. These requirements vary depending on the relevant product and the nature of approvals or changes being considered. In general, established agents which have less significant proposed changes will face less substantial requirements for demonstration of safety and efficacy. Consequently, regulatory requirements may vary depending on the product in question.

Equally, FDA approval of MoxDuo IR does not necessarily mean that approval will automatically be obtained for MoxDuo IV or MoxDuo CR.

Future Funding Requirements

The Directors believe that QRxPharma will have sufficient cash reserves to fund its activities through to FDA regulatory approval of MoxDuo IR . However, QRxPharma may need to raise additional funds from time to time to meet its future funding requirements. The Company may not be successful in raising adequate funds on favourable terms and this could have a material adverse impact on QRxPharma's prospects.

Reliance on Partners and Commercial Agreements

QRxPharma currently intends to negotiate and enter partnership agreements in relation to the commercialisation of MoxDuo. Delays in negotiating, or a failure to enter such arrangements, may lead to delays in bringing products to market or may result in less favourable financial terms for QRxPharma once such agreements are entered.

QRxPharma does not have and does not intend to obtain facilities capable of manufacturing its proposed products in commercial quantities. QRxPharma will be dependent on third parties to manufacture any products (or constituent parts) that it develops. There can be no assurance that the Company will succeed in establishing a supply chain through contract manufacturing and supply arrangements on favourable terms or that such a supply chain would remain uninterrupted. This exposes QRxPharma to potential delay and pricing issues.

The success of QRxPharma's product development and commercialisation is in part dependant on its technology and discovery relationships. These relationships expose the Company to some risks - its collaborators may disrupt the manufacturing or distribution of the Company's products, terminate or fail to renew agreements with the Company, experience financial difficulty, become insolvent or enter into partnerships with the Company's competitors.

SPECIFIC RISKS TO QRXPHARMA

Reliance on Key Personnel

QRxPharma has a number of key personnel at the Board, executive and scientific/operational level. While QRxPharma is committed to providing attractive employment conditions and prospects, there can be no guarantee that the Company can retain these key personnel. The loss of the services of any of these individuals could have a material adverse impact on the Company's research, product development and commercialisation success.

There can be no assurance that QRxPharma will be able to attract and retain the services of additional scientific, technical, manufacturing, sales and managerial staff as the need arises. This is due to the specialised and competitive nature of the specialty pharmaceuticals industry and it may also have a material adverse impact on QRxPharma's success.

Protection of Proprietary Technology and Trade Secrets

The commercial success of QRxPharma partly depends on its ability to obtain patent protection of its products and technologies in its main markets and to protect its trade secrets. There can be no guarantee that technologies or products developed by the Company will be patentable, that patents will be granted for products currently in development or that its patents will be sufficient to protect QRxPharma from competition from third parties with similar technology.

Current Patents

It is possible that third parties may assert IP claims against the Company under copyright, trade secret, patent or other laws. The Company is not aware of any such claims in relation to the IP rights in which it has interest. If such claims were to arise, there may be an adverse effect on the Company's business, including costly litigation and the diversion of Management attention, which could occur regardless of the outcome of any proceedings.

Litigation

QRxPharma is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, personal injury claims or employee claims. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company. QRxPharma has had no actual or threatened litigation or legal disputes.

Use of Net Proceeds of the Offer

QRxPharma has indicated the current anticipated use of net proceeds of the Placement and Rights Issue proceeds earlier in this presentation. However, the Board will have total discretion in the allocation of the funds. A failure to apply the funds effectively could have an adverse impact on the business.

Dividends

The ability of QRxPharma to pay dividends in the future will depend on the success of its clinical trials and its ability to commercialise its products in development. In addition, considerations such as future capital requirements and the Company's financial position will impact the amount, timing and payment of any dividend. There may also be factors outside of QRxPharma's control which affect the ability of the Company to pay dividends and as such the Directors are unable to give any guarantee regarding the payment of dividends in the future.

