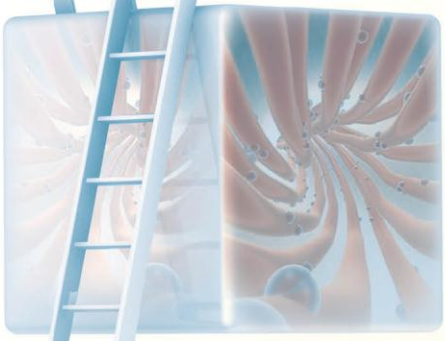
ASX RELEASE
19 March 2012

QRxPharma Signs License and Option Agreement with Actavis

Agreement Finalised for US Sales of MoxDuo® IR to Address $2.5 Billion Acute Pain Market in 2012

Sydney, Australia and Bedminster, New Jersey – QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) announced today execution of its License and Option Agreement (LOA) with Actavis, Inc. which finalised the legal terms and conditions to commercialise MoxDuo IR in the US acute pain marketplace. The LOA completion follows a 20 December 2011 signing of a binding Letter of Intent (LOI) secured by a US$6 million non-refundable upfront signing fee to QRxPharma.



"Actavis is proving to be an exceptional partner. The strategic synergies between our companies and our collaboration at the joint steering committee level are critical success factors going forward," said Dr. John Holaday, Managing Director and Chief Executive Officer, QRxPharma. "With the LOA now complete, we are focusing our ongoing energies towards supporting Actavis as we approach our PDUFA date and prepare for the anticipated launch of our first product, MoxDuo IR, in the third quarter."

Actavis' Chief Executive Officer for the US, Doug Boothe, added: "Our launch plans for MoxDuo IR are on track and we remain convinced MoxDuo IR is very well suited to the experience and expertise of our marketing and sales teams. We are very optimistic about the opportunity for MoxDuo IR to successfully penetrate the $2.5 billion acute pain market in the US."

<u>Highlights of the strategic partnership include:</u>

1. Actavis has exclusive rights to commercialise and further develop MoxDuo IR for the US market while assuming all costs for product launch as well as ongoing marketing and sales efforts in the US.
2. Commencing at MoxDuo IR launch, Actavis will pay QRxPharma royalties of 10% to 30% depending on net sales thresholds, except for a period starting 3-6 months following launch where QRxPharma will receive a 50% royalty on US$150 million in cumulative sales.
3. QRxPharma retains a co-promotion/profit-share right, whereby QRxPharma can create its own sales force and provide up to 25% of the effective selling effort to US prescribers at any time following the first 12 months after product launch.

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4. QRxPharma owns the New Drug Application and is responsible for manufacturing at its contract manufacturer, DSM Pharmaceuticals, Inc.
5. QRxPharma retains the rights to MoxDuo IR, CR and IV outside the US.

The LOA also provides Actavis an option to negotiate for US marketing and sales rights of MoxDuo CR, a controlled release Dual-Opioid® for chronic pain, as well as MoxDuo IV, a hospital-based intravenous formulation. Exercise of the option for MoxDuo CR by Actavis is contingent upon achievement of specific MoxDuo IR sales milestones. The option for MoxDuo IV is time-based with expiry on 31 January 2013.

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About MoxDuo IR

MoxDuo is a patented 3:2 ratio fixed dose combination of morphine and oxycodone. In head-to-head comparisons with morphine, oxycodone, Percocet® and placebo, more than 700 patients have been treated with MoxDuo IR in seven clinical trials over QRxPharma's successful Phase 3 programme.

About QRxPharma

QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) is a commercial-stage specialty pharmaceutical company focused on the development and commercialisation of new treatments for pain management. Based on a development strategy that 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. QRxPharma's lead product candidate, immediate release MoxDuo, has a PDUFA date of 25 June 2012 when the New Drug Application review by the US Food and Drug Administration (FDA) will be completed. The Company recently signed a strategic partnership agreement with Actavis, Inc. to commercialise MoxDuo IR in the US acute pain market, with product launch anticipated in 3Q, CY2012. QRxPharma may co-promote its products in the US and plans to seek strategic partnerships for worldwide markets. Additionally, the Company's clinical pipeline includes an intravenous (IV) and continuous release (CR) formulation of MoxDuo. For more information, visit www.qrxpharma.com.

About Actavis

Actavis Inc. is a subsidiary of Actavis Group, hf a privately held company based in Europe with 10,000 employees, operations in 40 countries, and annual global sales in excess of EUR 1.8 billion. Actavis Group is the world's fourth largest generic pharmaceutical company with a growing franchise in branded products. Actavis, Inc. has been manufacturing Kadian® for 15 years, and US sales for that product have grown 50% in the last 5 years to approximately $275 million for the 12 months ending September 30, 2011, according to IMS Health. Based in Morristown, NJ, Actavis Inc. has manufacturing facilities in Elizabeth, NJ and Lincolnton, NC. Actavis also has research and development facilities in Elizabeth, NJ, Owings Mills, MD and Sunrise, FL. For more information, visit www.actavis.us.

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.

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