

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**AMENDMENT NO. 1
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

MARSHALL EDWARDS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2834
(Primary Standard Industrial
Classification Code Number)
11975 El Camino Real, Suite 101
San Diego, California 92130
(858) 792-6300

51-0407811
(I.R.S. Employer
Identification Number)

(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Daniel P. Gold
President and Chief Executive Officer
11975 El Camino Real, Suite 101
San Diego, California 92130
(858) 792-6300

(Name, address, including zip code and telephone number, including area code, of agent for service)

With a Copy to:
Steven A. Navarro, Esq.
Finnbarr D. Murphy, Esq.
Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered(1)	Amount to be Registered	Proposed Maximum Aggregate Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Subscription Rights to purchase Units	17,129,361	—	—	— (2)
Units, each consisting of 0.50 shares of Common Stock, par value \$0.00000002 per share, and a warrant for the purchase of 0.25 shares of Common Stock	17,129,361	\$0.445	\$7,622,566	\$873.55 (3)
Common Stock included as part of the Units	8,564,680	Included with Units above.	Included with Units above.	—
Warrants included as part of the Units	17,129,361	Included with Units above.	Included with Units above.	— (4)
Common Stock issuable upon exercise of the Warrants included in the Units(7)	4,282,340	\$1.19	\$5,095,985	\$584.00 (5)
Total:				\$1,457.55 (6)

- (1) This registration statement relates to (a) the subscription rights to purchase Units, (b) the Units, (c) the shares of common stock included in the Units, (d) warrants to purchase shares of common stock, which warrants are included in the Units and (e) the shares of common stock issuable upon exercise of the warrants. The subscription rights may not be sold, transferred or assigned; provided, however, that holders may distribute their subscription rights to their own stockholders, members or general or limited partners.
- (2) The subscription rights are being issued without consideration. Pursuant to Rule 457(g) under the Securities Act of 1933, as amended, no separate registration fee is payable with respect to the rights being registered since such rights are being registered in the same registration statement as the common stock issuable upon exercise of the subscription rights.
- (3) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. The estimated amount represents the gross proceeds from the sale of Units assuming the exercise of all subscription rights to be distributed.
- (4) Pursuant to Rule 457(g) under the Securities Act of 1933, as amended, no separate registration fee is payable with respect to the warrants being registered since such warrants are being registered in the same registration statement as the common stock issuable upon exercise of the warrants.
- (5) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.
- (6) A registration fee of \$916.80 was paid by the registrant in connection with the initial filing of this registration statement on February 21, 2012.
- (7) In addition to the shares of Common Stock set forth in this table, pursuant to Rule 416 under the Securities Act of 1933, as amended, this registration statement also registers such indeterminate number of shares of Common Stock as may become issuable upon exercise of the Warrants as the same may be adjusted as a result of their anti-dilution provisions.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

[Table of Contents](#)

The information in this preliminary prospectus is not complete and may be changed or withdrawn without notice. This preliminary prospectus does not, and is not intended to, constitute an offer to sell or a solicitation of an offer to buy, any of these securities nor shall there be any sale of these securities or any solicitation of an offer to buy these securities in any jurisdiction in which such offer, sale or solicitation would be unlawful.

SUBJECT TO COMPLETION: DATED MARCH 20, 2012

PRELIMINARY PROSPECTUS

MARSHALL EDWARDS, INC.

Subscription Rights to Purchase Up to 17,129,361 Units

Consisting of an Aggregate of up to 8,564,680 Shares of Common Stock and Warrants to Purchase up to 4,282,340 Shares of Common Stock at \$0.445 Per Unit

Marshall Edwards, Inc. (the "Company") is distributing at no charge, to holders of our common stock, \$0.00000002 par value per share (our "Common Stock"), as of 5:00 p.m., Eastern time, March 30, 2012 (the "Record Date"), subscription rights (the "Rights"), to purchase up to 17,129,361 Units for an aggregate purchase price of up to \$7.6 million (the "Rights Offering"). Each Unit consists of 0.50 shares of Common Stock and one warrant representing the right to purchase 0.25 shares of Common Stock. In the Rights Offering, you will receive one Right for every share of Common Stock held by you of record as of the Record Date. The exercise of one Right will entitle you to purchase one Unit at a subscription price of \$0.445 per Unit (the "Basic Subscription Right"), which represents the subscription price of \$0.89 per whole share of Common Stock for two Units. On March [], 2012, the closing price for a share of our Common Stock on the Nasdaq Capital Market was \$[] per share.

Holders of our Series A warrants issued in connection with the May 2011 private placement, as defined below, will also be entitled, pursuant to the terms of such warrants, to receive one Right for every share of Common Stock with respect to which such warrants are currently exercisable.

We will not issue fractional shares of Common Stock or warrants for the purchase of fractional shares of Common Stock in the Rights Offering, and holders will only be entitled to purchase a number of Units resulting in a whole number of shares of Common Stock, rounded down to the nearest whole number a holder would otherwise be entitled to purchase. Any excess subscription payments that the subscription agent receives will be returned, without interest or deduction, as soon as practicable.

If you timely and fully exercise your Basic Subscription Right with respect to all the Rights you hold (after giving effect to any permitted distribution of Rights, as described below) and other holders of rights ("Rights Holders") do not exercise their Basic Subscription Right in full, you may also subscribe for additional Units, subject to availability and allocation (the "Over-subscription Privilege"), provided that the aggregate number of Units purchased in the Rights Offering may not exceed 17,129,361, for an aggregate purchase price of \$7.6 million. If the number of Units requested to be subscribed for pursuant to the Over-subscription Privilege exceeds the number of Units available, we will allocate the available Units pro rata among the Rights Holders exercising the Over-subscription Privilege in proportion to the number of Units such a Rights Holder elected to purchase pursuant to the Over-subscription Privilege, relative to the aggregate number of Units requested in all of the exercises of the Over-subscription Privilege received from Rights Holders. For additional details regarding the pro rata allocation process, see "Questions and Answers Relating to the Rights Offering—What is the Over-subscription Privilege?" If you properly exercise your Over-subscription Privilege for a number of shares that exceeds the number of shares allocated to you, any excess subscription payments received by the subscription agent will be returned to you as soon as practicable, without interest or deduction, following the expiration of the Rights Offering. We may reject any over-subscription and we reserve discretion to reject an over-subscription to the extent the Rights Holder would own 5% or more of our Common Stock after the over subscription is exercised. If you exercise your Over-subscription Privilege and your over-subscription is rejected, for any reason, the excess subscription payment will be returned to you, without interest or deduction, as soon as practicable.

There is no minimum number of Units that must be sold or minimum subscription amount required for consummation of the Rights Offering and, as a result, if you exercise your Rights to purchase Units, you could be the only purchaser in the Rights Offering.

Our majority shareholder, Novogen Limited, or Novogen, has indicated that, subject to the approval of its shareholders, it intends to exercise Rights for up to \$4 million of Units. Novogen has advised us that its shareholders' approval of any exercise of its Rights will be sought prior to the expiration of the Rights Offering, and we intend to issue a press release announcing the results of such vote promptly following the occurrence thereof. Novogen beneficially owns approximately 58.1% of our Common Stock before giving effect to the Rights Offering. Novogen has advised us that, in the course of its capital management plans, it intends to distribute a portion of its Rights to its shareholders, which may result in Novogen electing to purchase some amount of Units pursuant to its Over-subscription Privilege.

The Rights Offering will expire at 5:00 p.m., Eastern Time, on May 11, 2012 (the "Expiration Date"). Any Right not exercised at or before that time will expire void and worthless without any payment to the holder thereof of cash or securities. We do not intend to extend the Expiration Date. You should carefully consider whether to exercise your Rights prior to the Expiration Date. All exercises of Rights are irrevocable. Our Board of Directors will not make a recommendation regarding any exercise of your Rights.

Georgeson, Inc. will act as the information agent and Computershare, Inc. will act as the subscription agent and the warrant agent in connection with the Rights Offering. We will pay certain fees and expenses of the information agent, the subscription agent and the warrant agent relating to the Rights Offering.

Our Common Stock is traded on the Nasdaq Capital Market under the symbol "MSHL." Except for distributions of the Rights by a Rights Holder to its own stockholders, members, or general or limited partners, the Rights will not be transferable. The Rights will not trade on the Nasdaq Capital Market or any other securities exchange or trading market.

Investing in our Common Stock involves risks. See "Risk Factors" beginning on page 16 to read about factors you should consider before you make your investment decision.

Stockholders who do not fully exercise their Rights will own, upon completion of the Rights Offering, a smaller proportional interest in the Company than otherwise would be the case had they fully exercised their Rights. See "Risk Factors—If you do not exercise your Rights, your percentage ownership will be further diluted" for more information.

This prospectus also covers the initial issuance of shares of Common Stock by the registrant upon exercise of the Warrants.

Neither the Securities and Exchange Commission nor any securities commission of any state or other jurisdiction has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Unit	Total⁽¹⁾
Subscription Price	\$0.445	\$ 7,622,566
Proceeds, after expenses, to Marshall Edwards, Inc.	\$0.424	\$ 7,265,508

(1) Assumes the exercise of Rights to purchase 17,129,361 Units in the Rights Offering, but excludes the exercise of warrants included within the Units.

It is anticipated that delivery of the shares of Common Stock and warrants included in the Units purchased in the Rights Offering will be made immediately after the Expiration Date.

The date of this prospectus is [], 2012.

TABLE OF CONTENTS

	<u>Page</u>
About This Prospectus	1
Additional Information	1
Incorporation by Reference	1
Questions and Answers Related to the Rights Offering	2
Summary	10
Risk Factors	16
Forward-Looking Statements	29
Plan of Distribution	31
Use of Proceeds	32
Market Price and Dividend Information	33
Capitalization	34
Selected Financial Data	35
Dilution	36
Description of Capital Stock	37
The Rights Offering	40
U.S. Federal Income Tax Consequences	48
Legal Matters	52
Experts	52

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

This prospectus and any applicable prospectus supplement are not offers to sell nor are they seeking an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus and any applicable prospectus supplement is complete and correct only as of the date on the front cover of such documents, regardless of the time of the delivery of such documents or any sale of these securities. In this prospectus, “Marshall Edwards,” “we,” “us,” and “our” refer to the consolidated operations of Marshall Edwards, Inc., and references to a company name refer solely to such company.

For investors outside the United States: We have not taken any action to permit a public offering of the shares of our Common Stock or the possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the “SEC”). When required, we will amend the registration statement or file prospectus supplements to update or change information contained in this prospectus. You should read both this prospectus or any amended prospectus and any prospectus supplement together with additional information described under the headings “Additional Information” and “Incorporation By Reference.”

ADDITIONAL INFORMATION

As permitted by SEC rules, this prospectus omits certain information that is included in the registration statement and its exhibits. Since the prospectus may not contain all of the information that you may find important, you should review the full text of these documents. If we have filed a contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved. Each statement in this prospectus, including statements incorporated by reference as discussed below, regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.

We file annual, quarterly and special reports and other information with the SEC. You may read and copy any document we file with the SEC at the SEC’s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings are also available to the public from the SEC’s web site at <http://www.sec.gov>.

INCORPORATION BY REFERENCE

The SEC allows us to “incorporate by reference” the information we file with the SEC, which means we can disclose important information to you by referring to these documents. The information included in the following documents is incorporated by reference and is considered a part of this prospectus. The most recent information that we filed with the SEC automatically updated and superseded previously filed information.

We hereby incorporate by reference into this prospectus the following documents that we have filed with the SEC:

- Our Annual Report on Form 10-K for the fiscal year ended June 30, 2011 filed with the SEC on September 28, 2011;
- Our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 filed with the SEC on November 14, 2011;
- Our Quarterly Report on Form 10-Q for the quarter ended December 31, 2011 filed with the SEC on February 9, 2012;
- Our Current Reports on Form 8-K filed with the SEC on August 29, 2011, September 9, 2011, September 29, 2011, October 26, 2011, December 5, 2011, December 29, 2011 and March 7, 2012; and
- Our Definitive Proxy Statement on Schedule 14A filed with the SEC on October 28, 2011.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address:

Marshall Edwards, Inc.
11975 El Camino Real, Suite 101
San Diego, California 92130
Tel: (858) 792-6300
Attn: Investor Relations

Copies of these filings are also available, without charge, through the “Investors” section of our website (www.marshalledwardsinc.com) as soon as reasonably practicable after they are filed electronically with the SEC. The information contained on our website is not a part of this prospectus.

QUESTIONS AND ANSWERS RELATED TO THE RIGHTS OFFERING

The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about the Rights Offering. This prospectus and the documents incorporated by reference into this prospectus contain more detailed descriptions of the terms and conditions of the Rights Offering and provide additional information about us and our business, including potential risks related to the Rights Offering, the securities offered hereby and our business.

What is the Rights Offering?

We are distributing, at no charge, to holders of our Common Stock, Rights to purchase Units at a subscription price of \$0.445 per Unit. You will receive such Rights if you owned Common Stock as of 5:00 p.m., Eastern Time, on the Record Date. Each Right will consist of a Basic Subscription Right and an Over-subscription Privilege, as described below. You will receive one Right for every share of Common Stock that you owned on the Record Date. The exercise of one Right will entitle you to purchase one Unit consisting of 0.50 shares of Common Stock and one warrant representing the right to purchase 0.25 shares of Common Stock. The subscription price for each Unit is \$0.445 per Unit. For example, if you owned 100 shares of Common Stock as of 5:00 p.m. on the Record Date, you would receive 100 Rights in the Rights Offering. If you chose to exercise all of your Rights, you would be required to pay an aggregate subscription price of \$44.50 and would receive 50 shares of Common Stock and warrants representing the right to purchase 25 shares of Common Stock at an exercise price of \$1.19 per share.

We will issue up to a total of 17,129,361 Units in the Rights Offering, consisting of an aggregate of up to 8,564,680 shares of Common Stock and warrants representing the right to purchase up to 4,282,340 shares of Common Stock for an aggregate purchase price of up to \$7.6 million. The warrants will terminate five years from the date of issuance. The warrants will be exercisable for cash, or, solely during any period when a registration statement for the exercise of the warrants is not in effect, on a cashless basis. The warrants will be transferable; however, there is no established trading market for the warrants, and we do not expect a market to develop.

Holders of our Series A warrants issued in connection with the May 2011 private placement, as defined below, will also be entitled, pursuant to the terms of such warrants, to receive one Right for every share of Common Stock with respect to which such warrants are currently exercisable. As of March [], 2012, the Series A warrants were exercisable for an aggregate of 2,460,617 shares of Common Stock at an exercise price of \$1.00 per share.

Georgeson, Inc. (“Georgeson”) will act as our information agent for the Rights Offering. As our information agent, Georgeson will assist in the distribution of the subscription rights, this prospectus and the related subscription information and forms, solicit responses from Rights Holders to the Rights Offering, as well as answer any questions and provide further information to Rights Holders with respect to the Rights Offering. Computershare, Inc. (“Computershare”) will act as our subscription agent for the Rights Offering. As our subscription agent, Computershare will receive and process all subscription certificates from our holders of record and will distribute direct registration account statements, or upon request, certificates for the shares of our Common Stock and warrants underlying the Units purchased by holders of record upon the expiration of the Rights Offering. As our warrant agent, Computershare will receive and process all exercises of the warrants issued in the Rights Offering and will distribute direct registration account statements, or upon request, certificates for the shares of our Common Stock upon exercise of the warrants. We will pay certain fees and expenses of the information agent, the subscription agent and the warrant agent relating to the Rights Offering.

Why are we conducting the Rights Offering?

We have decided to pursue the Rights Offering to raise capital to, among other things, further progress our clinical trial programs and for other general corporate purposes. Our board of directors also considered other

[Table of Contents](#)

alternatives available for raising equity capital and determined that the Rights Offering was in our best interests and those of our stockholders. This Rights Offering will give you the opportunity to participate in our capital raising and maintain, or if other stockholders do not exercise their Rights, to increase your proportional ownership interest in us.

What is the Basic Subscription Right?

Each Right will entitle Rights Holders to purchase one Unit at a subscription price of \$0.445 per Unit. Each Unit will consist of 0.50 shares of Common Stock and one warrant representing the right to purchase 0.25 shares of Common Stock. You may exercise some, all or none of your Rights. Other than distributions by a stockholder to its own stockholders, members or general or limited partners, you may not transfer your Rights.

If you hold Common Stock in your name, the number of Units you may purchase pursuant to your Basic Subscription Right is indicated on the enclosed rights certificate. If you hold your shares in the name of a broker, dealer, custodian bank or other nominee, you will not receive a rights certificate; your nominee will receive a rights certificate pertaining to your shares. If you are not contacted by your nominee, you should contact your nominee as soon as possible.

What is the Over-subscription Privilege?

If you timely and fully exercise your Basic Subscription Right with respect to all the Rights you hold (after giving effect to any permitted distribution of Rights), you may also choose to exercise your Over-subscription Privilege by purchasing a portion of any Units that other Rights Holders do not purchase through their Basic Subscription Rights. You should indicate on your rights certificate, or the form provided by your nominee if your shares are held in the name of a nominee, how many additional Units you would like to purchase pursuant to your Over-subscription Privilege.

We will seek to honor the exercises of the Over-subscription Privilege (“over-subscription requests”) in full, subject to a maximum of 17,129,361 Units being offered in the Rights Offering and the limitations described below. If the number of Units issuable upon the exercise of over-subscription requests exceeds the number of Units available, we will allocate the available Units pro rata among the Rights Holders exercising the Over-subscription Privilege in proportion to the number of Units each Rights Holder elected to purchase pursuant to the Over-subscription Privilege, relative to the aggregate number of Units requested in all of the over-subscription requests received from Rights Holders.

For example, if (i) there are 100 excess Units available for purchase by five Rights Holders who have timely and fully exercised their Basic Subscription Right with respect to all the Rights they hold (after giving effect to any permitted distribution of Rights) and (ii) Rights Holder A requests an additional 100 Units pursuant to Rights Holder A’s Over-subscription Privilege, Rights Holder B requests an additional 50 Units pursuant to Rights Holder B’s Over-subscription Privilege, Rights Holder C requests an additional 20 Units pursuant to Rights Holder C’s Over-subscription Privilege, Rights Holder D requests an additional 20 Units pursuant to Rights Holder D’s Over-subscription Privilege, and Rights Holder E requests an additional 10 Units pursuant to Rights Holder E’s Over-subscription Privilege, then, assuming the valid exercise of each of these Rights Holder’s Basic Subscription Rights and receipt of sufficient payment for the Units requested pursuant to the over-subscription request, and that the beneficial ownership limitation described below is not applicable, the pro rata allocation would be as follows: Rights Holder A would receive 50 Units pursuant to the Over-subscription Privilege, Rights Holder B would receive 25 Units pursuant to the Over-subscription Privilege, Rights Holder C would receive 10 Units pursuant to the Over-subscription Privilege, Rights Holder D would receive 10 Units pursuant to the Over-subscription Privilege and Rights Holder E would receive 5 Units pursuant to the Over-subscription Privilege.

Because we will not know the total number of available Units and how available Units will be allocated before the Expiration Date, in order for the exercise of your entire Over-subscription Privilege to be valid, you must deliver to the subscription agent, prior to the Expiration Date, payment in an amount equal to the aggregate subscription price of the entire number of Units that you have requested the right to purchase pursuant to your Over-subscription Privilege, along with payment for the exercise of your Basic Subscription Right and all rights certificates and any other subscription documents that the subscription agent may require, such as the Subscription Rights Certificate, the Beneficial Owner Election Form, the Nominee Holder Certification and the

[Table of Contents](#)

Notice of Guaranteed Delivery, all of which are filed as exhibits to the registration statement of which this prospectus forms a part (the “Other Subscription Documents”), even though you ultimately may not be allocated the full amount of Units indicated in your over-subscription request. To the extent the aggregate subscription price of the actual number of Units allocated to you pursuant to the Over-subscription Privilege is less than the amount you actually paid, the excess subscription payments will be returned to you as soon as practicable, without interest or deduction, following the Expiration Date.

We may reject any over-subscription and we reserve discretion to reject an over-subscription to the extent the Rights Holder would own 5% or more of our Common Stock after the over-subscription is exercised. If you exercise your Over-subscription Privilege and your over-subscription is rejected, for any reason, the excess subscription payment will be returned to you, without interest or deduction, as soon as practicable.

Are there any limits on the number of Units I may purchase in the Rights Offering?

As previously noted, we may reject any over-subscription request and we reserve discretion to reject an over-subscription request to the extent the Rights Holder would own 5% or more of our Common Stock after the Over-subscription Privilege is exercised. The total number of Units issued in the Rights Offering may not exceed 17,129,361 (consisting of an aggregate of 8,564,680 shares of Common Stock and warrants to purchase an aggregate of 4,282,340 shares of Common Stock).

How was the subscription price determined?