Competition

QRxPharma competes with several large organisations, some of which are multi-national and have worldwide distribution networks. The Company believes that the major competitors in the drug market for the treatment of moderate to severe pain include Endo Pharmaceuticals, Abbott, Purdue Pharma, Mundipharma, Cephalon, Pfizer and Johnson & Johnson. Compared to QRxPharma the Directors believe that several of these firms have substantially greater financial resources and greater technical and market strength. Companies that would be likely to lose market share may develop strategies to resist the introduction and sales growth of QRxPharma's products.

In addition, there can be no guarantee that the Company's competitors will not be successful in developing technologies and products that are more effective or cost efficient than those technologies and products that the Company is currently developing. As a result, the Company's products may become uncompetitive and the business would suffer.

CONTACT INFORMATION

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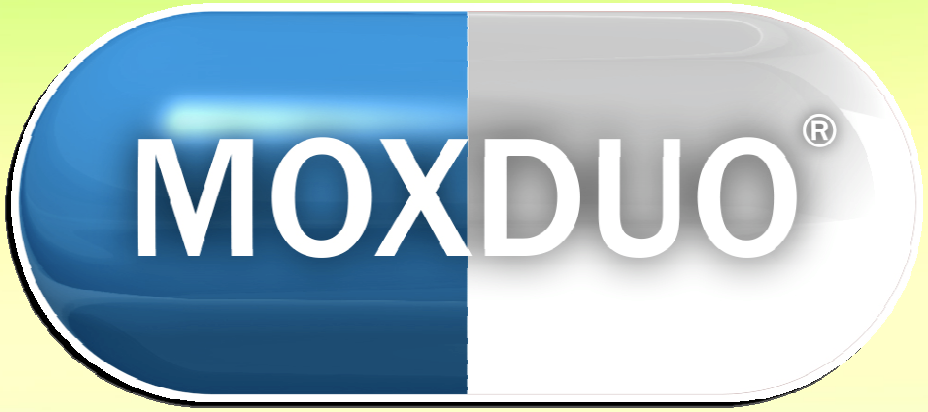
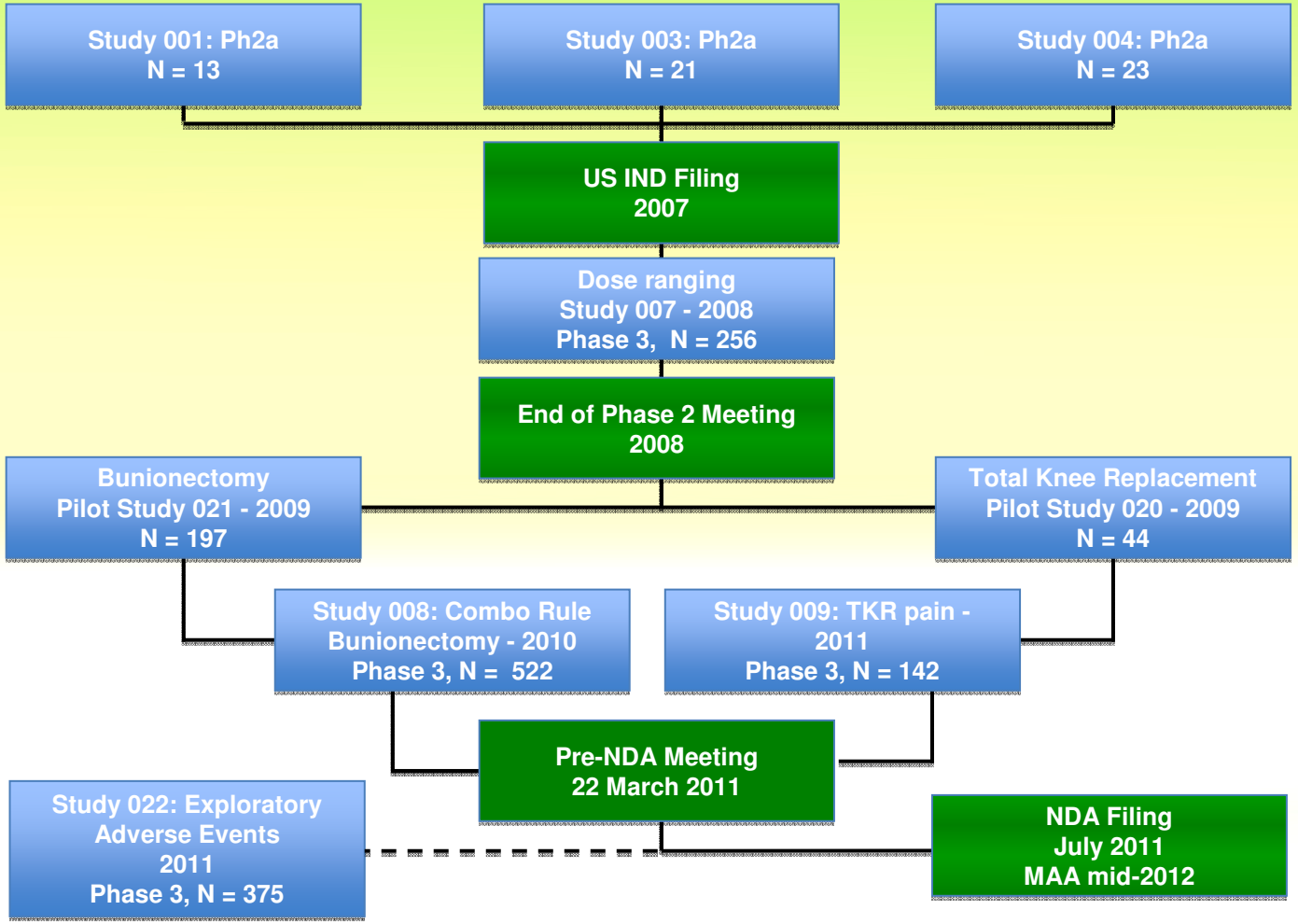
Appendix



