

AlphaRx Signs Contract Manufacturing Agreement for ARX1088

Hong Kong – December 17, 2009 – AlphaRx Inc. (OTCBB: ALRX) announced today that it has signed an agreement that provides long-term supply of the active pharmaceutical ingredient (API) for ARX1088, an orally active interferon inducer intended for the adjunctive treatment of Hepatitis in China and other emerging markets. Under the agreement, Venturepharm will be the primary supplier of AlphaRx's worldwide requirements for the compound.

Hepatitis is a potentially life-threatening liver infection caused by the hepatitis virus. It is a major global health problem and the most serious type of viral hepatitis. It can cause chronic liver disease and puts people at high risk of death from cirrhosis of the liver and liver cancer. Worldwide, an estimated two billion people have been infected with the hepatitis virus, and more than 350 million have chronic (long-term) liver infections. There are no satisfactory treatment options currently available for Hepatitis.

"This contract manufacturing relationship marks another important step in our strategic plan for the development of ARX1088. We are currently focused on commercializing ARX1088 in China and South America" said Ruby Hui, President of AlphaRx China Operations. "The supply agreement provides us with an uninterrupted supply of product to complete our planned clinical trials in China. It also assures that there will not be a gap between the supply of clinical materials and the supply of product for commercialization, the agreement potentially eliminates manufacturing delays that could affect bringing ARX1088 to market."

About ARX1088

The active ingredient in ARX1088 is an orally active interferon inducer. It primarily acts as an inducer of type I, alpha or beta interferon. In humans, these interferon levels double as early as four hours after administration of the drug. After 12-24 hours the levels can be one hundred or even several thousand fold higher, with maximum level achieved at 48 hours. It is a drug that is currently approved to treat certain anti-viral indications outside USA.

FORWARD LOOKING STATEMENTS:

This release contains forward-looking statements within the meaning and pursuant to the Safe Harbor provisions of the Securities Litigation Reform Act of 1995 and involve risks and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product development and acceptance, manufacturing, competition, regulatory and/or other factors, which are outside the control of the Company.