For every two Units purchased in the Rights Offering, you will receive a single share of Common Stock in exchange for an aggregate subscription price of \$0.89, which represents a 10 percent discount to the volume-weighted average price of our Common Stock for the 30 consecutive trading days ending on, and inclusive of, March 13, 2012. In addition, you will receive warrants to purchase one-half of one share of Common Stock at an exercise price of \$1.19 per share, which exercise price represents a 20 percent premium to the volume-weighted average price of our Common Stock for the 30 consecutive trading days ending on, and inclusive of, March 13, 2012.

In determining the subscription price, our board of directors considered a number of factors, including: the price at which our stockholders, including Novogen, might be willing to participate in the Rights Offering; historical and current trading prices for our Common Stock; the need for liquidity and capital; and the desire to provide an opportunity to our stockholders to participate in the Rights Offering on a pro rata basis. In conjunction with its review of these factors, our Board of Directors also reviewed our history and prospects, including our past and present losses, our prospects for future earnings, our current financial condition and regulatory status and subscription prices in various rights offerings by other companies.

We did not request and have not received a fairness opinion regarding the subscription price. The subscription price is not necessarily related to our book value, net worth or any other established criteria of value and may or may not be considered the fair value of our Common Stock to be offered in the Rights Offering. You should not assume or expect that, after the Rights offering, our shares of Common Stock will trade at or above the subscription price per whole share. The market price of our Common Stock may decline during or after the Rights Offering, and you may not be able to sell your Common Stock at a price equal to or greater than the subscription price per whole share. Before exercising your Rights, you should obtain a current quote for a share of our Common Stock and make an assessment of our business and financial condition, our prospects for the future, the terms of the Rights Offering, and the other information contained in, or incorporated by reference into, this prospectus. On March [], 2012, the closing price of our Common Stock on the Nasdaq Capital Market was [].

How will the Rights Offering affect Novogen's ownership of our Common Stock?

As of the date of this prospectus, Novogen beneficially owned 8,515,909 shares of our Common Stock, or 58.1% of the outstanding shares of our Common Stock. As a stockholder as of the record date, Novogen will have the right to subscribe for and purchase Units under its Basic Subscription Right and its Over-subscription Privilege. Subject to its receipt of shareholder approval, Novogen has indicated that it intends to exercise Rights for up to \$4 million of Units in the Rights Offering. Novogen has also informed us that, in the course of its capital management plans, it intends to distribute a portion of its Rights to its shareholders, which may result in Novogen electing to purchase some amount of Units pursuant to its Over-subscription Privilege. If all Rights Holders and, if applicable, Novogen's shareholders, exercise their Basic Subscription Right and the Rights Offering is therefore fully subscribed, Novogen's beneficial ownership percentage will decrease by an amount proportional to the amount of Rights it distributes to its shareholders. If no other stockholder exercises its Basic Subscription Right and Novogen exercises Rights for \$4 million of Units, we will issue an aggregate of 4,494,382 shares of our Common Stock to Novogen, which would increase Novogen's beneficial ownership to an aggregate of 67.9% of our outstanding Common Stock after giving effect to the Rights Offering.

Am I required to exercise the Rights I receive in the Rights Offering?

No. You may exercise some, all, or none of your Rights. If you do not exercise your Rights, the number of shares of Common Stock you own will not change as a result of the Rights Offering; however, your ownership interest in the Company will be diluted to the extent other Rights Holders exercise their Rights, and your voting and other rights in the Company will likewise be diluted.

How soon must I act to exercise my Rights?

If you receive a rights certificate and elect to exercise any or all of your Rights, the subscription agent must receive your properly completed and duly executed rights certificate, any Other Subscription Documents that the subscription agent may require, and full subscription payment, including final clearance of any personal check, before the Expiration Date, which will be May 11, 2012. If you hold your shares in the name of a broker, dealer, custodian bank or other nominee, please contact your nominee and follow the instructions provided to you. Your nominee may establish an earlier deadline before the Expiration Date by which time you must provide it with your instructions to exercise your Rights. We do not intend to extend the Expiration Date.

May I transfer my Rights?

The Rights are non-transferable; provided, however, that Rights Holders may distribute their Rights solely to their own stockholders, members or general or limited partners. Any distributee of any of your Rights must exercise those Rights on the same terms and subject to the same conditions as apply to you when exercising your Rights. As described in the Other Subscription Documents, you must effect any distribution in sufficient time for the subscription agent to receive proper evidence of the distribution of your Rights. Novogen has informed us that, in the course of its capital management plans, it intends to distribute a portion of its Rights to its shareholders. Rights will not be listed for trading on the Nasdaq Capital Market or any other securities exchange or trading market. See "The Rights Offering—Non-Transferability of Rights."

Are we requiring a minimum subscription from Rights Holders to complete the Rights Offering?

No. We are not requiring an overall minimum subscription to complete the Rights Offering. As a result, if you exercise your Rights to purchase Units, you could be the only purchaser in the Rights Offering.

Have any stockholders indicated that they will exercise their rights?

Novogen, our majority stockholder, has indicated that, subject to receipt of the approval of its shareholders, it intends to exercise Rights for up to \$4 million of Units in the Rights Offering.

Has the Board of Directors made a recommendation to stockholders regarding the Rights Offering?

No. Our Board of Directors will not make a recommendation regarding any exercise of Rights. You should make your investment decision based on your assessment of our business and financial condition, our prospects for the future, the terms of the Rights Offering and the other information contained in, or incorporated by reference into, this prospectus. See “Risk Factors” for a discussion of some of the risks involved in investing in our Common Stock and warrants to purchase Common Stock.

Are there risks in exercising my Rights?

Yes. Exercising your Rights involves the purchase of Units consisting of shares of Common Stock and warrants to purchase additional shares of Common Stock and you should consider this investment as carefully as you would consider any other investment. The stock market has experienced significant volatility over the past few years. As a result, the market price for our Common Stock has been volatile. In addition, the trading volume in our Common Stock could fluctuate more than usual and cause significant price variations to occur. Accordingly, our Common Stock may trade at a price lower than the subscription price (on a whole share basis). The trading price of our Common Stock will depend on many factors, which may change from time to time, including, without limitation, our financial condition, performance, and prospects, future sales of our equity or equity related securities, and other factors. Volatility in the market price of our Common Stock may prevent you from being able to sell your shares of Common Stock when you want or at prices you find attractive. Among other things, you should carefully consider the risks described under the heading “Risk Factors” beginning on page 16 of this prospectus and in the documents incorporated by reference into this prospectus.

Will our directors and executive officers participate in the Rights Offering?

To the extent they hold Common Stock as of the Record Date, our directors and executive officers will be entitled to participate in the Rights Offering on the same terms and conditions applicable to other Rights Holders. None of our directors or officers has entered into any commitments to exercise the Rights received in the Rights Offering.

Will fractional shares be issued upon exercise of the Rights or upon exercise of the warrants included in the Units?

No. We will not issue fractional shares of Common Stock in the Rights Offering. Rights Holders will only be entitled to purchase a number of Units representing a whole number of shares of Common Stock, rounded down to the nearest whole number of Units a holder would otherwise be entitled to purchase. Any excess subscription payments that the subscription agent receives will be returned, without interest or deduction, as soon as practicable. Similarly, no fractional shares of Common Stock will be issued in connection with the exercise of a warrant. Instead, for any such fractional share that would otherwise have been issuable upon exercise of the warrant, the holder will be entitled to a cash payment equal to the pro-rated per share market price of the Common Stock on the last trading day preceding the exercise.

How do I exercise my Rights if I own shares and/or Rights in my name?

If you hold Common Stock and/or Rights in your name and you wish to exercise your Rights, you must deliver a properly completed and duly executed rights certificate and any Other Subscription Documents that the subscription agent may require, together with payment of the full subscription price, to the subscription agent before 5:00 p.m., Eastern Time, on the Expiration Date.

Please follow the delivery instructions on the rights certificate. Do not send documents to us. You are solely responsible for completing delivery to the subscription agent of your rights certificate, any Other Subscription Documents that the subscription agent may require, and your subscription payment. You should allow sufficient time for delivery of your subscription materials, including your subscription payment, to the subscription agent so that the subscription agent receives them by 5:00 p.m., Eastern Time, on the Expiration Date. Payments will

[Table of Contents](#)

be deemed to have been received upon clearance of any cashier's check, certified check or personal check. If paying by personal check, please note that the funds paid thereby may take five or more business days to clear.

If you send a payment that is insufficient to purchase the number of Units you requested, or if the number of Units you requested is not specified in the forms, the payment received will be applied to exercise your Rights to the fullest extent possible based on the amount of the payment received, subject to the availability of shares and allocation procedure under the Over-subscription Privilege.

What should I do if I want to exercise my Rights but my shares and/or my Rights are held in the name of a broker, dealer, custodian bank or other nominee?

If you hold your Common Stock and/or Rights through a broker, dealer, custodian bank or other nominee, then your nominee is the record holder of the shares you own and the associated Rights. The record holder must exercise the Rights on your behalf. If you wish to exercise your Rights, you should contact your broker, dealer, custodian bank or nominee as soon as possible. Please follow the instructions of your nominee. Your nominee may establish an earlier deadline before the Expiration Date.

How do I exercise my Rights if I live outside the United States?

To exercise Rights, stockholders who have addresses outside the United States or who have APO or FPO addresses must notify the subscription agent prior to 5:00 p.m., Eastern time, on _____, 2012, and timely follow the other procedures described in "The Rights Offering—Foreign Stockholders; Stockholders with APO or FPO Addresses; Unknown Addresses."

To whom should I send my forms and payment?

If you are the record holder, then you should send your rights certificate, any Other Subscription Documents that the subscription agent may require, and subscription payment by one of the methods described below:

By mail:

Computershare Trust Company, N.A.
Attn Corporate Actions
P.O. Box 43011
Providence, RI 02940-3011

By overnight courier or by hand:

Computershare Trust Company, N.A.
250 Royall Street
Suite V
Canton, MA 02021

If your shares are held in the name of a broker, dealer, custodian bank or other nominee, then you should send your rights certificate, any Other Subscription Documents that the subscription agent may require, and subscription payment to that record holder.

You and, if applicable, your nominee are solely responsible for completing delivery to the subscription agent of your rights certificate, any Other Subscription Documents, and subscription payment. You should allow sufficient time for delivery of your subscription materials to the subscription agent and clearance of payment before the Expiration Date. If you hold your Common Stock through a broker, dealer, custodian bank or other nominee, your nominee may establish an earlier deadline before the expiration date of the Rights Offering.

[Table of Contents](#)

What form of payment should I submit to the subscription agent?

As described in the instructions accompanying the rights certificate, payments submitted to the subscription agent must be made in U.S. currency, by one of the following two methods:

- by a cashier's or certified check drawn upon a U.S. bank payable to Computershare; or
- by a personal check drawn upon a U.S. bank payable to Computershare.

Payments will be deemed to have been received upon clearance of any cashier's check, certified check or personal check. If paying by personal check, please note that the funds paid thereby may take five or more business days to clear. Accordingly, Rights Holders who wish to pay the subscription price by means of personal check are urged to make payment sufficiently in advance of the Expiration Date to ensure that such payment is received and clears by such time. In certain cases, you may be required to provide signature guarantees.

If you hold your shares in the name of a broker, dealer, custodian bank or other nominee, separate payment instructions may apply. Please contact your nominee, if applicable, for further payment instructions.

When will I receive my new shares and warrants included in the Units?

If you exercise your Rights and purchase Units in the Rights Offering, you will receive your new shares and warrants included in such Units immediately following the Expiration Date.

After I submit my payment and rights certificate to the subscription agent, may I cancel my exercise of Rights?

No. All exercises of Rights are irrevocable unless the Rights Offering is cancelled by the Company, even if you later learn information that you consider to be unfavorable to the exercise of your Rights. You should not exercise your Rights unless you are certain that you wish to purchase Units at the subscription price of \$0.445 per Unit.

What effects will the Rights Offering have on our outstanding Common Stock?

As a result of the Rights Offering, up to an additional 8,564,680 shares of Common Stock, as well as warrants representing the right to purchase up to an additional 4,282,340 shares of Common Stock, may be issued and outstanding after the closing of the Rights Offering, and the ownership and voting interests of the existing stockholders that do not fully exercise their Basic Subscription Rights will be diluted. As of the Record Date, we had 14,668,744 shares of Common Stock outstanding.

How much will the Company receive from the Rights Offering and how will such proceeds be used?

Assuming the exercise of Rights to purchase all 17,129,361 Units shares of Common Stock in the Rights Offering for an aggregate purchase price of approximately \$7.6 million, we estimate that the net proceeds of the Rights Offering, after deducting related expenses, will be approximately \$7.3 million. However, we are not requiring an overall minimum subscription to complete the Rights Offering. As a result, if you exercise your Rights to purchase Units, you could be the only purchaser in the Rights Offering. Novogen, our majority shareholder, has indicated that, subject to its receipt of shareholder approval, it intends to exercise Rights for up to \$4 million of Units in the Rights Offering. We intend to use the net proceeds we receive from this offering to continue the early-stage clinical development of our two lead oncology drug candidates, ME-143 and ME-344, and for other general corporate purposes.

If my exercise of Rights is not valid, which could occur if I submit incomplete or incorrect subscription documents, will my subscription payment be refunded to me?

Yes. The subscription agent will hold all funds it receives in a segregated bank account until completion of the Rights Offering. If your exercise of Rights is deemed not to be valid, your subscription payment received by

[Table of Contents](#)

the subscription agent will be returned as soon as practicable following the Expiration Date, without interest or deduction. If you own shares through a nominee, it may take longer for you to receive your subscription payment because the subscription agent will return payments through the record holder of your shares.

What fees or charges apply if I purchase shares in the Rights Offering?

If you are a record holder, we are not charging any fee or sales commission to issue Rights to you or to issue shares to you if you exercise your Rights. If you are a beneficial owner and you exercise your Rights through a broker, dealer, custodian bank or other nominee, you are responsible for paying any fees your record holder may charge you.

What are the U.S. federal income tax consequences of the receipt and exercise of my Rights?

For U.S. federal income tax purposes, you should not recognize income or loss in connection with the receipt or exercise of Rights in the Rights Offering. You should consult your tax advisor as to your particular tax consequences resulting from the Rights Offering. For further information, see "U.S. Federal Income Tax Consequences".

Whom should I contact if I have other questions?

If you have any questions regarding the Rights Offering, completion of the rights certificate or any Other Subscription Documents or submitting payment in the Rights Offering, please contact the information agent, Georgeson, by telephone, if you are located within the U.S., at (866) 628-6021 (toll free) or, if you are located outside the U.S., at (212) 440-9800.

SUMMARY

This summary does not contain all of the information you should consider before investing in the Units and the securities comprising the Units. This prospectus includes or incorporates by reference information about the Units and the securities comprising the Units we are offering as well as information regarding our business and detailed financial data. Before you decide to invest in the Units and the securities comprising the Units, you should read the entire prospectus carefully, including the “Risk Factors” section and any information incorporated by reference herein.

The Company

We are Marshall Edwards, a development stage oncology company incorporated in December 2000 as a wholly-owned subsidiary of Novogen Limited (“Novogen”). Our Common Stock is listed on the Nasdaq Capital Market under the symbol “MSHL”. As of [], 2012, Novogen owned approximately 58.1% of the outstanding shares of our Common Stock, as well as all of the outstanding shares of our Series A Convertible Preferred Stock.

Our business purpose is the development of drugs for the treatment of cancer. We are currently focused on the clinical development of our two lead drug candidates, ME-143 and ME-344. In May 2011, we completed the acquisition of certain assets and intellectual property, including those related to ME-143 and ME-344, from Novogen, in accordance with the terms of an Asset Purchase Agreement, dated as of December 21, 2010, between us, Novogen and Novogen Research Pty Limited.

We believe that our existing cash balances, which were approximately \$5.0 million as of December 31, 2011, will be sufficient to fund our operations until mid-calendar year 2012. Changes to our research and development plans or other changes affecting our operating expenses may affect actual future use of existing cash resources. In any event, however, we will need additional financing to fund our operations in the future including the continued development of our two lead drug candidates. We intend to pursue one or more capital raising transactions in addition to the Rights Offering to further develop our drug candidates. If the Company is unable to obtain additional funds on favorable terms or at all, we may be required to cease or reduce our operations.

Clinical Development Programs

Our pipeline of drug candidates is derived from an isoflavone technology platform that has generated a number of compounds with anti-tumor activity. These compounds have been shown to interact with specific targets resulting in the inhibition of tumor metabolism, a function critical for cancer cell survival. Our lead programs focus on two families of compounds with related but distinct mechanisms of action: NADH oxidase inhibitors and mitochondrial inhibitors.

NADH Oxidase Inhibitors

Our most advanced program is a family of isoflavone compounds that includes Phenoxodiol, our first-generation compound that has been investigated in human clinical studies, and our next-generation compound and lead drug candidate ME-143. ME-143 in particular has demonstrated enhanced anti-tumor activity in pre-clinical laboratory studies and is currently under evaluation in a Phase I open label, multicenter, dose escalation study in human subjects with refractory solid tumors.

First Generation Drug Candidate: Phenoxodiol

Phenoxodiol has been administered to more than 400 patients in clinical research studies via oral or intravenous routes and appears to be well tolerated with an acceptable toxicity profile. In a Phase II clinical trial

of intravenously administered Phenoxodiol in combination with platinum-based chemotherapy in women with recurrent ovarian cancer, a clinical response was observed in 19% of patients (three out of 16). These results were published in the May 2011 issue of *International Journal of Gynecological Cancer*. However, in a Phase III clinical trial of orally administered Phenoxodiol in combination with platinum-based chemotherapy in women with advanced ovarian cancer resistant or refractory to platinum-based drugs, a clinical response was observed in less than 1% of patients (one out of 142).

Pharmacokinetic studies suggest that significantly higher blood plasma levels of active drug are measured when isoflavone compounds are administered intravenously versus orally. As a result of these findings and our clinical experience to date, we are actively pursuing the clinical development of our next-generation compounds using an intravenous formulation.

Next Generation and Lead Drug Candidate: ME-143

ME-143 is an active metabolite of Triphendiol, a second-generation analogue of Phenoxodiol. Pre-clinical laboratory research studies show that ME-143 demonstrates enhanced anti-tumor activity against a broad range of tumor cell lines when used alone or in combination with platinum-based chemotherapy when compared to both Phenoxodiol and Triphendiol. As a result, ME-143 was selected as our lead drug candidate for the NADH oxidase inhibitor program.

Our Investigational New Drug (IND) application for ME-143 was approved by the U.S. Food and Drug Administration (FDA) in August 2011. In September 2011, we initiated a Phase I open label, multicenter, dose escalation trial of ME-143 in patients with refractory solid tumors. This clinical trial, conducted in collaboration with the Sarah Cannon Research Institute, is evaluating the safety and tolerability of ME-143. In addition, the trial is designed to characterize the pharmacokinetic profile of intravenous ME-143 and describe any preliminary clinical anti-tumor activity observed. We have commenced dosing of the fourth cohort in this trial and expect to collect final safety and pharmacokinetic data from this trial by June 2012.

Mitochondrial Inhibitors

Our mitochondrial inhibitor program consists of a family of compounds that includes NV-128, our first-generation compound that has shown activity against a broad range of cancer cell lines in laboratory research studies, and our next-generation compound and lead drug candidate ME-344. ME-344 appears to be significantly more active than NV-128 in pre-clinical studies.

First Generation Drug Candidate: NV-128

NV-128 is a novel mitochondrial inhibitor which has been shown in pre-clinical laboratory studies to disrupt mitochondrial function and induce cancer cell death by two distinct mechanisms: (1) through the induction of DNA fragmentation and (2) through the process of destructive autophagy, wherein a cell consumes itself. Structurally, NV-128 is an analogue of ME-143, but, in contrast, uses different molecular mechanisms to promote the death of cancer cells.

NV-128 has shown activity in pre-clinical models against a broad range of cancers. Treatment of cancer cells with NV-128 induces a rapid loss of cellular energy resulting in the inhibition of both mammalian target of rapamycin (mTOR1 and mTOR2) pathways, which are suggested to be central to the aberrant proliferative capacity of both mature cancer cells and cancer stem cells. Results from an ongoing collaboration with Dr. Gil Mor at the Yale University School of Medicine's Department of Obstetrics, Gynecology and Reproductive Sciences, have demonstrated that NV-128 is active against chemotherapy-resistant ovarian tumor cells. In April 2011, his colleague Dr. Ayesha Alvero presented data at the American Association for Cancer Research Annual Meeting from a pre-clinical study of NV-128 demonstrating its ability to induce mitochondrial instability,

ultimately leading to cell death in otherwise chemotherapy-resistant ovarian cancer stem cells. These results were later published in the August 2011 issue of *Molecular Cancer Therapeutics*.

Next Generation and Lead Drug Candidate: ME-344

ME-344 is an active metabolite of NV-128 that has demonstrated in laboratory studies superior anti-tumor activity against a panel of human cell lines as compared to NV-128. We submitted an IND application for ME-344 in March 2012 and plan to initiate a Phase I clinical trial of intravenous ME-344 in patients with solid refractory tumors following approval by the FDA.