Morphine + Oxycodone

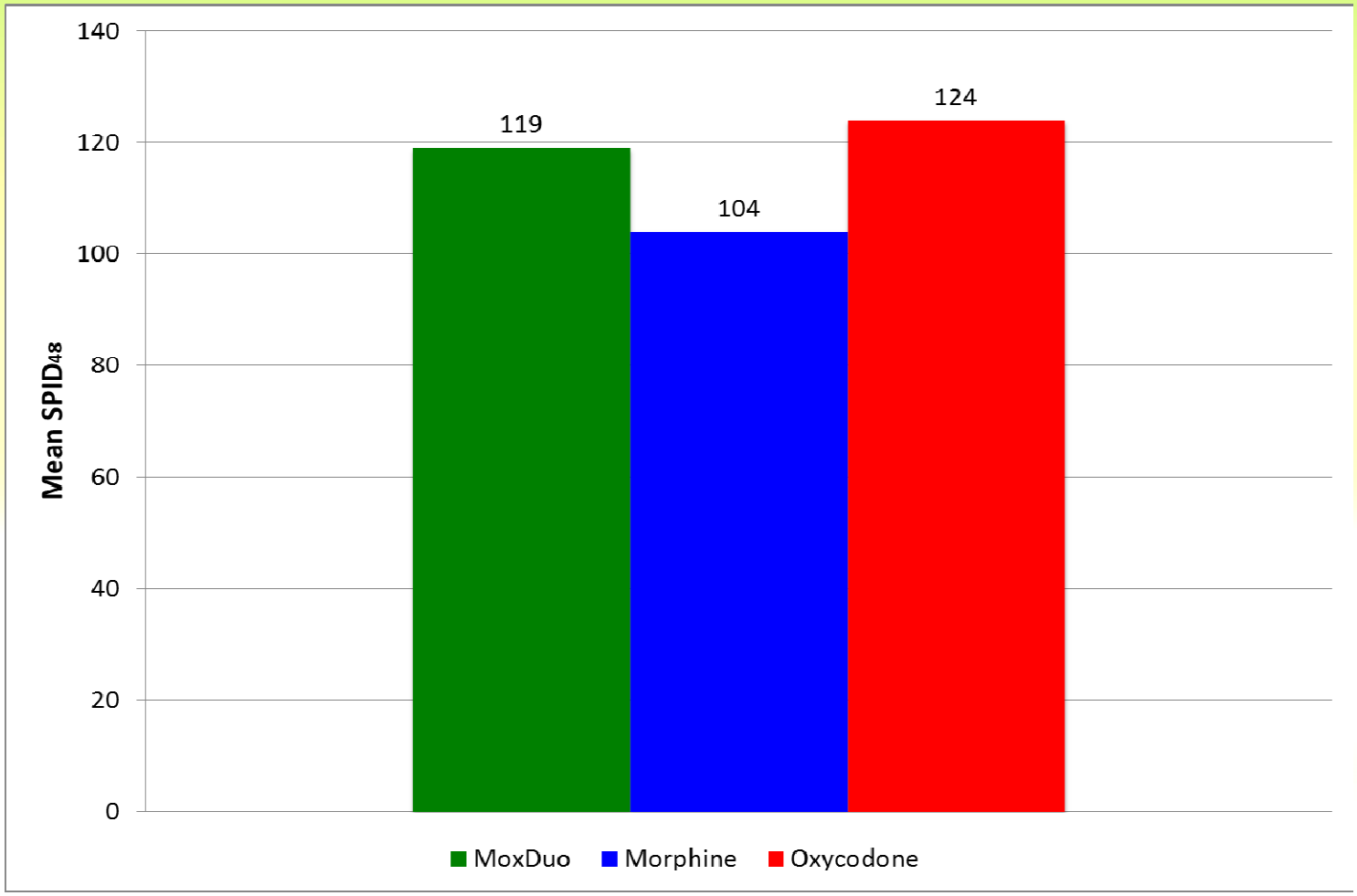
CLINICAL DEVELOPMENT COMPLETED: MOXDUO IR