Intellectual Property

We own worldwide rights to all of our drug candidates. In December 2011, the U.S. Patent and Trademark Office (USPTO) issued a new patent covering a number of our isoflavone-based compounds, including ME-143 and ME-344, and their pharmaceutical compositions. In January 2012, we announced that the USPTO issued a new method of use patent covering our mitochondrial inhibitor compounds, including ME-344, for the treatment of cancer or a tumor mass. The new patents are expected to provide protection until March 2027 and September 2025, respectively. Our intellectual property portfolio now includes 12 issued U.S. patents, more than 14 U.S. patent applications, more than 40 issued foreign patents and more than 80 foreign patent applications.

Corporate Information

Our principal executive offices are located at 11975 El Camino Real, Suite 101, San Diego, California, 92130, and our phone number is (858) 792-6300.

THE RIGHTS OFFERING

Securities Offered

We will distribute at no charge to holders of our Common Stock one Right for each share of Common Stock held of record as of 5:00 p.m., Eastern time, on the Record Date. The exercise of one Right will entitle you to purchase one Unit at a subscription price of \$0.445 per Unit. Each Unit will consist of 0.50 shares of Common Stock at a subscription price of \$0.89 per whole share and one warrant representing the right to purchase 0.25 shares of Common Stock at an exercise price of \$1.19 per share. You will not receive separate certificates for the Units.

Holders of our Series A warrants will also be entitled, pursuant to the terms of such warrants, to receive one Right for every share of Common Stock with respect to which such warrants are currently exercisable.

The warrants will terminate five years from the date of issuance. The warrants will be exercisable for cash, or, solely during any period when a registration statement for the exercise of the warrants is not in effect, on a cashless basis. The warrants will be transferable; however, there is no established trading market for the warrants, and we do not expect a market to develop.

On March [], 2012, the closing price of our Common Stock on the Nasdaq Capital Market was \$[].

Subscription Price

\$0.445 per Unit. See “Questions and Answers Relating to the Rights Offering—How was the subscription price determined?”

Right

Each Right will consist of a Basic Subscription Right and an Over-subscription Privilege. You may exercise some, all, or none of your Rights.

Basic Subscription Right

For each Right you receive in the Rights Offering, your Basic Subscription Right will entitle you to purchase one Unit at the subscription price.

Over-subscription Privilege

If you timely and fully exercise your Basic Subscription Right with respect to all the Rights you hold (after giving effect to any permitted distribution of Rights) and other Rights Holders do not exercise their Basic Subscription Right in full, you may also subscribe for additional Units, subject to availability and allocation, provided that the aggregate number of Units of Common Stock purchased by Rights Holders in the Rights Offering may not exceed 17,129,361, for an aggregate purchase price of up to \$7.6 million. If the number of Units issuable upon the exercise of over-subscription requests exceeds the number of Units available, we will allocate the available Units pro rata among the Rights Holders exercising the Over-subscription Privilege in proportion to the number of Units such a Rights Holder

Table of Contents

elected to purchase pursuant to the Over-subscription Privilege relative to the aggregate number of Units requested in all of the over-subscription requests received from Rights Holders. For additional details regarding the pro rata allocation process, see “Questions and Answers Relating to the Rights Offering—What is the Over-subscription Privilege?” If you properly exercise your Over-subscription Privilege for a number of Units that exceeds the number of Units allocated to you, any excess subscription payments received by the subscription agent will be returned to you as soon as practicable, without interest or deduction, following the Expiration Date. We may reject any over-subscription request and we reserve discretion to reject an over-subscription request to the extent the Rights Holder would own 5% or more of our Common Stock after the over subscription is exercised. If you exercise your Over-subscription Privilege and your over-subscription request is rejected, for any reason, the excess subscription payment will be returned to you, without interest or deduction, as soon as practicable.

Record Date

March 30, 2012.

Expiration Date

The Rights Offering will expire at 5:00 p.m., Eastern time, on May 11, 2012. We do not currently intend to extend the expiration of the Rights Offering.

Shares Outstanding

As of [], 2012, we had 14,668,744 shares of Common Stock outstanding.

See “Description of Capital Stock” for a description of certain other outstanding securities that may result in the issuance of additional shares of our Common Stock.

Use of Proceeds

Assuming the exercise of Rights to purchase all 17,129,361 Units in the Rights Offering, we estimate that the net proceeds of the Rights Offering, after deducting related expenses, will be approximately \$7.3 million. We intend to use the net proceeds we receive from this offering to continue the early-stage clinical development of our two lead oncology drug candidates, ME-143 and ME-344, and for other general corporate purposes. See “Use of Proceeds.”

Procedure for Exercising Rights

If you are a registered holder of shares of Common Stock, you may deliver payment and a properly completed and duly executed rights certificate and any Other Subscription Documents that the subscription agent may require at or before 5:00 p.m., Eastern time, on the Expiration Date. If you are a beneficial owner of shares that are registered in the name of a broker, dealer, custodian bank or other nominee, your broker, dealer, custodian bank or other nominee must exercise your Rights on your behalf and deliver all documents and payments to the subscription agent at or before 5:00 p.m., Eastern time, on the Expiration Date.

Table of Contents

Non-Transferability of Rights	The Rights may not be sold, transferred or assigned; provided, however, that Rights Holders may distribute their Rights to their own stockholders, members or general or limited partners. Novogen has informed us that, in the course of its capital management plans, it intends to distribute a portion of its Rights to its shareholders. Rights will not be listed for trading on the Nasdaq Capital Market or any other securities exchange or trading market.
No Revocation	All exercises of Rights are irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your Rights. You should not exercise your Rights unless you are certain that you wish to purchase additional Units at a subscription price of \$0.445 per Unit.
No Board Recommendation	Our Board of Directors will not make any recommendation regarding exercise of your Rights. You should make your decision based on your assessment of our business and financial condition, our prospects for the future, the terms of the Rights Offering, and the other information contained in, or incorporated by reference into, this prospectus. See “Risk Factors” for a discussion of risks involved in investing in our Common Stock and warrants.
Subscription Agent	Computershare, Inc.
Information Agent	Georgeson, Inc.
Dividends	We have never paid or declared any cash dividends on our Common Stock, and we intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. See “Market Price and Dividend Information.”
Market for Common Stock	Our Common Stock is currently traded on the Nasdaq Capital Market under the symbol “MSHL.” See “Market Price and Dividend Information.”
Risk Factors	Before you exercise your Rights to purchase Units, you should carefully consider the risks described in the section entitled “Risk Factors,” beginning on page 16 of this prospectus.

RISK FACTORS

Investment in our Units and the securities comprising our Units involves a high degree of risk. You should consider carefully the risks described below, together with other information included or incorporated by reference in this prospectus and our other filings, before making investment decisions regarding our Units and the securities comprising our Units. If any of the following events actually occur, our business, operating results, prospects or financial condition could be materially and adversely affected. This could cause the trading price of our Common Stock to decline and you may lose all or part of your investment. Moreover, the risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also affect our business, operating results, prospects or financial condition.

Risks Relating to Our Business

We have limited existing financial resources and will need substantial additional funds to progress the clinical trial program for our drug candidates ME-143 or ME-344 beyond their early development stages and to develop new compounds purchased from Novogen in the Isoflavone Transaction (as defined below). The actual amount of funds we will need will be determined by a number of factors, some of which are beyond our control.

We have limited cash resources and liquidity. We will need substantial additional funds to progress the clinical trial program for our drug candidates ME-143 or ME-344 and to develop any additional compounds. The factors which will determine the actual amount of funds that we will need to progress the clinical trial programs for ME-143 and ME-344 may include the following:

- the number of sites included in the trials;
- the length of time required to enroll suitable patients;
- the number of patients who participate in the trials and the rate that they are recruited;
- the number of treatment cycles patients complete while they are enrolled in the trials; and
- the efficacy and safety profile of the product.

If we are unable to obtain additional funds on favorable terms or at all, we may be required to cease or reduce our operations. Also, if we raise more funds by selling additional securities, the ownership interests of holders of our securities will be diluted.

We cannot assure you that we will be able to obtain financing sufficient to meet our future capital and operating needs.

We expect to have to attempt to sell additional shares of Common Stock, and securities exercisable or convertible into shares of our Common Stock, in the future to satisfy our capital and operating needs. If we sell shares in the future, the prices at which we sell these future shares will vary, and these variations may be significant. Purchasers of the Units in this Rights Offering, as well as our existing stockholders, will experience significant dilution if we sell these future shares at prices significantly below the price at which previous shareholders invested.

Pursuant to the terms of a private placement of equity securities that closed in May 2011 (the "May 2011 private placement") as described in Item 7 in our Annual Report on Form 10-K for the fiscal year ended June 30, 2011 (the "Form 10-K"), we have agreed not to offer or sell any of our or our subsidiaries' equity securities, including securities that are convertible or exchangeable for our Common Stock, other than those issuances of Common Stock to Novogen that were consummated in September and December 2011, or to file any new registration statement, other than as required by the Amended Registration Rights Agreement between us and the

[Table of Contents](#)

investors in the May 2011 private placement, until the earlier of (i) June 18, 2012 and (ii) 90 days after the registration of all of the securities we have agreed to register pursuant to the Amended Registration Rights Agreement. We have obtained a waiver from the investors in the May 2011 private placement to conduct this Rights Offering.

Future sales of our Common Stock, including upon conversion of our outstanding Series A Convertible Preferred Stock and exercise of our outstanding Series A warrants, may depress the market price of our Common Stock and cause stockholders to experience dilution.

The market price of our Common Stock could decline as a result of sales of substantial amounts of our Common Stock in the public market, including upon exercise of outstanding warrants and the conversion of the Series A Convertible Preferred Stock. The 1,000 shares of Series A Convertible Preferred Stock held by Novogen are initially convertible into an aggregate of 4,827,000 shares of our Common Stock. As of March [], 2012, the Series A warrants were exercisable for an aggregate of 2,460,617 shares of Common Stock. We intend to seek additional capital through one or more equity transactions, in addition to this Rights Offering, in calendar year 2012; however, such transactions will be subject to market conditions and there can be no assurance any such transactions will be completed.

Negative global economic conditions may pose challenges to our business strategy, which relies on access to capital from the markets or collaborators.

Negative conditions in the global economy, including credit markets and the financial services industry, have generally made equity and debt financing more difficult to obtain, and may negatively impact our ability to complete financing transactions. The duration and severity of these conditions is uncertain, as is the extent to which they may adversely affect our business and the business of current and prospective vendors and collaborators. If negative global economic conditions persist or worsen, we may be unable to secure additional funding to sustain our operations or to find suitable collaborators to advance our internal programs, even if we achieve positive results from our research and development efforts.

We have a limited operating history and are likely to incur operating losses for the foreseeable future.

You should consider our prospects in light of the risks and difficulties frequently encountered by early stage and developmental companies. Although we were incorporated in December 2000, we have only been in operation since May 2002. We have incurred net losses of \$80.7 million since our inception through December 31, 2011, including net losses of \$6,781,000, \$7,896,000 and \$11,180,000 for the years ended June 30, 2011, 2010 and 2009, respectively. We anticipate that we will incur operating losses and negative operating cash flow for the foreseeable future. We have not yet commercialized any drug candidates and cannot be sure that we will ever be able to do so, or that we may ever become profitable.

Our stockholders may not realize a benefit from the Isoflavone Transaction commensurate with the ownership dilution they will experience in connection with the Isoflavone Transaction.

On May 9, 2011, we completed the acquisition of certain assets used in or generated under or in connection with the discovery, development, manufacture and marketing of intellectual property and products based on the field of isoflavonoid technology and on compounds known as isoflavones, including those related to the drug candidates Phenoxodiol, Triphendiol, ME-143 and NV-128 (the “Isoflavone-related Assets”), from Novogen in accordance with the terms of the Asset Purchase Agreement, dated as of December 21, 2010, between us, Novogen and Novogen Research Pty Limited (the “Isoflavone Asset Purchase Agreement”). The acquisition of the Isoflavone-related Assets and the other transactions contemplated by the Isoflavone Asset Purchase Agreement are referred to in this prospectus as the “Isoflavone Transaction.”

If we are unable to realize the expected strategic and financial benefits from the Isoflavone Transaction, our stockholders may experience substantial dilution of their ownership interest upon the conversion of the Series A

[Table of Contents](#)

Convertible Preferred Stock, which may be converted at any time and from time to time without the payment of any additional consideration, without receiving any commensurate benefit. As of [], 2012, Novogen owned approximately 58.1% of our outstanding shares of common stock. Additionally, upon consummation of the Isoflavone Transaction, Novogen acquired 1,000 shares of our Series A Convertible Preferred Stock which are initially convertible into an aggregate of 4,827,000 shares of our Common Stock, which would increase Novogen's ownership percentage to approximately 68.4%. In addition, upon our achievement of certain development milestones relating to the Isoflavone-related Assets, the aggregate number of shares into which the Series A Convertible Preferred Stock may be converted would increase to 9,654,000, which would potentially increase Novogen's ownership percentage to approximately 74.7%, absent the issuance of any other shares of our Common Stock. Although in the Isoflavone Asset Purchase Agreement Novogen made certain representations and warranties regarding its intellectual property rights in respect of the Isoflavone-related Assets, these indemnification obligations, which were limited and payable solely by the forfeiture of our securities issued as consideration in the Isoflavone Transaction expired on June 30, 2011. Accordingly, we do not expect to be adequately compensated, if at all, for the loss of any such intellectual property rights acquired in the Isoflavone Transaction.

The results of pre-clinical studies and completed clinical trials are not necessarily predictive of future results, and our current drug candidates may not have favorable results in later studies or trials.

Pre-clinical studies and Phase I and Phase II clinical trials are not primarily designed to test the efficacy of a drug candidate, but rather to test safety, to study pharmacokinetics and pharmacodynamics, and to understand the drug candidate's side effects at various doses and schedules. Favorable results in early studies or trials may not be repeated in later studies or trials, including continuing pre-clinical studies and large-scale Phase III clinical trials, and our drug candidates in later-stage trials may fail to show desired safety and efficacy despite having progressed through earlier-stage trials. Unfavorable results from ongoing pre-clinical studies or clinical trials could result in delays, modifications or abandonment of ongoing or future clinical trials, or abandonment of a clinical program. Pre-clinical and clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals or commercialization. Negative or inconclusive results or adverse medical events during a clinical trial could cause a clinical trial to be delayed, repeated or terminated, or a clinical program to be abandoned.

Our research and development program for ME-344 is at an early stage of development, and may not result in approval by the FDA or proceed to commercial development.

Our research and development program for ME-344 is in the discovery or pre-clinical stage of development. The process of conducting clinical studies requires the commitment of substantial resources. We completed the required pre-clinical studies and submitted an Investigational New Drug (IND) application for ME-344 in March 2012. We plan to initiate a Phase 1 clinical trial of intravenous ME-344 in patients with solid refractory tumors following approval of the IND by the FDA. However, there can be no assurances that further clinical trials will be conducted or that the results from these trials will be sufficient to support approval of ME-344 by the FDA.

Final approval by regulatory authorities of our drug candidates for commercial use may be delayed, limited or prevented, any of which would adversely affect our ability to generate operating revenues.

We will not generate any operating revenue until we successfully commercialize one of our drug candidates. Currently, we have drug candidates at different stages of development, and each will need to successfully complete a number of studies and obtain regulatory approval before potential commercialization.

In particular, any of the following factors may serve to delay, limit or prevent the final approval by regulatory authorities of our drug candidates for commercial use:

- ME-143 and ME-344 are in the early stages of development, and we will need to conduct significant pre-clinical and clinical testing to demonstrate safety and efficacy of these drug candidates before applications for marketing can be filed with the FDA, or with the regulatory authorities of other countries;

[Table of Contents](#)

- data obtained from pre-clinical and clinical studies can be interpreted in different ways, which could delay, limit or prevent regulatory approval;
- development and testing of product formulation, including identification of suitable excipients, or chemical additives intended to facilitate delivery of our drug candidates;
- it may take us many years to complete the testing of our drug candidates, and failure can occur at any stage of this process; and
- negative or inconclusive results or adverse medical events during a clinical trial could cause us to delay or terminate our development efforts.

The successful development of any of these drug candidates is uncertain and, accordingly, we may never commercialize any of these drug candidates or generate revenue.

We may not be able to establish the contractual arrangements necessary to develop, market and distribute our product candidates.

A key part of our business plan is to establish contractual relationships with third parties to package, market and distribute our product candidates. Potential counterparties may not wish to enter into agreements with us due to Novogen's current equity position as our majority stockholder.

Similarly, potential partners may be discouraged by our limited operating history. There is no assurance that we will be able to negotiate commercially acceptable licensing or other agreements for our drug product candidates including continued clinical development, manufacture or marketing. If we are unable to successfully contract for these services, or if arrangements for these services are terminated, we may have to delay our commercialization program which will adversely affect our ability to generate operating revenues.

We rely on third parties to conduct our clinical trials and many of our pre-clinical studies. If those parties do not successfully carry out their contractual duties or meet expected deadlines, our drug candidates may not advance in a timely manner or at all.

In the course of our discovery, pre-clinical testing and clinical trials, we rely on third parties, including laboratories, investigators, clinical contract research organizations, or CROs, and manufacturers, to perform critical services for us. For example, we rely on third parties to conduct our clinical trials and many of our pre-clinical studies. CROs are responsible for many aspects of the trials, including finding and enrolling subjects for testing and administering the trials. Although we rely on these third parties to conduct our clinical trials, we are responsible for ensuring that each of our clinical trials is conducted in accordance with its investigational plan and protocol. Moreover, the FDA and foreign regulatory authorities require us to comply with regulations and standards, commonly referred to as good clinical practices, or GCPs, for conducting, monitoring, recording, and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial subjects are adequately informed of the potential risks of participating in clinical trials. Our reliance on third parties does not relieve us of these responsibilities and requirements. These third parties may not be available when we need them or, if they are available, may not comply with all regulatory and contractual requirements or may not otherwise perform their services in a timely or acceptable manner, and we may need to enter into new arrangements with alternative third parties and our clinical trials may be extended, delayed or terminated. These independent third parties may also have relationships with other commercial entities, some of which may compete with us. In addition, if such third parties fail to perform their obligations in compliance with our clinical trial protocols or GCPs, our clinical trials may not meet regulatory requirements or may need to be repeated. As a result of our dependence on third parties, we may face delays or failures outside of our direct control. These risks also apply to the development activities of collaborators, and we do not control their research and development, clinical trial or regulatory activities.

[Table of Contents](#)

Our commercial opportunity will be reduced or eliminated if competitors develop and market products that are more effective, have fewer side effects or are less expensive than our drug candidates.

The development of drug candidates is highly competitive. A number of other companies have products or drug candidates in various stages of pre-clinical or clinical development that are intended for the same therapeutic indications for which our drug candidates are being developed. Some of these potential competing drugs are further advanced in development than our drug candidates and may be commercialized sooner. Even if we are successful in developing effective drugs, our compounds may not compete successfully with products produced by our competitors.

Our competitors include pharmaceutical companies and biotechnology companies, as well as universities and public and private research institutions. In addition, companies active in different but related fields represent substantial competition for us. Many of our competitors developing oncology drugs have significantly greater capital resources, larger research and development staffs and facilities and greater experience in drug development, regulation, manufacturing and marketing than we do. These organizations also compete with us and our service providers, to recruit qualified personnel, and with us to attract partners for joint ventures and to license technologies that are competitive with us. As a result, our competitors may be able to more easily develop technologies and products that would render our technologies or our drug candidates obsolete or non-competitive.

We have no direct control over the cost of manufacturing our drug candidates. Increases in the cost of manufacturing our drug candidates would increase our costs of conducting clinical trials and could adversely affect our future profitability.

We do not intend to manufacture our drug product candidates ourselves, and we will rely on third parties for our drug supplies both for clinical trials and for commercial quantities in the future. We have taken the strategic decision not to manufacture active pharmaceutical ingredients (“API”) for our drug candidates, as these can be more economically supplied by third parties with particular expertise in this area. We have identified contract facilities that are registered with the FDA, have a track record of large scale API manufacture, and have already invested in capital and equipment. We have no direct control over the cost of manufacturing our product candidates. If the cost of manufacturing increases, or if the cost of the materials used increases, these costs will be passed on to us, making the cost of conducting clinical trials more expensive. Increases in manufacturing costs could adversely affect our future profitability if we are unable to pass all of the increased costs along to our customers.

Even if we receive regulatory approval to commercialize our drug candidates, our ability to generate revenues from any resulting products will be subject to a variety of risks, many of which are out of our control.

Even if our drug candidates obtain regulatory approval, resulting products may not gain market acceptance among physicians, patients, healthcare payers or the medical community. We believe that the degree of market acceptance and our ability to generate revenues from such products will depend on a number of factors, including:

- timing of market introduction of our drugs and competitive drugs;
- actual and perceived efficacy and safety of our drug candidates;
- prevalence and severity of any side effects;
- potential or perceived advantages or disadvantages over alternative treatments;
- strength of sales, marketing and distribution support;
- price of our future products, both in absolute terms and relative to alternative treatments;
- the effect of current and future healthcare laws on our drug candidates; and
- availability of coverage and reimbursement from government and other third-party payers.