KEY TRIAL CONCLUSIONS

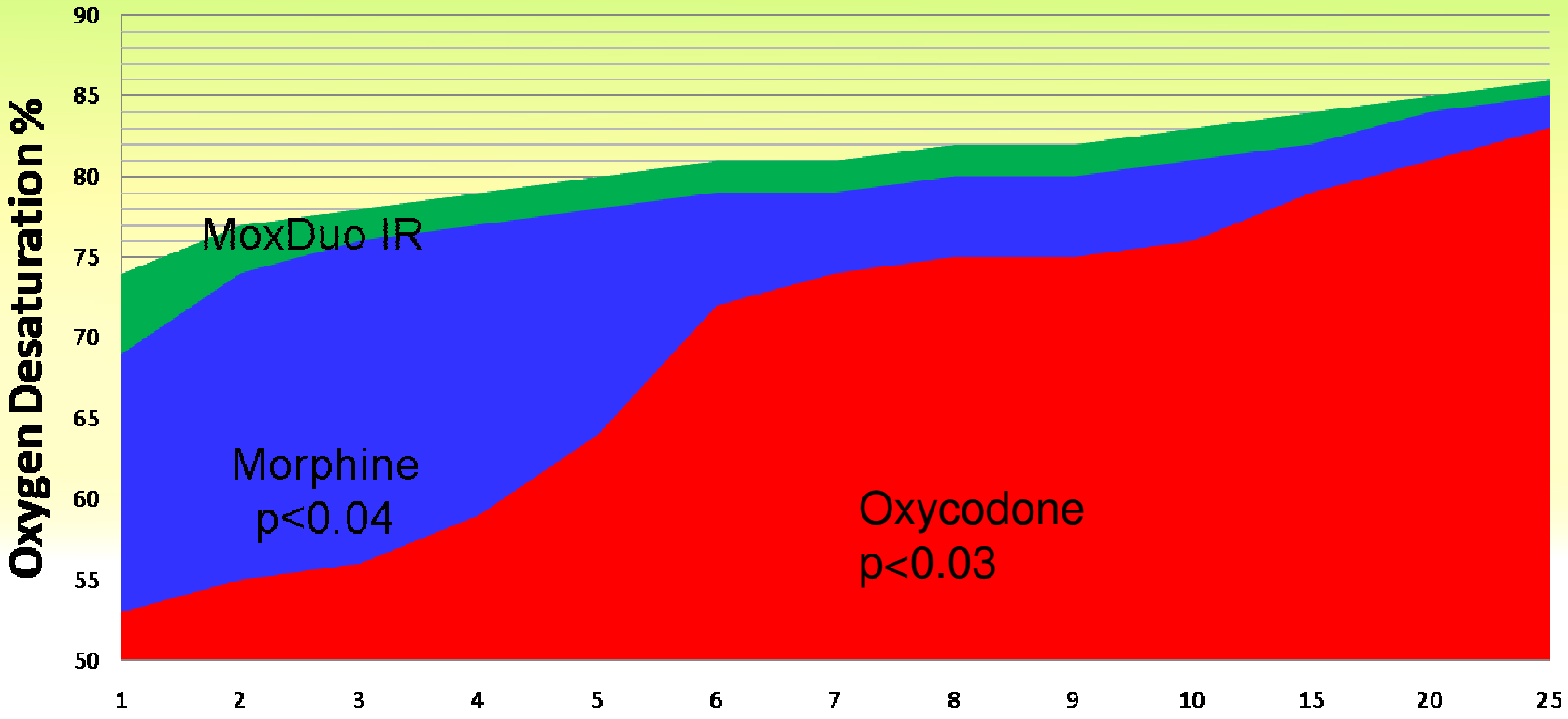
- **Bunionectomy Trials: Pilot 021 and Pivotal 008**
  - 719 total patients treated
  - Satisfied FDA Combination Rule
  - Met primary analgesic efficacy endpoint vs morphine and oxycodone
    - MoxDuo IR proven superior to components on efficacy measures
  - Consistent safety advantage of MoxDuo IR
    - Pilot: 50% -75% lower frequency of moderate to severe nausea, vomiting and dizziness when compared to equi-analgesic doses of morphine or oxycodone
    - Phase 3: Despite higher dose and better pain relief of MoxDuo than morphine or oxycodone, AE rate and duration not statistically different
- **Total Knee Replacement Trials: Pilot 020 and Pivotal 009**
  - 186 total patients treated
  - Met all primary analgesic efficacy endpoint vs Percocet
    - Pilot: MoxDuo superior to Percocet
    - Pivotal: MoxDuo High Dose better pain relief than low dose
  - Frequency of AEs much lower than Percocet

STUDY 022: MARKETING STUDY
equal analgesic doses



STUDY 022: RESPIRATORY DEPRESSION

oxygen desaturation intensity by treatment



Percentiles for desaturation intensity for all subjects

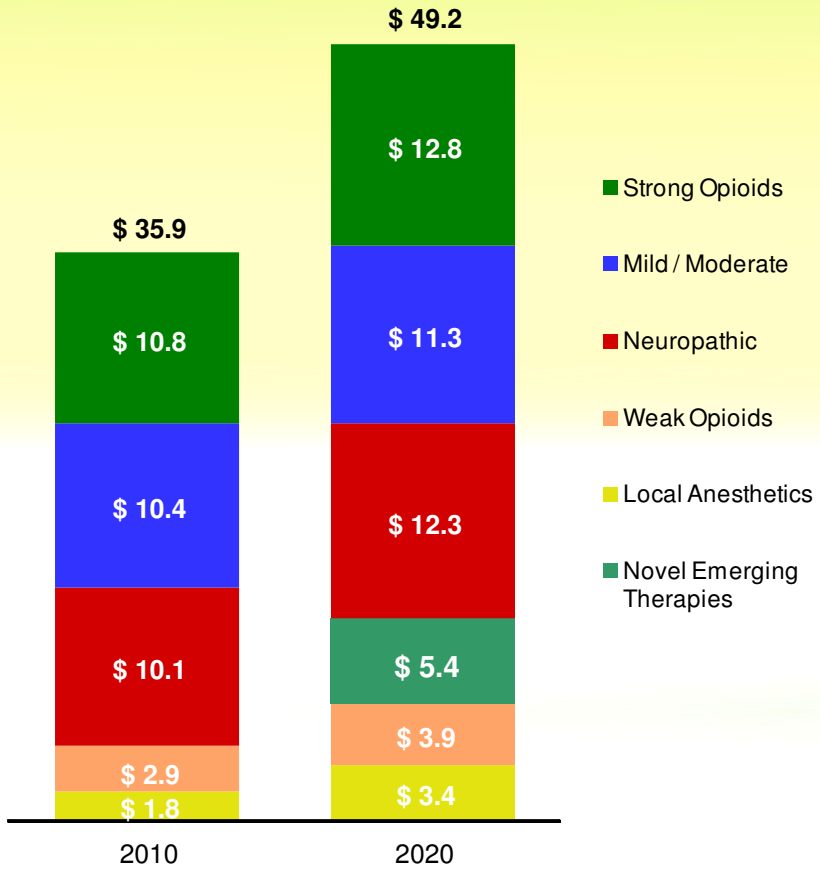
MoxDuo produces significantly less respiratory depression

THE MARKET OPPORTUNITY

GLOBAL PAIN MARKET
CURRENT STATE OF PAIN PRODUCTS

- Large market opportunity-US $14bn global market ($8 bn + US); CAGR > 6%
- 210mm 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)

Drug Class Sales for Pain in Major Pharmaceutical Markets, 2010 - 2020 (US$ billions) [1]



Source: [1] Avos Life Sciences (Decision Resources)