[Table of Contents](#)

If any of our drugs are approved and fail to achieve market acceptance, we may not be able to generate significant revenue to achieve or sustain profitability.

We face a risk of product liability claims and may not be able to obtain adequate insurance.

Our business exposes it to the risk of product liability claims. This risk is inherent in the manufacturing, testing and marketing of human therapeutic products. We have product liability insurance coverage of \$5 million. The coverage is subject to deductibles and coverage limitations. We may not be able to obtain or maintain adequate protection against potential liabilities, or claims may exceed our insurance limits. If we cannot or do not sufficiently insure against potential product liability claims, we may be exposed to significant liabilities, which may materially and adversely affect our business development and commercialization efforts.

Our financial results are affected by fluctuations in currency exchange rates.

A portion of our expenditures and potential revenue will be spent or derived outside of the United States. As a result, fluctuations between the U.S. dollar and the currencies of the countries in which we operate may increase our costs or reduce our potential revenue. At present, we do not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the U.S. dollar.

Risks Related to Securities Markets and Investment in Our Stock

The trading price of the shares of our Common Stock has been and may continue to be highly volatile and could decline in value and we may incur significant costs from class action litigation.

The trading price of our Common Stock could be highly volatile in response to various factors, many of which are beyond our control, including:

- failure to successfully develop drug candidates ME-143 and ME-344 (and their analogues);
- announcements of technological innovations by us or our competitors;
- new products introduced or announced by us or our competitors;
- changes in financial estimates by securities analysts;
- actual or anticipated variations in operating results;
- expiration or termination of licenses research contracts or other collaboration agreements;
- conditions or trends in the regulatory climate and the biotechnology, pharmaceutical and genomics industries;
- instability in the stock market as a result of current global events;
- changes in the market valuations of similar companies;
- the liquidity of any market for our securities;
- additional sales by us or Novogen of shares of our Common Stock; and
- threatened or actual delisting of our Common Stock from a national stock exchange.

Equity markets in general, and the market for biotechnology and life sciences companies in particular, have experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies traded in those markets. In addition, changes in economic conditions in the U.S., Europe or globally, particularly in the context of current global events, could impact upon our ability to grow profitably. Adverse economic changes are outside our control and may result in material adverse impacts on our business or our results of operations. These broad market and industry factors may materially affect the market price of shares of our Common Stock, regardless of our development and operating performance. In the

[Table of Contents](#)

past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been instituted against that company. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management's attention and resources.

In addition, if the market price of our Common Stock remains below \$5.00 per share, under stock exchange rules, our stockholders will not be able to use such shares as collateral for borrowing in margin accounts. Further, certain institutional investors are restricted from investing in shares priced below \$5.00. This inability to use shares of our Common Stock as collateral and the inability of certain institutional investors to invest in our shares may depress demand and lead to sales of such shares creating downward pressure on and increased volatility in the market price of our Common Stock.

Because we do not intend to pay, and have not paid, any cash dividends on our shares of common stock, our stockholders will not be able to receive a return on their shares unless the value of our Common Stock appreciates and they sell their shares.

We have never paid or declared any cash dividends on our Common Stock, and we intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. Therefore, our stockholders will not be able to receive a return on their investment unless the value of our Common Stock appreciates and they sell their shares.

Our common stock may be delisted from Nasdaq.

During 2010, we received deficiency notices from Nasdaq regarding non-compliance with the minimum stockholders equity and the minimum Market Value of Publicly Held Shares in accordance with Nasdaq Listing Standards for the Nasdaq Global Market. On March 7, 2011, a Nasdaq Hearing Panel granted us until May 16, 2011 to evidence compliance with the stockholders equity and minimum Market Value of Publicly Held Shares requirement. On March 23, 2011, we received a positive response from the Nasdaq Listing Qualifications Staff indicating that our request for a transfer and continued listing on the Nasdaq Capital Market had been granted. Our common stock began trading on the Nasdaq Capital Market effective with the open of business on March 16, 2011.

Under Nasdaq rules, we are required to maintain minimum stockholders' equity of \$2.5 million. If our stockholders' equity falls below \$2.5 million, we would have 45 calendar days from the date of notification by Nasdaq to submit a plan to regain compliance. If the plan is accepted, Nasdaq can grant an extension of up to 180 calendar days from the date of the original notification for us to evidence compliance with this requirement. As a result of continuing losses from operations and the recognition of other expense for the fair value of derivative liabilities related to the securities issued in the May 2011 private placement, our stockholders' equity fell below \$2.5 million as of June 30, 2011; however, as a result of our subsequent financing activities, our stockholders' equity exceeded the \$2.5 million requirement as of September 30, 2011 and December 31, 2011.

In addition, under Nasdaq rules, companies listed on the Nasdaq Capital Market are required to maintain a share price of at least \$1.00 per share and if the share price declines below \$1.00 for a period of 30 consecutive business days, then the listed company would have 180 days to regain compliance with the \$1.00 per share minimum. In the event that our share price remains below \$1.00, we may be required to take action, such as a reverse stock split, in order to comply with the Nasdaq rules that may be in effect at the time.

If we are not able to comply with the listing standards of the Nasdaq Capital Market, our Common Stock will be delisted from Nasdaq and an associated decrease in liquidity in the market for our Common Stock will occur.

We will have broad discretion over the use of the net proceeds from any exercise of outstanding warrants and the Rights.

We will have broad discretion to use the net proceeds to us upon any exercise of outstanding warrants and the Rights, as well as warrants issued as part of the Units, and investors in our stock will be relying on the judgment of our board of directors and management regarding the application of these proceeds. Although we expect to use a substantial portion of the net proceeds from any exercise of the warrants and Rights to continue the early-stage clinical development of our two lead oncology drug candidates, ME-143 and ME-344, and for other general corporate purposes, we have not allocated these net proceeds for specific purposes.

We are authorized to issue blank check preferred stock, which could adversely affect the holders of our Common Stock.

Our restated certificate of incorporation allows us to issue blank check preferred stock with rights potentially senior to those of our Common Stock without any further vote or action by the holders of our Common Stock. Although our Series A Convertible Preferred Stock, our only outstanding preferred stock, does not contain dividend or voting preferences, the issuance of a class of preferred stock could decrease the amount of earnings and assets available for distribution to the holders of our Common Stock or could adversely affect the rights and powers, including voting rights, of such holders. In certain circumstances, such issuance could have the effect of decreasing the market price of our shares, or making a change in control of us more difficult.

Laws, rules and regulations relating to public companies may be costly and impact our ability to attract and retain directors and executive officers.

Laws and regulations affecting public companies, including rules adopted by the SEC and by Nasdaq, as well as the laws and regulations of foreign governments, may result in increased costs to us. These laws, rules and regulations could make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on our board committees or as executive officers. We cannot estimate accurately the amount or timing of additional costs we may incur to respond to these laws, rules and regulations.

Our executive officers and directors may sell shares of their stock, and these sales could adversely affect our stock price.

Sales of our stock by our executive officers and directors, or the perception that such sales may occur, could adversely affect the market price of our stock. Our executive officers and directors may sell stock in the future, either as part, or outside, of trading plans under Securities and Exchange Commission, or SEC, Rule 10b5-1. In connection with the May 2011 private placement, each of our executive officers and directors agreed not to sell any shares of our stock until the earlier of (i) the date 90 days after the date on which all of the shares of common stock, Series A and Series B warrants and Adjustment Shares have either been registered or can be sold pursuant to Rule 144 under the Securities Act, and (ii) June 18, 2012.

Risks Relating to Our Intellectual Property

Our commercial success is dependent, in part, on obtaining and maintaining patent protection and preserving trade secrets, which cannot be guaranteed.

Patent protection and trade secret protection are important to our business and our future will depend, in part on our ability maintain trade secret protection, obtain patents and operate without infringing the proprietary rights of others both in the United States and abroad. Litigation or other legal proceedings may be necessary to defend against claims of infringement, to enforce our patents or to protect our trade secrets. Such litigation could result in substantial costs and diversion of our management's attention.

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and involve complex legal and factual questions. Prior to the Isoflavone Transaction, Novogen had applied for patents in a number of countries with respect to the use of their isoflavone compounds, including Phenoxodiol, Triphendiol, ME-143, NV-128, and ME-344, for the treatment, prevention or cure of cancer and methods of production of

[Table of Contents](#)

Phenoxodiol. We acquired both issued patents and pending patent applications from Novogen in relation to these technologies, which we previously licensed from Novogen. The patent applications may not proceed to grant or may be amended to reduce the scope of protection of any patent granted. The applications and patents may also be opposed or challenged by third parties. Our commercial success will depend, in part, on our ability to obtain and maintain effective patent protection for our compounds and their use in treating, preventing, or curing cancer, and to successfully defend patent rights in those technologies against third-party challenges. As patent applications in the United States are maintained in secrecy until published or issued and as publication of discoveries in the scientific or patent literature often lag behind the actual discoveries, we cannot be certain that Novogen was the first to make the inventions covered by its pending patent applications or issued patents that we acquired or that it was the first to file patent applications for such inventions. Additionally, the breadth of claims allowed in biotechnology and pharmaceutical patents or their enforceability cannot be predicted. We cannot be sure that, should any patents issue, they will be provided with adequate protection against potentially competitive products. Furthermore, we cannot be sure that should patents issue, they will be of commercial value to us, or that private parties, including competitors, will not successfully challenge our patents or circumvent our patent position in the United States or abroad.

In addition, although in the Isoflavone Asset Purchase Agreement Novogen has made certain representations and warranties regarding its intellectual property rights in respect of the Isoflavone-related Assets, its indemnification obligations in respect of these representations and warranties are limited and expired on June 30, 2011.

Claims by other companies that we infringe on their proprietary technology may result in liability for damages or stop our development and commercialization efforts.

The pharmaceutical industry is highly competitive and patents have been applied for by, and issued to, other parties relating to products competitive with the compounds that we had previously licensed and purchased in May 2011 pursuant to the Isoflavone Asset Purchase Agreement. Therefore, Phenoxodiol Triphendiol, ME-143, ME-344, NV-128 and any other drug candidates may give rise to claims that they infringe the patents or proprietary rights of other parties existing now and in the future.

Furthermore, to the extent that we or our consultants or research collaborators use intellectual property owned by others in work performed for us, disputes may also arise as to the rights in such intellectual property or in resulting know-how and inventions. An adverse claim could subject us to significant liabilities to such other parties and/or require disputed rights to be licensed from such other parties.

We have contracted formulation development and manufacturing process development work for our product candidates. This process has identified a number of excipients, or additives to improve drug delivery, which may be used in the formulations. Excipients, among other things, perform the function of a carrier of the active drug ingredient. Some of these identified excipients or carriers may be included in third party patents in some countries. We intend to seek a license if we decide to use a patented excipient in the marketed product or we may choose one of those excipients that does not have a license requirement.

We cannot be sure that any license required under any such patents or proprietary rights would be made available on terms acceptable to us, if at all. If we do not obtain such licenses, we may encounter delays in product market introductions, or may find that the development, manufacture or sale of products requiring such licenses may be precluded. We have not conducted any searches or made any independent investigations of the existence of any patents or proprietary rights of other parties.

We may be subject to substantial costs stemming from our defense against third-party intellectual property infringement claims.

Third parties may assert that we are using their proprietary information without authorization. Third parties may also have or obtain patents and may claim that technologies licensed to or used by us infringe their patents.

[Table of Contents](#)

If we are required to defend patent infringement actions brought by third parties, or if we sue to protect our own patent rights, we may be required to pay substantial litigation costs and managerial attention may be diverted from business operations even if the outcome is not adverse to us. In addition, any legal action that seeks damages or an injunction to stop us from carrying on our commercial activities relating to the affected technologies could subject us to monetary liability and require us or any third party licensors to obtain a license to continue to use the affected technologies. We cannot predict whether we would prevail in any of these types of actions or that any required license would be made available on commercially acceptable terms or at all.

Risks Related to our Relationship with Novogen

As our majority stockholder, Novogen has the ability to determine the outcome of matters submitted to our stockholders for approval, and Novogen's interests may conflict with our or our other stockholders' interests.

As of [], 2012, Novogen beneficially owned approximately 58.1% of our outstanding shares of common stock. Novogen's ownership interest may further increase to the extent it purchases additional shares of our Common Stock pursuant to the standby purchase agreement. In addition, Novogen owns 1,000 shares of our Series A Convertible Preferred Stock which are initially convertible into 4,827,000 shares of our Common Stock, which would increase Novogen's ownership percentage to approximately 68.4%. As a result, Novogen will have the ability to effectively determine the outcome of all matters submitted to our stockholders for approval, including the election and removal of directors and any merger, consolidation or sale of all or substantially all of its assets.

Novogen will have the ability to effectively control our management and affairs. Novogen's interests may not always be the same as those of our other stockholders. In addition, this concentration of ownership may harm the market price of our securities by:

- delaying, deferring or preventing a change in control;
- impeding a merger, consolidation, takeover or other business combination involving us;
- discouraging a potential acquirer from making a tender, offer or otherwise attempting to obtain control of us; or
- selling us to a third party.

In the event that Novogen undergoes a change in control while remaining our controlling stockholder, we will become subject to the control and influence of Novogen's new controlling stockholder who may have views regarding the development of our business that differ from the development strategies we are currently pursuing.

In the event that Novogen undergoes a change in control while remaining our controlling stockholder, we will become subject to the control and influence of Novogen's new controlling stockholder who will have the ability to indirectly determine the outcome of all matters submitted to our stockholders for approval through its control of Novogen. This entity may have views regarding the development of our business that differ from the development strategies we are currently pursuing. Such controlling stockholder may cause Novogen to use its influence and voting power to change the direction in which we are developing our business. Such changes may include, but are not limited to, a decreased focus on the development of any of our current drug candidates and an increased focus on the development of alternative drug candidates, which may or may not be targeted to treat cancers.

One of our directors is the Chairman of the Board of Novogen Limited, which may create a conflict of interest as well as prevent him from devoting his full attention to us.

One of our board members, Mr. William Rueckert, currently serves as the Chairman of the Board of Novogen, our majority shareholder. Simultaneous service as a Novogen director could create, or appear to create, a conflict of interest when such director is presented with decisions that could have different implications for us and Novogen. His responsibilities could prevent him from devoting his full attention to us, which could be harmful to the development of our business.

Risks Related to the Rights Offering

The subscription price per share is not necessarily an indication of the fair value of our Common Stock.

For every two Units purchased in the Rights Offering, you will receive a single share of Common Stock in exchange for an aggregate subscription price of \$0.89, which represents a 10 percent discount to the volume-weighted average price of our common stock for the 30 consecutive trading days ending on, and inclusive of, March 13, 2012, and warrants to purchase one-half of one share of Common Stock at an exercise price of \$1.19 per share, which exercise price represents a 20 percent premium to the volume-weighted average price of our common stock for the 30 consecutive trading days ending on, and inclusive of, March 13, 2012.

In determining the subscription price, the board of directors considered a number of factors, including: the price at which our stockholders, including Novogen might be willing to participate in the rights offering; historical and current trading prices for our Common Stock; the need for liquidity and capital; and the desire to provide an opportunity to our stockholders to participate in the rights offering on a pro rata basis. In conjunction with its review of these factors, the board of directors also reviewed our history and prospects, including our past and present losses, our prospects for future earnings, our current financial condition and regulatory status. The subscription price is not necessarily related to our book value or any other established criteria of fair value and may or may not be considered the fair value of our Common Stock included in the Units to be offered in the Rights Offering. After the date of this prospectus, our shares of Common Stock may continue to trade at prices below the subscription price per whole share.

The Rights are not transferable, and there is no market for the Rights.

You may not sell, give away, or otherwise transfer your Rights; provided, however, that Rights Holders may distribute their Rights to their own stockholders, members, or general or limited partners. Because the Rights are non-transferable, there is no market or other means for you to directly realize any value associated with the Rights.

If you do not exercise your Rights, your percentage ownership will be diluted.

We will issue up to 17,129,361 Units in the Rights Offering, consisting of up to an aggregate of 8,564,680 shares of Common Stock and warrants to purchase up to an additional 4,282,340 shares of Common Stock, for an aggregate purchase price of up to \$7.6 million. If you choose not to exercise your Rights, your ownership interest in our Common Stock will be diluted relative to stockholders who exercise their Rights.

If you do not follow the subscription instructions and act before the Rights Offering expires, your exercise of Rights will be rejected.

If you want to exercise your Rights and purchase Units in the Rights Offering, you must act promptly to ensure that the subscription agent receives all required forms and payment before 5:00 p.m., Eastern Time, on the Expiration Date. If you are a beneficial owner of shares, you must act promptly to ensure that your broker, dealer, custodian bank or other nominee acts promptly on your behalf and that the subscription agent receives all required forms and payment before the Rights Offering expires. We are not responsible if your nominee fails to ensure that the subscription agent receives all required forms and payments before the Expiration Date. If you fail to complete and sign the required subscription forms, send an incorrect payment amount, or otherwise fail to follow the subscription procedures that apply to the exercise of your Rights before the Expiration Date, the subscription agent will reject your subscription or accept it only to the extent of the payment received. Neither we nor the subscription agent undertakes any responsibility to contact you concerning an incomplete or incorrect subscription form or payment, nor are we under any obligation to correct such forms or payment. We have the sole discretion to determine whether a subscription exercise complies properly with the subscription procedures.

[Table of Contents](#)

Our stock price may decline between the time you elect to purchase Units and the time the shares of Common Stock and warrants comprising the Units are issued to you.

If you purchase Units in the Rights Offering by submitting a rights certificate and payment, the subscription agent will mail to you a direct registration account statement or, upon request, a stock certificate and warrant certificate as soon as practicable following the Expiration Date. If your shares are held by a broker, dealer, custodian bank or other nominee and you purchase Units, your account with your nominee will be credited by your nominee. Until the shares of Common Stock included in the Units you elect to purchase are issued to you, you may not be able to sell your shares even though the Common Stock issued in the Rights Offering will be listed for trading on the Nasdaq Capital Market. The stock price may decline between the time you decide to sell your shares and the time you sell your shares.

The Rights Offering may cause the price of our Common Stock to decrease.

The shares of Common Stock and warrants that will be issuable in the Rights Offering may cause the price of a share of our Common Stock to decrease. If shares of Common Stock purchased in the Rights Offering or upon exercise of the warrants issued in the Rights Offering are sold, such sales could further depress the market price of our Common Stock.

The price of our Common Stock may be less than the subscription price per whole share of \$0.89 (which represents the subscription price for two Units) in the Rights Offering.

If you exercise your Rights to purchase Units in the Rights Offering, you may not be able to sell the shares of Common Stock included in the Units later at or above the subscription price per whole share of \$0.89 (which represents the subscription price for two Units). The last reported price of a share of our Common Stock on the Nasdaq Capital Market as of [], 2012 was \$[]. This price could be subject to significant fluctuations in response to numerous factors, some of which are beyond our control. See “—Risks Related to Securities Markets and Investment in Our Stock—The trading price of the shares of our Common Stock has been and may continue to be highly volatile and could decline in value and we may incur significant costs from class action litigation.”

The market price of our Common Stock may never exceed the exercise price of the warrants issued in connection with the Rights Offering.

The warrants being issued in connection with this Rights Offering become exercisable on their date of issuance and will expire five years thereafter. We cannot provide you any assurance that the market price of our Common Stock will ever exceed the exercise price of these warrants prior to their date of expiration. Any warrants not exercised by their date of expiration will expire, and we will be under no further obligation to the warrant holder.

If the Company files for bankruptcy, the warrants may be treated as executory contracts subject to rejection.

In the event a bankruptcy, reorganization or similar proceeding is commenced by or against us, a bankruptcy court may hold that unexercised warrants are executory contracts which may be subject to rejection by us with approval of the bankruptcy court. As a result, holders of the warrants may, even if sufficient funds are available, not be entitled to receive any consideration or may receive an amount less than they would be entitled to if they had exercised their warrants prior to the commencement of any such bankruptcy, reorganization or similar proceeding.

If we do not keep current the registration statement covering the Common Stock and warrants issuable in connection with the Rights Offering, you may be unable to exercise such warrants.

We must keep current and effective the registration statement we have filed with the SEC, of which this prospectus forms a part, relating to the warrants and the shares of Common Stock issuable in connection with the Rights Offering in order for holders of warrants to be entitled to exercise such warrants for cash. We may not be

[Table of Contents](#)

able to maintain a registration statement in effect throughout the period during which the warrants remain exercisable. Maintaining an effective registration statement requires substantial continuing expenses for legal and accounting fees and we cannot guarantee our ability to keep the registration statement effective.

There is no public market for the warrants to purchase shares of our Common Stock included in the Units being offered in the Rights Offering.

There is no established public trading market for the warrants included in the Units being offered in the Rights Offering, and we do not expect a market to develop. In addition, we do not intend to apply to list the warrants on any national securities exchange or other nationally recognized trading system, including the Nasdaq Capital Market. Without an active market, the liquidity of the warrants will be limited.

If you exercise your Rights, you commit to purchasing Units at the designated subscription price and may not revoke your exercise even if the public trading market price of the Common Stock is below the subscription price per whole share.

Your exercise of Rights to purchase Units is irrevocable. If you exercise your Rights and the public trading market price of a share of our Common Stock is below the subscription price, you will have committed to buying our Common Stock at a price above the prevailing market price and could have an immediate unrealized loss. Our Common Stock is currently listed for trading on the Nasdaq Capital Market under the ticker symbol "MSHL," and the last reported price of a share of our Common Stock on the Nasdaq Capital Market on [], 2012 was \$[] per share. Following the exercise of your Rights, you may not be able to sell your shares of Common Stock at a price equal to or greater than the subscription price per whole share of \$0.89 (which represents the subscription price for two Units).

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this prospectus and in the documents incorporated by reference herein, including statements regarding the future financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, without limitation, those described in “Risk Factors” and elsewhere in this prospectus and the documents incorporated by reference herein, including, among other things:

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, among other things:

- our inability to obtain required additional financing or financing available to us on acceptable terms, or at all, which may cause us to delay, scale-back or eliminate plans related to development of our drug candidates;
- we are in an early stage of pre-clinical studies for our next generation product candidates on which our development plans are based; pre-clinical studies by their nature typically have a high level of risk of failure, and may not produce successful results;
- uncertainties in clinical trial results;
- our inability to maintain or enter into, and the risks resulting from our dependence upon, contractual arrangements necessary for the clinical development, manufacture, commercialization, marketing, sales and distribution of our product candidates;
- costs and delays in the clinical development programs and/or receipt of U.S. Food and Drug Administration (the “FDA”) or other required governmental approvals, or the failure to obtain such approvals, for our product candidates;
- our failure to successfully commercialize our product candidates;
- the failure of any products to gain market acceptance;
- our inability to control the costs of manufacturing our products;
- competition and competitive factors;
- our inability to protect our patents or proprietary rights and obtain necessary rights to third party patents and intellectual property to operate our business;
- our inability to operate our business without infringing the patents and proprietary rights of others;
- costs stemming from our defense against third party intellectual property infringement claims;
- general economic conditions;
- technological changes;
- government regulation generally and the receipt of regulatory approvals;
- changes in industry practice; and
- one-time events.

[Table of Contents](#)

These risks are not exhaustive. Other sections of this prospectus and the documents incorporated by reference herein include additional factors which could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not rely upon forward looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

PLAN OF DISTRIBUTION

On or about April 6, 2012, we will distribute the Rights at no cost to our stockholders, as well as to holders of our Series A warrants, as of the Record Date. If you wish to exercise your Rights, you must timely comply with the exercise procedures described under “The Rights Offering—Method of Exercising Rights.”

The Rights may not be sold, transferred or assigned; provided, however, that Rights Holders may distribute their Rights to their own stockholders, members or general or limited partners. Novogen has informed us that, in the course of its capital management plans, it intends to distribute a portion of its Rights to its shareholders. Rights will not be listed for trading on the Nasdaq Capital Market or any other securities exchange or trading market.

Georgeson will act as our information agent for the Rights Offering. As our information agent, Georgeson will assist in the distribution of the subscription rights, this prospectus and the related subscription information and forms, solicit responses from our stockholders to the Rights Offering, as well as answer any questions and provide further information to our stockholders with respect to the Rights Offering. Computershare will act as our subscription agent and warrant agent for the Rights Offering. As our subscription agent, Computershare will receive and process all subscription certificates from our holders of record and will distribute certificates for the shares of our Common Stock purchased by holders of record upon the expiration of the Rights Offering. As our warrant agent, Computershare will receive and process all exercises of the warrants issued in the Rights Offering and will distribute certificates for the shares of our Common Stock upon exercise of the warrants. We will pay certain fees and expenses of the information agent, the subscription agent and the warrant agent relating to the Rights Offering. We will not pay any other commissions, underwriting fees or discounts in connection with the Rights Offering.

Some of our employees may solicit responses from you as a holder of Rights, but we will not pay our employees any commissions or compensation for these services other than their normal employment compensation. We estimate that our total expenses in connection with the Rights Offering will be \$357,058.

If you have any questions, you should contact the subscription agent as provided in “The Rights Offering—Subscription Agent.”

This prospectus also covers the initial issuance of shares of Common Stock by the registrant upon exercise of the Warrants.

USE OF PROCEEDS

Assuming the exercise of Rights to purchase all 17,129,361 Units in the Rights Offering for an aggregate purchase price of approximately \$7.6 million, we estimate that the net proceeds of the Rights Offering, after deducting related expenses, will be approximately \$7.3 million. Novogen has indicated that, subject to its receipt of shareholder approval, it intends to exercise Rights for up to \$4 million of Units. However, because there is no minimum number of Units that must be sold in the Rights Offering, we can provide no assurance regarding the amount of capital we will actually raise in the Rights Offering. We intend to use the net proceeds we receive from this offering to continue the early-stage clinical development of our two lead oncology drug candidates, ME-143 and ME-344, and for other general corporate purposes.

MARKET PRICE AND DIVIDEND INFORMATION

Our Common Stock is currently listed on the Nasdaq Capital Market under the symbol “MSHL.” As of [], 2012, we had 14,668,744 shares of our Common Stock outstanding, held by approximately [] holders of record. Prior to March 16, 2011, our Common stock was listed on the Nasdaq Global Market.

The following table sets forth the quarterly high and low sales prices of our Common Stock on the Nasdaq Capital Market or the Nasdaq Global Market, as applicable, for the periods indicated, after adjustment of all amounts to retroactively reflect the 1-for-10 reverse stock split that occurred on March 29, 2010:

	Share prices	
	High	Low
<i>Year Ending June 30, 2012</i>		
First Quarter	\$ 2.75	\$ 1.05
Second Quarter	1.45	0.99
Third Quarter (through [], 2012)	[]	[]
<i>Year Ended June 30, 2011</i>		
First Quarter	\$ 1.55	\$ 0.71
Second Quarter	1.40	0.73
Third Quarter	3.48	0.97
Fourth Quarter	1.99	0.92
<i>Year Ended June 30, 2010</i>		
First Quarter	\$ 17.40	\$ 4.80
Second Quarter	10.26	6.20
Third Quarter	9.00	4.60
Fourth Quarter	5.60	1.22
<i>Year Ended June 30, 2009</i>		
First Quarter	\$ 33.20	\$ 11.20
Second Quarter	20.80	3.00
Third Quarter	9.80	2.50
Fourth Quarter	13.40	3.80

We have never paid or declared any cash dividends on our Common Stock, and we intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our Common Stock in the foreseeable future.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2011, on (i) an actual basis, and (ii) a pro forma basis as adjusted to give effect to the issuance of 17,129,361 Units (consisting of an aggregate of 8,564,680 shares of Common Stock and warrants to purchase an aggregate of 4,282,340 shares of Common Stock) at \$0.445 per Unit in the Rights Offering. The table below does not reflect the exercise of any warrants issued in connection with the Rights Offering.

	As of December 31, 2011	
	(in thousands, except share data)	
	Actual	Pro Forma as adjusted for Rights Offering
Stockholders' equity		
Preferred stock, \$0.01 par value, 100,000 shares authorized;		
Series A: 1,000 shares issued and outstanding at December 31, 2011	\$ —	\$ —
Series B: 742 shares issued and redeemed; none outstanding at December 31, 2011	—	—
Common stock, \$0.0000002 par value; 113,000,000 shares authorized; 14,668,744 shares issued and outstanding, actual; 23,233,424 shares issued and outstanding, pro forma as adjusted for Rights Offering	—	—
Additional paid-in capital	84,667	91,933
Deficit accumulated during the development stage	(80,741)	(80,741)
Total stockholders' equity	\$ 3,926	\$ 11,192
Total Capitalization(1)	\$ 3,926	\$ 11,192

(1) As of December 31, 2011, we had no long-term debt.

SELECTED FINANCIAL DATA

You should read the following selected financial data together with our consolidated financial statements and the related notes, as well as the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other financial data included in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and incorporated by reference in this prospectus.

	(In thousands)				
	Six Months ended December 31, 2011	Year ended June 30,			
	2011	2010	2009	2008	2007
Operating Data					
Total operating expenses	\$ (3,890)	\$(6,451)	\$ (7,979)	\$ (11,407)	\$ (14,464)
Net loss	\$ (3,153)	\$(6,781)	\$ (7,896)	\$ (11,180)	\$ (13,820)
Cash Flow Data					
Net cash used in operating activities	\$ (3,504)	\$(6,501)	\$ (10,033)	\$ (10,554)	\$ (11,786)
Net cash used in investing activities	—	\$ (48)	\$ (3)	—	—
Net cash provided by financing activities	\$ 4,637	\$ 1,376	—	\$ 9,878	\$ 15,083
	As of December 31, 2011	As of June 30,			
	2011	2010	2009	2008	2007
Balance Sheet Data					
Total assets	\$ 5,222	\$ 4,168	\$ 9,136	\$ 19,356	\$ 19,978
Total current liabilities	\$ (1,296)	\$(2,374)	\$(1,755)	\$ (4,143)	\$ (3,443)

DILUTION

If you acquire Units in the Rights Offering, your ownership interest will be diluted to the extent of the difference between the subscription price per share of our Common Stock and each share of our Common Stock underlying the warrants, which are being offered together as Units, and the pro forma net tangible book value per share of our Common Stock after this offering. Our historical net tangible book value of Common Stock as of December 31, 2011 was \$3.9 million, or \$0.27 per share of Common Stock based on 14,668,744 shares of Common Stock outstanding as of December 31, 2011. Historical net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the total number of shares of Common Stock outstanding as of December 31, 2011.

On a pro forma basis, after giving effect to the issuance of the 17,129,361 Units relating to the Rights at a price of \$0.445 per Unit, for an aggregate amount of approximately \$7.6 million and the issuance of 8,564,680 shares of our Common Stock included in the Units, and after deducting estimated offering expenses payable by us, our pro forma net tangible book value as of December 31, 2011 would have been \$11.2 million, or \$0.48 per share of Common Stock. This represents an immediate increase in pro forma net tangible book value of \$0.21 per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of \$0.41 per share in connection with shares issued in the Rights Offering. The following table illustrates this per share dilution:

Assumed subscription price per share		\$0.89
Historical net tangible book value per share as of December 31, 2011	\$0.27	
Increase in net tangible book value per share attributable to this offering	<u>\$0.21</u>	
Pro forma net tangible book value per share after this offering		<u>\$0.48</u>
Dilution per share for shares issued in Rights Offering		<u>\$0.41</u>

The number of shares to be outstanding after this offering is based on 14,688,744 shares outstanding as of December 31, 2011, and excludes, in each case as of March [], 2012:

- the 4,282,340 shares of Common Stock that will be issuable upon exercise of warrants at an exercise price of \$1.19 per share sold as part of the Units in the Rights Offering;
- the Series A warrants issued in the May 2011 private placement exercisable to purchase 2,460,617 shares of our Common Stock at an exercise price of \$1.00 per share; and
- other outstanding warrants to purchase 248,003 shares of our Common Stock at exercise prices from \$21.70 to \$36.00 per share, which expire at various dates in calendar years 2012 and 2013, and options to purchase 862,560 shares of Common Stock at exercise prices from \$0.77 to \$6.30 per share, which expire at various dates in calendar years 2014, 2015 and 2016.

To the extent outstanding warrants or options are exercised, there will be further dilution to new investors. In addition, to the extent we issue additional equity securities in connection with future capital raising activities, our then-existing stockholders may experience dilution.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of 113,000,000 shares of common stock, par value \$0.00000002 per share, and 100,000 shares of preferred stock, par value \$0.01 per share. As of March [], 2012, there were 14,668,744 shares of Common Stock outstanding and 1,000 shares of Series A convertible preferred stock outstanding. The description set forth below is only a summary and is not complete. For more information regarding our capital stock, please refer to our restated certificate of incorporation, as amended, which is incorporated by reference as an exhibit to the registration statement of which this prospectus forms a part. For more information regarding the warrants, please refer to the form of warrant agreement, which is filed as an exhibit to the registration statement of which this prospectus forms a part.

Common Stock

The holders of shares of Common Stock are entitled to one vote per share. In the event of a liquidation, dissolution or winding up of our affairs, holders of the Common Stock will be entitled to share ratably in all of our assets that are remaining after payment of our liabilities and the liquidation preference, if any, of any outstanding shares of preferred stock. All outstanding shares of Common Stock are fully paid and non-assessable. The rights, preferences and privileges of holders of Common Stock are subject to any series of preferred stock that we have issued or may issue in the future. The holders of Common Stock have no preemptive rights and are not subject to future calls or assessments by us.

Preferred Stock

Our board of directors is authorized to provide for the issuance of blank check preferred stock in one or more series with designations as may be stated in the resolution or resolutions providing for the issue of such preferred shares. At the time that any series of our preferred stock is authorized, our board of directors will fix the dividend rights, any conversion rights, any voting rights, redemption provisions, liquidation preferences and any other rights, preferences, privileges and restrictions of that series, as well as the number of shares constituting that series and their designation. Our board of directors could, without stockholder approval, cause us to issue preferred stock which has voting, conversion and other rights that could adversely affect the holders of shares of our Common Stock or make it more difficult to effect a change in control. Our preferred stock could be used to dilute the share ownership of persons seeking to obtain control of us and thereby hinder a possible takeover attempt which, if our stockholders were offered a premium over the market value of their shares, might be viewed as being beneficial to our stockholders. In addition, our preferred stock could be issued with voting, conversion and other rights and preferences which would adversely affect the voting power and other rights of holders of our Common Stock.

On May 9, 2011, we issued to Novogen, in a transaction exempt from the registration requirements of the Securities Act, pursuant to Section 4(2) thereof, 1,000 shares of our newly-designated Series A Convertible Preferred Stock (the "Series A Preferred Stock"). Each share of Series A Preferred Stock is convertible at any time and from time to time and without the payment of additional consideration by the holder thereof into 4,827 shares of Common Stock. In addition, if a Phase II clinical trial involving our isoflavone technology has achieved a statistically significant result ($p=0.05$ or less) or a first patient is enrolled in a Phase III clinical trial our isoflavone technology, then any share of the Series A Preferred Stock not already converted may thereafter be converted into 9,654 shares of Common Stock.

We have the option to purchase, in a single transaction, all of the unconverted Series A Preferred Stock for an aggregate exercise price of \$12,000,000 in cash for all of the Series A Preferred Stock and, where a portion of the Series A Preferred Stock has been converted, the exercise price shall be pro-rated. Upon the earlier of (i) May 9, 2016 and (ii) a "change in control" of Novogen, as defined in the Asset Purchase Agreement dated as of May 10, 2011, by and among Novogen, Novogen Research Pty Limited and us, all unconverted Series A Preferred Stock will automatically convert into Common Stock in accordance with the applicable conversion ratio.

[Table of Contents](#)

Without our prior written consent, Novogen will not be permitted, directly or indirectly, to transfer, sell, assign, pledge, lend, convey, hypothecate or otherwise encumber or dispose of any Series A Preferred Stock.

Holders of the Series A Preferred Stock are not entitled to receive any dividend or other similar distributions, except in the event that our board of directors or any duly authorized committee thereof declares and authorizes a special dividend or distribution on any shares of Series A Preferred Stock.

Holders of the Series A Preferred Stock will not be entitled to vote any shares of Series A Preferred Stock. Holders of the Series A Preferred Stock will not have any rights of preemption, except as we may otherwise agree in writing.

Warrants; Options

Warrants Included in Units Issuable in the Rights Offering

Each Unit purchased in the Rights Offering will include a warrant to purchase 0.25 shares of Common Stock. The warrants will have an exercise price of \$1.19 per share and the exercise price may be adjusted in certain instances. The exercise price will be payable by certified or bank check to an account designated by us of an amount equal to the then applicable warrant price multiplied by the number of warrant shares being issued. The warrants will terminate five years from the date of issuance.

No fractional shares will be delivered upon the exercise of a warrant. If the exercise of a warrant would result in the delivery of a fractional share, we will not be obligated to deliver such fractional share, and the number of shares to be delivered upon the exercise of a warrant will be rounded down to the nearest full share.

The warrants will be transferable; however, there is no established public trading market for the warrants included in the Units being offered in the Rights Offering, and we do not expect a market to develop. In addition, we do not intend to apply to list the warrants on any national securities exchange or other nationally recognized trading system, including the Nasdaq Capital Market. Without an active market, the liquidity of the warrants will be limited.

The holders of unexercised warrants are not entitled, as such, to (i) receive dividends or distributions made to holders of Common Stock; (ii) acquire options, convertible securities, rights to purchase stock, warrants, securities or other property issued to holders of Common Stock; (iii) receive notice of, or to vote at, any meeting; (iv) receive notice of any other proceedings of Marshall Edwards; or (v) to exercise any other rights whatsoever as our shareholders.

The number of shares for which the warrants may be exercised and the exercise price applicable to the Warrants will be proportionately adjusted in the event that we make distributions of our Common Stock, or subdivide, combine or reclassify outstanding shares of our Common Stock, or if we pay a dividend in securities or property other than Common Stock. In the case of a merger or consolidation of us into another company where we are not the surviving company, the warrant holder will have the right to receive a new warrant in the surviving corporation; provided that the company will have the right to instead require the warrant holder to exercise all of its remaining warrants prior to any such merger or consolidation.

The warrants will be exercisable for cash, or, solely during any period when a registration statement for the exercise of the warrants is not in effect, on a cashless basis.

Other Warrants; Options

In addition to the Series A warrants issued in the May 2011 private placement, which as of March [], 2012 were exercisable to purchase 2,460,617 shares of our Common Stock at an exercise price of \$1.00 per share, as of the same date, there were outstanding warrants to purchase 248,003 shares of our Common Stock at

[Table of Contents](#)

exercise prices from \$21.70 to \$36.00 per share, which expire at various dates in calendar years 2012 and 2013, and options to purchase 862,560 shares of Common Stock at exercise prices from \$0.77 to \$6.30 per share, which expire at various dates in calendar years 2014, 2015 and 2016.

From time to time, we may issue additional warrants or options to purchase our Common Stock or preferred stock. Warrants or options may be issued independently or together with any other securities and may be attached to, or separate from, such securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent. All options will be issued under separate option agreements to be entered into between us and each holder of such options.

THE RIGHTS OFFERING

Rights

We will distribute, at no charge, to holders of our Common Stock, Rights to purchase up to an aggregate of 17,129,361 Units, consisting of an aggregate of up to 8,564,680 shares of Common Stock and warrants to purchase up to an aggregate of 4,282,340 shares of Common Stock. In the Rights Offering, you will receive one Right for every share of Common Stock held by you of record as of 5:00 p.m., Eastern time, on March 30, 2012. The exercise of each Right will entitle you to purchase one Unit at a subscription price of \$0.445 per Unit. Each Unit consists of 0.50 shares of Common Stock and a warrant for the purchase of an additional 0.25 shares of Common Stock. For example, if you owned 100 shares of Common Stock as of 5:00 p.m. on the Record Date, you would receive 100 Rights in the Rights Offering. If you chose to exercise all of your Rights, you would be required to pay an aggregate subscription price of \$44.50 and would receive 50 shares of Common Stock and warrants representing the right to purchase 25 shares of Common Stock at an exercise price of \$1.19 per share.

Holders of our Series A warrants issued in connection with the May 2011 private placement will also be entitled, pursuant to the terms of such warrants, to receive one Right for every share of Common Stock with respect to which such warrants are currently exercisable. As of March [], 2012, the Series A warrants were exercisable for an aggregate of 2,460,617 shares of Common Stock at an exercise price of \$1.00 per share.

Basic Subscription Rights

Pursuant to the Rights Offering, stockholders will have the right to purchase one Unit at a subscription price of \$0.445 per Unit per share upon the exercise of each Basic Subscription Right. You may exercise some, all, or none of your Rights. Except as described under “—Non-Transferability of Rights” below, you may not transfer your Rights. If you do not timely and fully exercise your Basic Subscription Right with respect to all the Rights you hold (after giving effect to any permitted distribution of Rights), you will not be entitled to exercise your Over-subscription Privilege to purchase any additional Common Stock. Novogen has advised us that it intends to distribute a portion of its Rights to its shareholders.

Over-subscription Privilege

If you timely and fully exercise your Basic Subscription Right with respect to all the Rights you hold (after giving effect to any permitted distribution of Rights), you may also choose to exercise your Over-subscription Privilege to purchase additional Units of Common Stock that other Rights Holders do not elect to purchase through their Basic Subscription Rights, subject to availability and allocation, provided that the aggregate number of all Units of Common Stock purchased in the Rights Offering may not exceed 17,129,361.