US PAIN MARKET

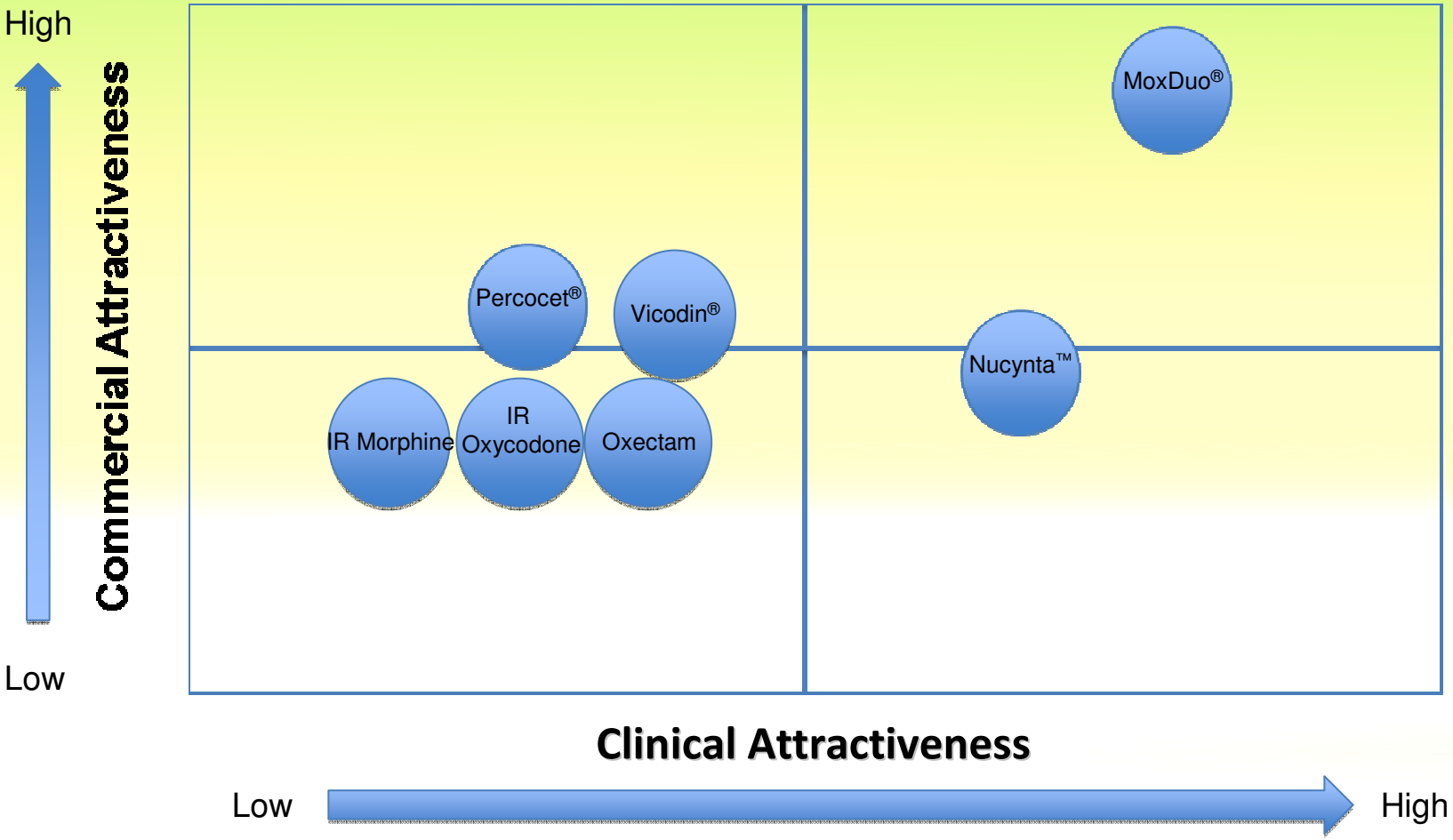
Future State of Pain Product Offerings

- **Regulatory and political climate creates significant potential for rescheduling/limiting hydrocodone/paracetamol products due to liver toxicity, increasing MoxDuo's market potential**
  - 2009 FDA Advisory Panel vote to eliminate some prescription products that combine high doses of 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 US Congress to reschedule with other opioids, leveling the playing field in the marketplace
- **2011 FDA mandates that all products containing >325mg of paracetamol to be off the market within 3 years** [1]
  - Greater use of lower strength opioid/paracetamol combos will likely increase number of patients with inadequate pain control

Acute pain market in the US is undergoing disruptive changes that advantage MoxDuo IR

[1] *FDA News Release – 13 January 2011*

MOXDUO® IR TARGET PRODUCT PROFILE



MOXDUO US PEAK SALES POTENTIAL
(Company Estimates)

	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**		▪ **Oxycontin - $3 billion/year - off patent in 2013, opening market for MoxDuo CR in 2015**

Respiratory depression is the leading cause of death from opioids

1 Rx represents eaches.

PHARMACOECONOMIC BENEFITS

- Knee replacement study (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
  - Extended hospitalization, increased nursing care and re-admissions
- QRxPharma has met 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

MoxDuo's side effect advantages may improve patient recovery and decrease hospital time

Dystonia

Parkinson's

Huntington's

Alzheimer's

CNS PROGRAM

- Reduce protein misfolding linked to neurodegenerative diseases/disorders
- Primary funding: Michael J. Fox Foundation
- Treat causative level, not temporary symptomatic relief
  - Exclusive rights to novel IP
  - Sponsored research agreement with University of Alabama
  - Drug targets to increase activity of normal Torsin A
- Development approach
  - NCE discovery
  - Partnering discussions ongoing