If the number of Units issuable upon the exercise of over-subscription requests exceeds the number of Units available, we will allocate the available Units pro rata among the Rights Holders exercising the Over-subscription Privilege in proportion to the number of Units such a Rights Holder elected to purchase pursuant to the Over-subscription Privilege, relative to the aggregate number of Units requested in all of the over-subscription requests received from Rights Holders. We may reject any over-subscription request and we will, in most cases, reject an over-subscription request to the extent the stockholder would own 5% or more of our Common Stock after the Over-subscription Privilege is exercised. If you exercise your Over-subscription Privilege and your over-subscription request is rejected, for any reason, the excess subscription payment will be returned to you, without interest or deduction, as soon as practicable.

To properly exercise your Over-subscription Privilege, you must deliver the subscription payment related to your Over-subscription Privilege before the Expiration Date. Because we will not know the total number of excess available Units and how excess available Units will be allocated before the Rights Offering expires, in order for the exercise of your entire Over-subscription Privilege to be valid, you should deliver to the subscription agent payment in an amount equal to the aggregate subscription price for the entire number of Units

[Table of Contents](#)

that you have requested to purchase pursuant to your Over-subscription Privilege, along with payment for the exercise of your Basic Subscription Right and all rights certificates and any Other Subscription Documents that the subscription agent may require, prior to the expiration of the Rights Offering.

We can provide no assurances that you will actually be permitted to purchase in full the number of Units you elect to purchase through the exercise of your Over-subscription Privilege. We will not be able to satisfy any requests for Units pursuant to the Over-subscription Privilege if all Rights Holders timely and fully exercise their Basic Subscription Rights with respect to all the Rights they hold, and we will only honor an Over-subscription Privilege to the extent sufficient Units are available following the exercise of Basic Subscription Rights, subject to the pro rata allocation described above.

To the extent the aggregate subscription price of the number of Units allocated to you pursuant to the Over-subscription Privilege is less than the amount you actually paid, the excess subscription payment will be returned to you as soon as practicable, without interest or deduction, after the Expiration Date.

To the extent the amount you paid in connection with the exercise of the Over-subscription Privilege is less than the aggregate subscription price of the Units allocated to you pursuant to the Over-subscription Privilege, you will receive only the number of Units for which you submitted full payment.

Subscription by Our Majority Shareholder

Our majority shareholder, Novogen Limited, or Novogen, has indicated that, subject to the approval of its shareholders, it intends to exercise its Rights for up to \$4 million of Common Stock. Novogen has advised us that its shareholders' approval of any exercise of its Rights will be sought prior to the expiration of the Rights Offering, and we intend to issue a press release announcing the results of such vote promptly following the occurrence thereof. Novogen has also advised us that, in the course of its capital management plans and subject to the approval of its shareholders, it intends to distribute a portion of its Rights to its shareholders, which may result in Novogen electing to purchase some amount of Units pursuant to its Over-subscription Privilege.

On the record date for the Rights Offering, Novogen beneficially owned 8,515,909 shares of our Common Stock, which represented 58.1% of the outstanding shares of our Common Stock as of the record date. If all Rights Holders, including, if applicable, Novogen shareholders, exercise their Basic Subscription Right and the Rights Offering is therefore fully subscribed, Novogen's beneficial ownership percentage will be reduced by an amount in proportion to the Rights it distributes to its shareholders. If no other Rights Holder exercises its Basic Subscription Right and Novogen purchases \$4 million of Units, we will issue an aggregate of 4,494,382 shares of our Common Stock (as well as warrants representing the right to purchase an additional 2,247,191 shares of Common Stock) to Novogen, which would increase Novogen's beneficial ownership to an aggregate of 67.9% of our outstanding Common Stock after giving effect to the Rights Offering.

Novogen also owns 1,000 shares of our Series A Convertible Preferred Stock which are initially convertible into an aggregate of 4,827,000 shares of our Common Stock. See "Description of Capital Stock—Preferred Stock."

Delivery of Common Stock

The subscription agent will deliver a direct registration account statement or, upon request, stock and warrant certificates to you or your nominee representing the Common Stock and warrants included in the Units that you purchased in the Rights Offering as soon as practicable following the expiration of the Rights Offering.

Reasons for the Rights Offering

We have decided to pursue the Rights Offering to raise capital which can be used to further progress our clinical trial programs and for other general corporate purposes.

[Table of Contents](#)

Method of Exercising Rights

The exercise of Rights will be irrevocable and may not be cancelled or modified. You will be able to exercise your Rights as follows:

Subscription by Registered Holders

If you hold Common Stock and/or Rights in your name, the number of Units you may purchase pursuant to your Basic Subscription Right will be indicated on the enclosed rights certificate. You will be able to exercise your Rights by properly completing and executing the rights certificate and forwarding it, together with your full payment and any Other Subscription Documents that the subscription agent may require, to the subscription agent at the address given below under “—Subscription Agent,” to be received on or before the Expiration Date.

Subscription by Beneficial Owners

If you are a beneficial owner of Common Stock that is registered in the name of a broker, dealer, custodian bank or other nominee, you will not receive a rights certificate. Instead, we will issue Rights to the nominee record holder for the shares of Common Stock that you own on the Record Date. If you are a beneficial owner of Rights and you are not contacted by your nominee, you should promptly contact your nominee in order to subscribe for shares in the Rights Offering and follow the instructions provided by your nominee.

Subscription by DTC Participants

We expect that the exercise of your Rights may be made through the facilities of the Depository Trust Company (“DTC”). If your Rights are held of record through DTC, you will be able to exercise your Rights by instructing DTC, or having your broker instruct DTC, to submit to the subscription agent certification as to the aggregate number of Rights you are exercising and the number of Units you are subscribing for under your Basic Subscription Right and your Over-subscription Privilege, if any, and your full subscription payment.

Payment Method

As described in the instructions accompanying the rights certificate, payments submitted to the subscription agent must be made in U.S. currency by one of the following two methods:

- by a cashier’s or certified check drawn upon a U.S. bank payable to Computershare; or
- by a personal check drawn upon a U.S. bank payable to Computershare.

Payments will be deemed to have been received upon clearance of any cashier’s check, certified check or personal check. If paying by personal check, please note that the funds paid thereby may take five or more business days to clear. Accordingly, Rights Holders who wish to pay the subscription price by means of personal check are urged to make payment sufficiently in advance of the Expiration Date to ensure that such payment is received and clears by such time.

You should read the instruction letter accompanying the rights certificate carefully and strictly follow it. **DO NOT SEND RIGHTS CERTIFICATES OR PAYMENTS DIRECTLY TO US.** We will not consider your subscription received until the subscription agent has received a properly completed and duly executed rights certificate, any Other Subscription Documents that the subscription agent may require, and payment of the full subscription amount.

The method of delivery of rights certificates, any Other Subscription Documents that the subscription agent may require, and payment of the subscription amount to the subscription agent will be at the risk of Rights Holders. We recommend that you send those documents and payments properly insured, with return receipt requested, and that you allow a sufficient number of days to ensure delivery to the subscription agent and clearance of payment before the Expiration Date.

Incomplete or Incorrect Subscription Documents or Payment

If you fail to properly complete and duly sign the rights certificate and any Other Subscription Documents that the subscription agent may require or otherwise fail to follow the subscription procedures that apply to the exercise of your Rights before the Expiration Date, the subscription agent will reject your subscription or accept it only to the extent of the payment received. Neither we nor the subscription agent accepts any responsibility to contact you concerning an incomplete or incorrect subscription document, nor are we under any obligation to correct such documents. We have the sole discretion to determine whether a subscription exercise properly complies with the subscription procedures.

If you send a payment that is insufficient to purchase the number of Units you requested, or if the number of Units you requested is not specified in the forms, the exercise of your Rights will be given effect to the fullest extent possible based on the amount of the payment received, subject to the availability of Units and allocation procedure applicable to the exercise of the Over-subscription Privilege. Any excess subscription payments received by the subscription agent will be returned, without interest or deduction, as soon as practicable following the Expiration Date.

Expiration Date

You will be able to exercise your Rights beginning on April 6, 2012 until 5:00 p.m., Eastern Time, on May 11, 2012, which is the Expiration Date of the Rights Offering. If you do not exercise your Rights during that time, your Rights will expire and will no longer be exercisable and any Rights not exercised before that time will be void and worthless without any payment to the holders thereof. We will not be required to issue the Common Stock and warrants comprising the Units you have requested to purchase if the subscription agent receives your rights certificate, any Other Subscription Documents or your subscription payment after the Expiration Date.

If you hold your Common Stock in the name of a broker, dealer, custodian bank or other nominee, the nominee will take action on your behalf in accordance with your instructions. Please note that your nominee may establish a deadline before the Expiration Date for the receipt of your instructions.

We do not currently intend to extend the Expiration Date for the Rights Offering.

Subscription Agent

The subscription agent for this offering is Computershare. The rights certificate, any Other Subscription Documents that the subscription agent may require, and payment of the subscription price must be delivered to the subscription agent by overnight delivery services, or by certified or registered mail.

We recommend that you send documents and payments properly insured, with return receipt requested, and that you allow a sufficient number of days to ensure delivery to the subscription agent and clearance of payment before the Expiration Date. See “—Payment Method” for more information. Do not send or deliver these materials or payments to Marshall Edwards.

If you deliver rights certificates, any Other Subscription Documents that the subscription agent may require or payments in a manner different than that described above, we may not honor the exercise of your Rights.

Information Agent

The information agent for this offering is Georgeson. In its capacity as information agent, Georgeson will assist with the mailing of this prospectus and related materials to Rights Holders, solicit responses from our stockholders to the Rights Offering, respond to inquiries of and provide information to Rights Holders, and provide other similar advisory services.

Medallion Guarantee May Be Required

Your signature on each rights certificate must be guaranteed by an eligible institution, such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, subject to standards and procedures adopted by the subscription agent, in the following circumstances:

- you wish to have your shares issued to someone other than the registered holder; or
- you wish to distribute all or a portion of your Rights.

You can obtain a signature guarantee from a financial institution—such as a commercial bank, savings and loan association, credit union or broker dealer—that participates in one of the Medallion signature guarantee programs. The three Medallion signature guarantee programs are the following:

- Securities Transfer Agents Medallion Program (STAMP), whose participants include more than 7,000 U.S. and Canadian financial institutions;
- Stock Exchanges Medallion Program (SEMP), whose participants include the regional stock exchange member firms and clearing and trust companies; and
- New York Stock Exchange Medallion Signature Program (MSP), whose participants include NYSE member firms.

If a financial institution is not a member of a recognized Medallion signature guarantee program, it would not be able to provide signature guarantees. Also, if you are not a customer of a participating financial institution, it is likely the financial institution will not guarantee your signature. Therefore, the best source of a Medallion Guarantee would be a bank, savings and loan association, brokerage firm, or credit union with whom you do business. The participating financial institution will use a Medallion imprint or stamp to guarantee the signature, indicating that the financial institution is a member of a Medallion signature guarantee program and is an acceptable signature guarantor.

Guaranteed Delivery Procedures

If you wish to exercise Rights, but you do not have sufficient time to deliver the rights certificate evidencing your Rights and any Other Subscription Documents that the subscription agent may require to the subscription agent prior to the Expiration Date, you will be able to exercise your Rights by the following guaranteed delivery procedures:

- deliver to the subscription agent prior to the Expiration Date the subscription payment for each share you elected to purchase pursuant to the exercise of Rights in the manner set forth above under “—Payment Method”;
- deliver to the subscription agent prior to the Expiration Date the form entitled “Notice of Guaranteed Delivery”; and
- deliver the properly completed and duly executed rights certificate evidencing your Rights being exercised, with any required signatures guaranteed, and any Other Subscription Documents that the subscription agent may require to the subscription agent within three business days following the date you submit your notice of guaranteed delivery.

Your notice of guaranteed delivery must be delivered in substantially the same form provided with the instructions on your rights certificate. Your notice of guaranteed delivery must include a signature guarantee from an eligible institution described above.

In your notice of guaranteed delivery, you must provide:

- your name;

[Table of Contents](#)

- the number of Rights represented by your rights certificate, the number of Units for which you are subscribing under your Basic Subscription Right, and the number of Units for which you are subscribing under your Over-subscription Privilege, if any; and
- your guarantee that you will deliver to the subscription agent a rights certificate evidencing the Rights you are exercising and any Other Subscription Documents that the subscription agent may require within three business days following the date the subscription agent receives your notice of guaranteed delivery.

You may deliver your notice of guaranteed delivery to the subscription agent in the same manner as your rights certificate at the address set forth above under “—Subscription Agent.”

Notice to Nominees

If you are a broker, custodian bank or other nominee holder that holds Common Stock for the account of stockholders on the Record Date, you should notify the beneficial owners of the Rights Offering as soon as possible after we distribute the Rights to determine whether they intend to exercise their Rights and obtain instructions. If a beneficial owner of our Common Stock so instructs, you should complete the rights certificate and any Other Subscription Documents that the subscription agent may require and submit them to the subscription agent with the full subscription payment by the Expiration Date. You will be able to exercise the number of Rights to which all beneficial owners in the aggregate otherwise would have been entitled had they been direct holders of our Common Stock on the Record Date, provided that you, as a nominee record holder, make a proper showing to the subscription agent by submitting the form entitled “Nominee Holder Certification,” which is provided with your Rights Offering materials. If you did not receive this form, you should contact the subscription agent to request a copy.

Beneficial Owners

If you are a beneficial owner of Common Stock and will receive your Rights through a broker, custodian bank or other nominee, your nominee will notify you of the Rights Offering. If you wish to exercise your Rights, you must instruct your nominee to act on your behalf, as described above. To indicate your decision with respect to your Rights, you should follow the instructions of your nominee. If you wish instead to obtain a separate rights certificate, you should contact your nominee as soon as possible and request that a rights certificate be issued to you. You should contact your nominee if you do not receive notice of the Rights Offering, but believe you are entitled to participate in the Rights Offering. We are not responsible if you do not receive the notice by mail or otherwise from your nominee or if you receive notice without sufficient time to respond to your nominee by the deadline established by your nominee, which may be before the expiration of the Rights Offering.

No Recommendation to Rights Holders

Our Board of Directors will not make a recommendation regarding any exercise of your Rights. Rights Holders who exercise Rights risk investment loss on money invested. The market price of our Common Stock has been volatile and, accordingly, the Common Stock that you purchase in this offering may continue to trade at a price lower than the subscription price and you may not be able to sell the shares when you want or at prices you find attractive. You should make your decision based on your assessment of our business and financial condition, our prospects for the future, the terms of the Rights Offering, and the other information contained in, or incorporated by reference into, this prospectus. See “Risk Factors” for a discussion of risks involved in investing in our Common Stock.

Market for our Common Stock

The Common Stock issuable upon exercise of the Rights will be listed on the Nasdaq Capital Market under the symbol “MSHL.” We do not intend to apply to list the warrants on any national securities exchange or other nationally recognized trading system, including the Nasdaq Capital Market. Without an active market, the liquidity of the warrants will be limited.

[Table of Contents](#)

Non-Transferability of Rights

The Rights are non-transferable; provided, however, that Rights Holders may distribute their Rights solely to their own stockholders, members or general or limited partners. Any such distributions must occur between the commencement of the Rights Offering until 4:00 p.m., Eastern Time, on the Expiration Date. Rights will not be listed for trading on the Nasdaq Capital Market or any other securities exchange or trading market.

Novogen has informed us that, in the course of its capital management plans, it intends to distribute a portion of its Rights to its shareholders.

Validity of Subscriptions

We will resolve all questions regarding the validity and form of the exercise of your Rights, including time of receipt and eligibility to participate in the Rights Offering. Our determination will be final and binding. Once made, subscriptions and directions are irrevocable, and we will not accept any alternative, conditional or contingent subscriptions or directions. We reserve the absolute right to reject any subscriptions or directions not properly submitted or the acceptance of which would be unlawful. You must provide missing documents or information, correct any inaccurate information and resolve any other discrepancies in connection with your subscriptions before the Rights Offering expires, unless we waive those defects in our sole discretion. Neither we nor the subscription agent will be under any duty to notify you or your representative of defects in your subscriptions. A subscription will be considered accepted only when the subscription agent receives a properly completed and duly executed rights certificate and any Other Subscription Documents that the subscription agent may require and the full subscription payment including final clearance of any cashier's check or personal check. Our interpretations of the terms and conditions of the Rights Offering will be final and binding.

No Revocation or Change

Once you submit the rights certificate or have instructed your nominee of your subscription request, you will not be allowed to revoke or change the exercise or request a refund of monies paid. All exercises of Rights will be irrevocable, even if you learn information about us that you consider to be unfavorable. You should not exercise your Rights unless you are certain that you wish to purchase Units at the subscription price.

Stockholder Rights

You will have no rights as a holder of the Common Stock you purchase in the Rights Offering until such Common Stock is issued to you, nor will holders of the warrants issued in connection with the Rights Offering, as holders of such warrants, have any rights as a holder of the Common Stock until such warrants are exercised and the shares of Common Stock underlying the warrants are issued to you. The subscription agent will mail you a direct registration account statement as soon as practicable following the Expiration Date.

Foreign Stockholders; Stockholders with APO or FPO Addresses; Unknown Addresses

If you are a holder of record and your address is outside the United States, or if you have an APO or FPO address, or if your address is unknown, a rights certificate will not be mailed to you. To exercise your Rights, you must notify the subscription agent prior to 5:00 p.m., New York City time, on May [], 2012, the [] business day prior to the Expiration Date of your exercise of such Rights and provide evidence satisfactory to us, such as a legal opinion from local counsel, that the exercise of such Rights does not violate the laws of the jurisdiction in which you reside. If no notice is received by such time or the evidence presented is not satisfactory to us, the Rights represented thereby will expire.

Fees and Expenses

We will pay all fees charged by the subscription agent and all other expenses incurred by us in the Rights Offering. You are responsible for paying any commissions, fees, taxes or other expenses incurred in connection with the distribution or exercise of your Rights.

Waiver to Conduct Rights Offering

Pursuant to the terms of the May 2011 private placement, we have agreed not to offer or sell any of our or our subsidiaries' equity securities, including securities that are convertible or exchangeable for our Common Stock, other than those issuances of Common Stock to Novogen that were consummated in September and December 2011, or to file any new registration statement, other than as required by the Amended Registration Rights Agreement between us and the investors in the May 2011 private placement, until the earlier of (i) June 18, 2012 and (ii) 90 days after the registration of all of the securities we have agreed to register pursuant to the Amended Registration Rights Agreement. We have obtained a waiver from the investors in the May 2011 private placement to conduct this Rights Offering.

U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of certain United States federal income tax consequences to U.S. holders, as defined below, of the receipt, ownership and exercise of the Rights distributed in the Rights Offering, including certain United States federal income tax consequences of owning the warrants that would be issued upon an exercise of the Rights and owning the shares of Common Stock that would be issued upon an exercise of the Rights or the warrants. This discussion is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion is not binding on the Internal Revenue Service (the “IRS”), or the courts. Accordingly, no assurance can be given that the tax consequences described herein will not be challenged by the IRS or that such a challenge would not be sustained by a court. No ruling has been sought from the IRS, and no opinion of counsel has been rendered, as to the federal income tax consequences set forth in this discussion.

This discussion does not address all aspects of U.S. federal income taxation that may be applicable to holders in light of their particular circumstances or to holders subject to special treatment under the U.S. federal income tax laws, including, but not limited to, financial institutions, brokers and dealers in securities or currencies, insurance companies, tax-exempt organizations, persons who hold their shares as part of a straddle, hedge, conversion or other risk-reduction transaction, persons liable for the alternative minimum tax, U.S. expatriates, persons whose functional currency is not the U.S. dollar, persons who hold their shares through “foreign financial institutions” within the meaning of Section 1471 of the Code, persons that could be subject to the 3.8% Medicare tax on certain investment income beginning in 2013, persons that distribute the Rights to their stockholders, members or general or limited partners and foreign taxpayers. This discussion also does not address any aspect of state, local or foreign income or other tax laws. This discussion is limited to U.S. holders which hold our shares of Common Stock, and would hold the Rights or any shares or warrants issued on an exercise of the Rights, as capital assets. For purposes of this discussion, a “U.S. holder” is a holder that is, for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

There is limited authority governing the treatment of a distribution to shareholders of a right to acquire a warrant, rather than to acquire shares. The discussion below assumes that the Rights are to be treated, to the extent they reflect a right to acquire warrants, in the same manner as a right to acquire our shares, for United States federal income tax purposes. Were a different treatment found to apply, different and adverse tax consequences could apply.

YOU SHOULD CONSULT YOUR TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO YOU OF YOUR RECEIPT, OWNERSHIP AND EXERCISE OF THE RIGHTS, INCLUDING THE APPLICABILITY OF ANY FEDERAL ESTATE OR GIFT TAX LAWS OR ANY STATE, LOCAL OR FOREIGN TAX LAWS.

Receipt of the Rights

You will not recognize taxable income for U.S. federal income tax purposes in connection with the receipt of Rights in the Rights Offering.

Tax Basis and Holding Period of the Rights

The tax basis of the Rights received by you in the Rights Offering will be zero unless either (1) the fair market value of the Rights on the date such rights are distributed is equal to at least 15% of the fair market value

[Table of Contents](#)

on such date of the shares of Common Stock with respect to which they are received or (2) you elect to allocate part of the tax basis of such shares to the Rights. If either (1) or (2) is true, then, if you exercise the Rights, your tax basis in your shares will be allocated between the Rights and the shares with respect to which the Rights were received in proportion to their respective fair market values on the date the Rights are distributed, with the portion of the tax basis that is allocated to the Rights being further allocated between the right to acquire shares and the right to acquire warrants reflected by such Rights, in proportion to the respective fair market value of such rights to acquire shares or warrants. In order to comply with recently promulgated regulations, we expect to prepare, and provide to shareholders, or on our website, an IRS Form 8937, within 45 days of the distribution of the Rights. If we determine that the value of the Rights on the date such Rights are distributed is equal to at least 15% of the fair market value on such date of the shares of Common Stock with respect to which the Rights are received, we expect to reflect the value we determine, and its effect on your basis in the Rights and shares, on the IRS Form 8937. If we determine that the value of the Rights on such date is less than 15% of the fair market value on such date of the shares with respect to which the Rights are received, we expect to reflect on the IRS Form 8937, consistent with this determination (and subject to the election that you may make to take the value of the Rights into account, as discussed above) that the Rights do not have an effect on your basis in shares. We have not obtained, and may not obtain, an independent appraisal of the valuation of the Rights, and any determinations we reflect on an IRS Form 8937 will not be binding on the IRS. You should consult with your tax advisor to determine the proper allocation of basis between the Rights and the shares with respect to which the Rights are received.

Your holding period for the Rights will include your holding period for the shares with respect to which the Rights were received.

Expiration of the Rights

If you allow Rights received in the Rights Offering to expire, you will not recognize any gain or loss. If you have tax basis in the Rights, the tax basis of the shares owned by you with respect to which such Rights were distributed will be restored to the tax basis of such shares immediately prior to the receipt of the Rights in the Rights Offering.

Exercise of the Rights; Tax Basis and Holding Period of the Shares

You will not recognize any gain or loss upon the exercise of Rights received in the Rights Offering. The aggregate tax basis of the shares and warrants acquired through exercise of the Rights should equal the sum of the subscription price for such shares and warrants and your tax basis, if any, in the Rights as described above. In determining the tax basis of the shares and the warrants acquired through exercise of the Rights, the exercise price paid upon exercise of the Rights should be allocated pro rata between the shares acquired and the warrants acquired in proportion to the relative fair market value of the shares and warrants, with the amount so allocated to the shares and to the warrants added to the amount, if any, of your tax basis in the Rights that was allocated to the right to acquire the shares and the right to acquire the warrants, as described above. It is unclear whether the determination of relative fair market value for purposes of allocating the exercise price paid upon exercise of the Rights and determining the allocation of the exercise price between the shares and the warrants should be made as of the date that the Rights are distributed or as of the date that the Rights are exercised. The holding period for the shares and warrants acquired through exercise of the Rights will begin on the date the Rights are exercised.

The exercise price of the warrants, and the amount of shares to be issued upon exercise, are subject to adjustment under certain circumstances. If such an adjustment increases the proportionate interest of a holder of a warrants in the fully diluted shares, or increases a proportionate interest of a holder of shares in the fully diluted shares, the holder of the warrants, or shares, whose proportionate interest increased may be treated as having received a constructive distribution, which may be taxable to such holder as a dividend. The warrants by their terms permit us to increase the amount of shares issuable on an exercise of the warrants to prevent deemed dividend treatment with respect to holders of our shares.

[Table of Contents](#)

If you exercise the warrants for cash, you will not recognize any gain or loss on exercise, your tax basis in the shares you receive will reflect your tax basis in the warrants and the exercise price paid, and your holding period in the shares will begin on the date of exercise.

The tax treatment of a cashless exercise of the warrants is unclear. In one alternative treatment, a cashless exercise may be treated as a tax-free recapitalization of the warrants into shares, and as a result an exercising holder would not recognize gain or loss on the exercise, and would have a tax basis and holding period in the shares issued upon exercise reflecting the tax basis and holding period of the exercised warrant. In another alternative treatment, a cashless exercise may be treated in the same manner as an exercise of the warrants for cash, generally resulting in neither gain nor loss for the exercising holder, but the holder would then be treated as having sold a portion of the shares received on exercise to us, reflecting shares with a fair market value equal to the exercise price for the warrants, and as a result may recognize gain (or loss) reflecting the amount by which the fair market value of such shares exceeds (or is less than) the holder's tax basis in such shares (reflecting, in turn, the holder's tax basis in the warrants exercised in exchange for such shares). You are urged to consult with your tax adviser regarding the tax treatment of a cashless exercise of the warrants.

If you dispose of the warrants, you will recognize capital gain (or loss) on the disposition, reflecting the amount by which the consideration you receive exceeds (or is less than) your tax basis in the warrants. Such capital gain or loss will be long-term capital gain or loss if your holding period in the warrants is more than one year at the time of the taxable disposition. Otherwise, such gain or loss will be short-term capital gain or loss.

If you are a noncorporate holder of the warrants, any long-term capital gains you recognize will generally be subject to a maximum U.S. federal income tax rate of 15%, which maximum tax rate is currently scheduled to increase to 20% for dispositions occurring during taxable years beginning on or after January 1, 2013.

If the warrants expires unexercised, you will recognize a capital loss, reflecting your tax basis in the expired warrants.

Your ability to deduct capital losses, including capital losses resulting from a disposition of the warrants or the expiration of the warrants, is subject to certain limitations.

Tax treatment of shares received on exercise of Rights or warrants

Distributions, if any, made on shares of our Common Stock, including shares received on exercise of Rights or warrants, generally will be included in your income as ordinary dividend income to the extent of our current and accumulated earnings and profits. However, if you are a noncorporate holder of our shares, for taxable years beginning before January 1, 2013, such dividends are generally taxed at a maximum U.S. federal income tax rate of 15%, provided certain holding period requirements are satisfied. Distributions in excess of our current and accumulated earnings and profits will be treated as a return of capital to the extent of your adjusted tax basis in the common stock and thereafter as capital gain from the sale or exchange of such common stock. If you are a corporation, you may be eligible for a dividends received deduction on dividends you receive on our shares, subject to applicable limitations.

Upon the sale, exchange, certain redemptions or other taxable dispositions of shares of our Common Stock, you generally will recognize capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any property received upon such taxable disposition and (ii) your adjusted tax basis in the shares. Such capital gain or loss will be long-term capital gain or loss if your holding period in the shares is more than one year at the time of the taxable disposition. Otherwise, such gain or loss will be short-term capital gain or loss. If you are a noncorporate holder of our shares, any long-term capital gains you recognize will generally be subject to a maximum U.S. federal income tax rate of 15%, which maximum tax rate is currently scheduled to increase to 20% for dispositions occurring during taxable years beginning on or after January 1, 2013. The deductibility of capital losses is subject to limitations.

Backup withholding and information reporting

In general, if you are not a corporation, we and other payors are required to report to the Internal Revenue Service dividends paid on the shares to you and proceeds you receive from a disposition of shares or warrants. Backup withholding may also apply to any payments if you fail to provide an accurate taxpayer identification number or you are notified by the Internal Revenue Service that you have failed to report all dividends or certain other income required to be shown on your federal income tax returns. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against your United States federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

LEGAL MATTERS

The validity of the securities being offered by this prospectus will be passed upon for us by Morgan, Lewis & Bockius LLP.

EXPERTS

The financial statements as of June 30, 2011, and for the fiscal year ended June 30, 2011, incorporated by reference into this prospectus have been so incorporated in reliance on the report of BDO USA, LLP, an independent registered public accounting firm, incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.

The financial statements as of June 30, 2010 and 2009, and for each of the two years in the period ended June 30, 2010, incorporated by reference into this prospectus have been so incorporated in reliance on the report of BDO Audit (NSW-VIC) Pty Ltd, an independent registered public accounting firm, incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.

MARSHALL EDWARDS, INC.

**Subscription Rights to Purchase Up to 17,129,361 Units
Consisting of an Aggregate of up to 8,564,680 Shares of
Common Stock and Warrants to Purchase up to 4,282,340
Shares of Common Stock at \$0.445 Per Unit**

PROSPECTUS

The date of this prospectus is _____, 2012

PART II INFORMATION NOT REQUIRED IN PROSPECTUS**Item 13. Other Expenses of Issuance and Distribution***

	Amount paid or to be paid
SEC registration fee	\$ 1,458
Printing expenses	\$ 30,000
Legal fees and expenses	\$ 175,000
Accounting fees and expenses	\$ 25,000
Nasdaq listing fee	\$ 85,600
Subscription agent and information agent fees and expenses	\$ 40,000
Total Expenses	<u>\$ 357,058</u>

* All expenses are estimates other than the SEC registration fee.

Item 14. Indemnification of Directors and Officers

Our Restated Certificate of Incorporation, as amended, provides that we will indemnify our directors and officers to the full extent permitted by the Delaware General Corporation Law, or DGCL. Section 145 of the DGCL provides that the extent to which a corporation may indemnify its directors and officers depends on the nature of the action giving rise to the indemnification right. In actions not on behalf of the corporation, directors and officers may be indemnified for acts taken in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation. In actions on behalf of the corporation, directors and officers may be indemnified for acts taken in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, except for acts as to which the director or officer is adjudged liable to the corporation, unless the relevant court determines that indemnification is appropriate despite such liability. Section 145 of the DGCL also permits a corporation to (i) reimburse present or former directors or officers for their defense expenses to the extent they are successful on the merits or otherwise and (ii) advance defense expenses upon receipt of an undertaking to repay the corporation if it is determined that payment of such expenses is unwarranted.

To supplement the general indemnification right contained in our Restated Certificate of Incorporation, our Amended and Restated By-Laws provide for the specific indemnification rights permitted by Section 145 (as described above). Our Amended and Restated By-Laws also permit us to purchase Directors & Officers insurance, but no director or officer has a right to require this.

In addition to the indemnification rights described above, our Restated Certificate of Incorporation, as amended, eliminates any monetary liability of directors to us or our stockholders for breaches of fiduciary duty except for (i) breaches of the duty of loyalty, (ii) acts or omissions in bad faith, (iii) improper dividends or share redemptions and (iv) transactions from which the director derives an improper personal benefit.

Finally, we have entered into an indemnification agreement with each of our directors and executive officers. Subject to certain exceptions, the indemnification agreements provide that an indemnitee will be indemnified for all expenses incurred or paid by the indemnitee in connection with a proceeding to which the indemnitee was or is a party, or is threatened to be made a party, by reason of the indemnitee's status with or service to us or to another entity at our request. In connection with proceedings other than those by or in the right of our company and to which the indemnitee was or is a party, or is threatened to be made a party, by reason of the indemnitee's status with or service to us or to another entity at our request, the indemnification agreements provide that an indemnitee will also be indemnified for all liabilities incurred or paid by the indemnitee. The indemnification agreements also provide for advancement of expenses incurred by an indemnitee in connection with an indemnifiable claim, subject to reimbursement in certain circumstances.

Item 15. Recent Sales of Unregistered Securities.

The following sets forth information regarding unregistered securities that were sold by the Registrant within the past three years:

On December 29, 2011, pursuant to the terms of a Securities Subscription Agreement dated as of December 28, 2011, between the Company and Novogen, the Company issued to Novogen 1,941,747 shares of common stock at a purchase price of \$1.03 per share. The shares were issued in a private offering in reliance on Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act").

On September 29, 2011, pursuant to the terms of a Securities Subscription Agreement dated as of September 27, 2011, between the Company and Novogen, the Company issued to Novogen 1,333,333 shares of common stock at a purchase price of \$1.50 per share. The shares were issued in a private offering in reliance on Section 4(2) of the Securities Act.

On May 18, 2011, pursuant to the Amended and Restated Securities Purchase Agreement (the "May 2011 Securities Purchase Agreement"), dated as of May 16, 2011, between the Company and the investors named therein (the "May 2011 Financing Investors"), we issued 835,217 shares of common stock together with Series A and Series B warrants initially exercisable for an aggregate amount of approximately 2,792,000 shares of common stock, which amount was subject to increase to a maximum of approximately 4,416,000 shares of common stock to the extent the Series B warrants were exercised. As of September 26, 2011, all of the 2,165,534 Series B warrants had been exercised, resulting in Series A warrants becoming exercisable for an additional 970,500 shares of common stock. Also pursuant to the Amended and Restated Securities Purchase Agreement, we agreed to issue certain additional shares of our Common Stock (the "Adjustment Shares"), up to a maximum amount of approximately 2,333,000 shares to the extent the Series B warrants are exercised, and to the extent the trading price of our Common Stock is below certain levels on specified dates. On December 29, 2011, we issued 667,272 Adjustment Shares. Also pursuant to the terms of the Amended and Restated Securities Purchase Agreement, upon the issuance of the shares to Novogen, the Company was required to issue to the May 2011 Financing Investors an additional aggregate of 245,700 shares of Common Stock, which shares were issued on December 29, 2011. The shares, warrants and Adjustment Shares were issued in a private offering in reliance on Section 4(2) of the Securities Act.

On March 29, 2010, we filed a Certificate of Amendment ("Certificate of Amendment") to the Company's Restated Certificate of Incorporation in order to effect a 1-for-10 reverse stock split of our common stock effective as of the opening of trading of the Company's common stock on March 31, 2010. As a result of the reverse stock split, every 10 shares of the Company's issued and outstanding common stock were combined into one share of common stock. The reverse stock split did not change the number of authorized shares of the Company's common stock.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The exhibits to the registration statement are listed in the Exhibit Index attached hereto and incorporated by reference herein.

(b) Financial Statements Schedules.

The Financial Statement Schedules have been omitted either because they are not required or because the information has been included in the financial statements or the notes thereto included in our Annual Report on Form 10-K, which is incorporated herein by reference.

Item 17. Undertakings.

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) To deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report, to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

(5) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(6) For the purpose of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to rule 424(b)(1), or (4), or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(7) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of San Diego, California, on March 20, 2012.

Marshall Edwards, Inc.

By: /s/ Daniel P. Gold
Name: Daniel P. Gold
Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons, in the capacities indicated, on March 20, 2012:

<u>Signature</u>	<u>Title</u>
<u>/s/ Daniel P. Gold</u> Daniel P. Gold	President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Thomas M. Zech</u> Thomas M. Zech	Chief Financial Officer (Principal Financial and Accounting Officer)
<u> *</u>	Chairman of Board of Directors
<u>Bryan R.G. Williams</u>	
<u> *</u>	Director
<u>Leah Rush Cann</u>	
<u> *</u>	Director
<u>Christine A. White</u>	
<u> *</u>	Director
<u>William D. Rueckert</u>	
<u> *</u>	Director
<u>Charles V. Baltic</u>	
*By: <u> /s/ Daniel P. Gold </u> Daniel P. Gold	

EXHIBIT INDEX

Exhibit No.	Description
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 filed on September 25, 2003 (Reg. No. 333-109129)).
3.2	Certificate of Amendment to the Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1.1 to the Company's Current Report on Form 8-K filed on March 31, 2010 (File No. 000-50484)).
3.3	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 30, 2007 (File No. 000-50484)).
3.4	Certificate of Designation of Series A Convertible Preferred Stock of Marshall Edwards, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 11, 2011 (File No. 000-50484)).
3.5	Certificate of Designation of Series B Preferred Stock of Marshall Edwards, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 18, 2011 (File No. 000-50484)).
4.1	Specimen Stock Certificate (incorporated by reference to Exhibit 4.1 to Amendment No. 1 to the Company's Registration Statement on Form S-1 filed on October 31, 2003 (Reg. No. 333-109129)).
4.2	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 filed on August 9, 2006 (Reg. No. 333-136440)).
4.3	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K filed on September 27, 2007 (File No. 000-50484)).
4.4	Form of Warrant Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 12, 2006 (File No. 000-50484)).
4.5	Warrant Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 6, 2007 (File No. 000-50484)).
4.6	Amended and Restated Warrant Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K/A filed on September 27, 2007 (File No. 000-50484)).
4.7	Form of Warrant (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on July 12, 2006 (File No. 000-50484)).
4.8	Form of Warrant (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on August 6, 2007 (File No. 000-50484)).
4.9	Form of Warrant (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K/A filed on September 27, 2007 (File No. 000-50484)).
4.10	Warrant dated July 30, 2008 issued to Mr. John O'Connor (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 30, 2008 (File No. 000-50484)).
4.11	Form of Series A and Series B Warrants (incorporated by reference to Exhibits 10.5 and 10.6 to the Company's Current Report on Form 8-K filed on May 16, 2011 (File No. 000-50484)).
4.12	Form of Subscription Agent Agreement between the Registrant and Computershare, Inc.*
4.13	Form of Information Agent Agreement between the Registrant and Georgeson, Inc.*
4.14	Form of Subscription Rights Certificate.*
4.15	Form of Warrant Agreement between the Registrant and Computershare, Inc.*
4.16	Form of Warrant (included in Exhibit 4.15).*
5.1	Form of Opinion of Morgan, Lewis & Bockius, LLP regarding the validity of the Common Stock and Rights being registered.*

Table of Contents

Exhibit No.	Description
10.1	Employment letter dated April 23, 2010, between Marshall Edwards, Inc. and Daniel Gold (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 26, 2010 (File No. 000-50484)).
10.2	Employment letter dated June 18, 2010, between Marshall Edwards, Inc. and Thomas Zech (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 23, 2010 (File No. 000-50484)).
10.3	Employment letter dated June 1, 2011, between Marshall Edwards, Inc. and Robert D. Mass (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 2, 2011 (File No. 000-50484)).
10.4	Amended and Restated License Agreement between Novogen Research Pty Limited and Marshall Edwards Pty Limited (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 filed on September 25, 2003 (Reg. No. 333-109129)).
10.5	Amended and Restated Manufacturing License and Supply Agreement between Novogen Laboratories Pty Limited and Marshall Edwards Pty Limited (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1 filed on September 25, 2003 (Reg. No. 333-109129)).
10.6	Amended and Restated License Option Deed between Novogen Research Pty Limited and Marshall Edwards Pty Limited (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 filed on September 25, 2003 (Reg. No. 333-109129)).
10.7	Amended and Restated Services Agreement among Novogen Limited, Marshall Edwards, Inc. and Marshall Edwards Pty Limited (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1 filed on September 25, 2003 (Reg. No. 333-109129)).
10.8	Guarantee and Indemnity among Marshall Edwards, Inc., Novogen Laboratories Pty Limited, Novogen Research Pty Limited and Novogen Limited (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 filed on September 25, 2003 (Reg. No. 333-109129)).
10.9	License Agreement between Novogen Research Pty Limited and Marshall Edwards Pty Limited (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on May 16, 2006 (File No. 000-50484)).
10.10	Amendment Deed between Novogen Research Pty Limited and Marshall Edwards Pty Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 9, 2006 (File No. 000-50484)).
10.11	Registration Rights Agreement, dated July 11, 2006 by and among Marshall Edwards, Inc. and the investors signatory thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 12, 2006 (File No. 000-50484)).
10.12	Registration Rights Agreement, dated as of August 6, 2007 by and among Marshall Edwards, Inc. and the purchasers signatory thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 6, 2007 (File No. 000-50484)).
10.13	Registration Rights Agreement, dated as of September 26, 2007 by and among Marshall Edwards, Inc. and Blue Trading, LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K/A filed on September 27, 2007 (File No. 000-50484)).
10.14	Amended & Restated Registration Rights Agreement, dated as of May 16, 2011, between Marshall Edwards, Inc. and certain investors signatory thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 16, 2011 (File No. 000-50484)).
10.15	Securities Subscription Agreement dated as of July 28, 2008 by and among Marshall Edwards, Inc., Novogen Limited and Oppenheimer Funds, Inc. (incorporated by reference to Exhibit 10.13 to the Company's Current Report on Form 8-K filed on July 30, 2008 (File No. 000-50484)).

[Table of Contents](#)

Exhibit No.	Description
10.16	Marshall Edwards, Inc. 2008 Stock Omnibus Equity Compensation Plan (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 filed on January 28, 2009 (Reg. No. 333-156985)).
10.17	License Agreement dated August 4, 2009 by and between Novogen Research Pty Limited and Marshall Edwards Pty Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on August 7, 2009 (File No. 000-50484)).
10.18	Asset Purchase Agreement, dated as of December 21, 2010, between Marshall Edwards, Inc. and Novogen Limited and Novogen Pty Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 22, 2010 (File No. 000-50484)).
10.19	At Market Issuance Sales Agreement, dated February 7, 2011, between Marshall Edwards, Inc. and McNicoll, Lewis & Vlax LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on February 7, 2011 (File No. 000-50484)).
10.20	Stock Purchase Agreement, dated March 17, 2011, between Marshall Edwards, Inc. and Ironridge Global IV, Ltd., including the form of Certificate of Designations of Preferences, Rights and Limitations of Series B Preferred Stock attached as Exhibit 4 thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on March 18, 2011 (File No. 000-50484)).
10.21	Amended and Restated Securities Purchase Agreement, dated as of May 16, 2011, between Marshall Edwards, Inc. and the investors signatory thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 16, 2011 (File No. 000-50484)).
10.22	Amended and Restated Voting Agreement between Marshall Edwards, Inc. and Novogen Limited (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on May 16, 2011 (File No. 000-50484)).
10.23	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on August 29, 2011 (File No. 000-50484)).
10.24	Securities Subscription Agreement, dated as of September 27, 2011, between Marshall Edwards, Inc. and Novogen Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 29, 2011 (File No. 000-50484)).
10.25	Letter, dated September 28, 2011, from Novogen Limited to the Company (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 29, 2011 (File No. 000-50484)).
10.26	Form of Supplemental Agreement between the Company and each of the investors party to that certain Amended and Restated Securities Purchase Agreement, dated as of May 16, 2011, by and among the Company and such investors (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 29, 2011 (File No. 000-50484)).
10.27	Securities Subscription Agreement, dated as of December 28, 2011, between Marshall Edwards, Inc. and Novogen Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 29, 2011 (File No. 000-50484)).
21.1	Subsidiaries of Marshall Edwards, Inc. (incorporated by reference to Exhibit 21 to the Company's Registration Statement on Form S-1 filed on September 25, 2003 (Reg. No. 333-109129)).
23.1	Consent of BDO USA, LLP.*
23.2	Consent of BDO Audit (NSW-VIC) Pty Ltd.*

Table of Contents

Exhibit No.	Description
23.3	Consent of Morgan, Lewis & Bockius LLP (included in Exhibit 5.1 above).*
25.1	Powers of Attorney (included on the signature page hereto).**
99.1	Form of Instructions for Use of Marshall Edwards, Inc. Rights Certificate and Subscription Form.*
99.2	Form of Letter to Registered Holders of Common Stock.*
99.3	Form of Letter to Brokers and Other Nominee Holders.*
99.4	Form of Letter to Clients.*
99.5	Form of Beneficial Owner Election Form.*
99.6	Form of Nominee Holder Certification.*
99.7	Form of Notice of Guaranteed Delivery.*
99.8	Information for Substitute Form W-9.*

* Filed herewith.

** Previously filed.

FORM OF SUBSCRIPTION AGENT AGREEMENT

This Subscription Agent Agreement (the “Agreement”) is made as of March [], 2012 by and among **Marshall Edwards, Inc.** (the “Company”), Computershare Inc., a Delaware corporation and its fully owned subsidiary Computershare Trust Company, N.A., a national banking (collectively, the “Agent” or individually “Computershare” and the “Trust Company”, respectively). All terms not defined herein shall have the meaning given in the prospectus (the “Prospectus”) included in the Registration Statement on Form S-1 (File No. 333-179590) filed by the Company with the Securities and Exchange Commission on February 21, 2012, as amended by any amendment filed with respect thereto (the “Registration Statement”).

WHEREAS, the Company proposes to make a subscription offer by issuing certificates or other evidences of subscription rights, in the form designated by the Company (the “Subscription Certificates”) to shareholders of record, which shall include holders of Series A warrants (the “Shareholders”) of units (“Units”) consisting of shares of the Company’s common stock, par value \$0.00000002 per share (“Common Stock”) and warrants to purchase additional shares of Common Stock, as of a record date specified by the Company (the “Record Date”), pursuant to which each Shareholder will have certain rights (the “Rights”) to subscribe for Units, as described in and upon such terms as are set forth in the Prospectus, a final copy of which has been or, upon availability will promptly be, delivered to the Agent; and

WHEREAS, the Company wishes the Agent to perform certain acts on behalf of the Company, and the Agent is willing to so act, in connection with the distribution of the Subscription Certificates and the issuance and exercise of the Rights to subscribe therein set forth, all upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreements set forth herein, the parties agree as follows:

1. Appointment.

The Company hereby appoints the Agent to act as subscription agent in connection with the distribution of Subscription Certificates and the issuance and exercise of the Rights in accordance with the terms set forth in this Agreement and the Agent hereby accepts such appointment.

2. Form and Execution of Subscription Certificates.

A. Each Subscription Certificate shall be irrevocable and non-transferable, other than distributions by a stockholder to its own stockholders, members or general or limited partners. The Agent shall, in its capacity as Transfer Agent of the Company, maintain a register of Subscription Certificates and the holders of record, including holders of Series A warrants, thereof (each of whom shall be deemed a “Shareholder” hereunder for purposes of determining the rights of holders of Subscription Certificates). Each Subscription Certificate shall, subject to the provisions thereof, entitle the Shareholder in whose name it is recorded to the following:

(1) With respect to Record Date Shareholders only, the right to acquire during the Subscription Period, as defined in the Prospectus, at the Subscription Price, as defined in the Prospectus, one Unit for every one Right (the “Basic Subscription Right”). Each Unit shall consist of 0.50 shares of Common Stock and a warrant for the purchase of an additional 0.25 shares of Common Stock. For the avoidance of doubt, the Units are not separate securities and no separate certificates representing the Units will be delivered to Shareholders; and

(2) With respect to Record Date Shareholders only, the right to subscribe for additional Units (the “Over-Subscription Privilege”), subject to the availability of such Units and to the allotment of such Units as may be available among Record Date Shareholders who exercise Over-Subscription Rights on the basis specified in the Prospectus; provided, however, that such Record Date Shareholder has exercised all of its Basic Subscription Rights, except those Rights distributed by a Record Date Shareholder to its own stockholders, members or general or limited partners.

B. The Agent shall create a special account for the issuance of shares of Common Stock and warrants to shareholders who have exercised the Rights. Prior to the issuance of Common Stock and warrants as set forth herein, the Company shall provide an opinion of counsel to set up reserve of shares. The opinion shall state that all shares are:

- (1) Registered, or subject to a valid exemption from registration, under the Securities Act of 1933, as amended, and all appropriate state securities law filings have been made with respect to the shares; and
- (2) Validly issued, fully paid and non-assessable.

3. Rights and Issuance of Subscription Certificates.

A. Each Subscription Certificate shall evidence the Rights of the Shareholder therein named to purchase Units upon the terms and conditions therein and herein set forth.

B. Upon the written advice of the Company, signed by any of its duly authorized officers, as to the Record Date, the Agent shall, from a list of the Company Shareholders as of the Record Date to be prepared by the Agent in its capacity as Transfer Agent of the Company, prepare and record Subscription Certificates in the names of the Shareholders, setting forth the number of Rights to subscribe for the Company's Common Stock calculated on the basis of one Right for each share of Common Stock recorded on the books in the name of each such Shareholder as of the Record Date, and in the case of holders of the Company's Series A warrants, one Right for each share of Common Stock underlying such warrants, as set forth in a schedule to be provided to the Agent by the Company prior to the Record Date. The number of Rights that are issued to Record Date Shareholders will be rounded down, by the Agent, to the nearest whole number of Rights as fractional Rights will not be issued. Each Subscription Certificate shall be dated as of the Record Date and shall be executed manually or by facsimile signature of a duly authorized officer of the Subscription Agent. Upon the written advice, signed as aforesaid, as to the effective date of the Registration Statement, the Agent shall promptly countersign and deliver the Subscription Certificates, together with a copy of the Prospectus, instruction letter and any other document as the Company deems necessary or appropriate, to all Shareholders with record addresses in the United States (including its territories and possessions and the District of Columbia). Delivery shall be by first class mail (without registration or insurance), except for those Shareholders having a registered address outside the United States (who will only receive copies of the Prospectus, instruction letter and other documents as the Company deems necessary or appropriate, if any), delivery shall be by air mail (without registration or insurance), or by other method as approved by both the Agent and the Company, and by first class mail (without registration or insurance) to those Shareholders having APO or FPO addresses. No Subscription Certificate shall be valid for any purpose unless so executed.

C. The Agent will mail a copy of the Prospectus, instruction letter, a special notice and other documents as the Company deems necessary or appropriate, if any, but not Subscription Certificates to Record Date Shareholders whose record addresses are outside the United States (including its territories and possessions and the District of Columbia) ("Foreign Record Date Shareholders"). The Rights to which such Subscription Certificates relate will be held by the Agent for such Foreign Record Date Shareholders' accounts until the Agent receives instructions to exercise such Rights.

4. Exercise.

A. Record Date Shareholders may acquire Units pursuant to their Basic Subscription Rights and pursuant to the Over-Subscription Privilege by delivery to the Agent as specified in the Prospectus of (i) the Subscription Certificate with respect thereto, duly executed by such Shareholder in accordance with and as provided by the terms and conditions of the Subscription Certificate, together with (ii) the Subscription Price for the Units subscribed for by exercise of such Rights, in U.S. dollars by money order or check drawn on a bank in the United States, in each case payable to the order of Computershare.

B. Rights may be exercised at any time after the date of issuance of the Subscription Certificates with respect thereto but no later than 5:00 P.M. New York time on such date as the Company shall designate to the Agent in writing (the "Expiration Date"). For the purpose of determining the time of the exercise of any Rights, delivery of any material to the Agent shall be deemed to occur when such materials are received at the Shareholder Services Division of the Agent specified in the Prospectus.

C. Notwithstanding the provisions of Sections 4(A) and 4(B) regarding delivery of an executed Subscription Certificate to the Agent prior to 5:00 P.M. New York time on the Expiration Date, if prior to such time the Agent receives (i) the Subscription Price for the Units subscribed for pursuant to any exercise of Rights and (ii) a Notice of Guaranteed Delivery substantially in the form delivered to Record Date Shareholders together with the Subscription Certificate by facsimile (teletype) or otherwise from a bank, a trust company or a New York Stock Exchange member guaranteeing delivery of a properly completed and executed Subscription Certificate within three (3) Business Days following the date of submission of the Notice of Guaranteed Delivery, then such exercise of Basic Subscription Rights and the Over-Subscription Privilege shall be regarded as timely, subject, however, to receipt of the duly executed Subscription Certificate. For the purposes of the Prospectus and this Agreement, "Business Day" shall mean any day on which trading is conducted on the Nasdaq Capital Market.

D. As soon as practicable after the Expiration Date, Computershare shall send to each exercising shareholder (or, if shares of Common Stock on the Record Date are held by Cede & Co. or any other depository or nominee, to Cede & Co. or such other depository or nominee) a confirmation showing the number of shares of Common Stock and warrants acquired pursuant to the Basic Subscription Rights, and, if applicable, the Over-Subscription Privilege, the per share and total purchase price for such shares and warrants, and any excess amount to be refunded by the Company to such shareholder in the form of a check and stub, along with a letter explaining the allocation of Units pursuant to the Over-Subscription Privilege.

E. Any excess payment to be refunded by the Company to a shareholder will be mailed by Computershare within ten Business Days after the Expiration Date. Computershare will not issue or deliver certificates or Statements of Holding for the Common Stock and warrants constituting the Units subscribed for until payment in full therefore has been received, including collection of checks.

5. Validity of Subscriptions.

Irregular subscriptions not otherwise covered by specific instructions herein shall be submitted to an appropriate officer of the Company and handled in accordance with his or her instructions. Such instructions will be documented by the Agent indicating the instructing officer and the date thereof.

6. Over-Subscription.

If, after allocation of Units to Record Date Shareholders, there remain unexercised Rights, then the Agent shall allot the Units issuable upon exercise of such unexercised Rights (the "Remaining Units") to Rights holders who have exercised all the Rights initially issued to them, other than Rights distributed by Record Date Shareholders to their own stockholders, members, and general or limited partners, and who wish to acquire more than the number of Units for which the Rights issued to them are exercisable. Units subscribed for pursuant to the Over-Subscription Privilege will be allocated in the amounts of such over-subscriptions. If the number of Units for which the Over-Subscription Privilege has been exercised is greater than the Remaining Units, the Agent shall allocate the Remaining Units to Rights holders exercising their Over-Subscription Privilege based on the number of Units each Rights holder elected to purchase pursuant to the Over-subscription Privilege, relative to the aggregate number of Units requested in all of the over-subscription requests received from the Rights holders. The number of Remaining Units each over-subscribing Record Date Shareholder or other Rights holder may acquire will be rounded down to result in delivery of whole shares of Common Stock underlying such Units. The Agent shall advise the Company immediately upon the completion of the allocation set forth above as to the total number of Units subscribed for and distributable.

7. Delivery of Shares.

The Agent will deliver (i) certificates or Statement of Holding reflecting new shares of Company Common Stock and warrants in the Direct Registration System, representing those shares of Common Stock and warrants included in the Units purchased pursuant to exercise of Basic Subscription Rights as soon as practicable after the corresponding Rights have been validly exercised and full payment for such Units has been received and cleared and (ii) certificates or Statements of Holding representing those shares and warrants included in the Units purchased pursuant to the exercise of the Over-Subscription Privilege as soon as practicable after the Expiration Date and after all allocations have been effected.

8. Holding Proceeds of Rights Offering.

A. All proceeds received by Computershare from Shareholders in respect of the exercise of Rights shall be held by Computershare, on behalf of the Company, in a segregated account (the "Account"). No interest shall accrue to the Company or shareholders on funds held in the Account pending disbursement in the manner described in Section 4(E) above.

B. Computershare shall deliver all proceeds received in respect of the exercise of Rights to the Company as promptly as practicable, but in no event later than ten business days after the Expiration Date.

C. The Company acknowledges that the bank accounts maintained by Computershare in connection with the services provided under this Agreement will be in its name and that Computershare may receive investment earnings in connection with the investment at Computershare's risk and for its benefit of funds held in those accounts from time to time.

9. Reports.

Daily, during the Subscription Period, the Agent will report by telephone or telecopier, confirmed by letter, to an Officer of the Company, data regarding Rights exercised, the total number of Units subscribed for, and payments received therefor, bringing forward the figures from the previous day's report in each case so as to show the cumulative totals and any such other information as may be mutually determined by the Company and the Agent.

10. Loss or Mutilation.

If any Subscription Certificate is lost, stolen, mutilated or destroyed, the Agent may, on such terms which will indemnify and protect the Company and the Agent as the Agent may in its discretion impose (which shall, in the case of a mutilated Subscription Certificate include the surrender and cancellation thereof), issue a new Subscription Certificate of like denomination in substitution for the Subscription Certificate so lost, stolen, mutilated or destroyed.

11. Compensation for Services.

The Company agrees to pay to the Agent compensation for its services hereunder in accordance with its Fee Schedule to act as Agent attached hereto as Exhibit A. The Company further agrees that it will reimburse the Agent for its reasonable out-of-pocket expenses incurred in the performance of its duties as such.

12. Instructions, Indemnification and Limitation of Liability.

12.1 Company Indemnity.

The Company covenants and agrees to indemnify and to hold the Agent harmless against any costs, expenses (including reasonable fees of its legal counsel), losses or damages, which may be paid, incurred or suffered by or to which it may become subject, arising from or out of, directly or indirectly, any claims or liability resulting from its actions as Agent (including as Agent the provision of any services set forth in the Fee and Service Schedule attached hereto) pursuant to the terms set forth in this Agreement; provided, that such covenant and agreement does not extend to, and the Agent shall not be indemnified with respect to, such costs, expenses, losses and damages incurred or suffered by the Agent as a result of, or arising out of, its gross negligence, bad faith, or willful misconduct.

In addition to the foregoing, the Agent:

A. Shall have no duties or obligations other than those specifically set forth herein or as may subsequently be requested of the Agent by the Company with respect to the Subscription Offer and agreed upon by the Agent;

B. May rely on and shall be indemnified and held harmless by the Company in acting upon any certificate, instrument, opinion, notice, letter, facsimile transmission, telegram or other document, or any security delivered to it, and reasonably believed by it to be genuine and to have been signed by the proper party or parties;

C. May consult with counsel satisfactory to it (including counsel for the Company) and shall be held harmless in relying on the written advice or opinion of such counsel in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion of such counsel.

12.2 **Instructions.** From time to time, Agent may apply to any officer of the Company for instruction and Company shall provide Agent with such instructions concerning the services to be provided by Agent under this Agreement. In addition, Agent may consult with legal counsel for the Agent or the Company with respect to any matter arising in connection with the services to be performed by the Agent under this Agreement, and Agent and its agents and subcontractors shall not be liable and shall be indemnified by the Company for any action taken or omitted by it in reliance upon any Company instructions or upon the advice or opinion of such counsel. The Agent shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from the Company.

12.3 **Agent Indemnification/Limitation of Liability.** Agent shall be responsible for and shall indemnify and hold the Company harmless from and against any and all losses, damages, costs, charges, counsel fees, payments, expenses and liability arising out of or attributable to: (a) Agent's refusal or failure to comply with the terms of this Agreement, (b) Agent's bad faith or willful misconduct, or (c) Agent's breach of any representation or warranty hereunder, for which Agent is not entitled to indemnification under this Agreement; provided, however, that, except for liability arising pursuant to clause (b) of this Section 12.3, Agent's aggregate liability during any term of this Agreement with respect to, arising from, or arising in connection with this Agreement, or from all services provided or omitted to be provided under this Agreement, whether in contract, or in tort, or otherwise, is limited to, and shall not exceed, the amounts paid hereunder by the Company to Agent as fees and charges, but not including reimbursable expenses.

12.4 **Notice.** In order that the indemnification provisions contained in this Section shall apply, upon the assertion of a claim for which one party may be required to indemnify the other, the party seeking indemnification shall promptly notify the other party of such assertion, and shall keep the other party advised with respect to all developments concerning such claim. The indemnifying party shall have the option to participate with the indemnified party in the defense of such claim or to defend against said claim in its own name or the name of the indemnified party. The indemnified party shall in no case confess any claim or make any compromise in any case in which the indemnifying party may be required to indemnify it except with the indemnifying party's prior written consent.

13. Changes in Subscription Certificate.

The Agent may, without the consent or concurrence of the Shareholders in whose names Subscription Certificates are registered, by supplemental agreement or otherwise, concur with the Company in making any changes or corrections in a Subscription Certificate that it shall have been advised by counsel (who may be counsel for the Company) is appropriate to cure any ambiguity or to correct any defective or inconsistent provision or clerical omission or mistake or manifest error therein or herein contained, and which shall not be inconsistent with the provision of the Subscription Certificate except insofar as any such change may confer additional rights upon the Shareholders.

14. Assignment/Delegation.

A. Except as provided in Section 14(B) below, neither this Agreement nor any rights or obligations hereunder may be assigned or delegated by either party without the written consent of the other party.

B. The Agent may, without further consent on the part of the Company, subcontract with other subcontractors for systems, processing, telephone and mailing services, and post-exchange activities, as may be required from time to time; provided, however, that the Agent shall be as fully responsible to the Company for the acts and omissions of any subcontractor as it is for its own acts and omissions.

15. Third Party Beneficiaries.

Except as explicitly stated elsewhere in this Agreement, nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than the Agent and the Company and the duties and responsibilities undertaken pursuant to this Agreement shall be for the sole and exclusive benefit of the Agent and the Company. Neither party shall make any commitments with third parties that are binding on the other party without the other party's prior written consent.

16. Governing Law.

The validity, interpretation and performance of this Agreement shall be governed by the law of the Commonwealth of Massachusetts.

17. Partnership.

This Agreement does not constitute an agreement for a partnership or joint venture between the Agent and the Company.

18. Force Majeure.

In the event either party is unable to perform its obligations under the terms of this Agreement because of acts of God, strikes, terrorist acts, equipment or transmission failure or damage reasonably beyond its control, or other cause reasonably beyond its control, such party shall not be liable for damages to the other for any damages resulting from such failure to perform or otherwise from such causes. Performance under this Agreement shall resume when the affected party or parties are able to perform substantially that party's duties.

19. Consequential Damages.

Neither party to this Agreement shall be liable to the other party for any consequential, indirect, special or incidental damages under any provisions of this Agreement or for any consequential, indirect, penal, special or incidental damages arising out of any act or failure to act hereunder even if that party has been advised of or has foreseen the possibility of such damages.

20. Severability.

If any provision of this Agreement shall be held invalid, unlawful, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

21. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

22. Captions.

The captions and descriptive headings herein are for the convenience of the parties only. They do not in any way modify, amplify, alter or give full notice of the provisions hereof.

23. Confidentiality.

23.1 Definition. Each party acknowledges and understands that any and all technical, trade secret, or business information, including, without limitation, financial information, business or marketing strategies or plans, product development, Company information, Shareholder information (including any non-public information of such Shareholder), proprietary information, or proprietary software (including methods or concepts used therein, sources code, object code, or related technical information) which has been or is disclosed to the other or has been or is otherwise obtained by the other, its affiliates, agents or representatives before or during the term of this Agreement (the "Confidential Information") is confidential and proprietary, constitutes trade secrets of the owner (or its affiliates), and is of great value and importance to the success of the owner's (or its affiliates') business. The parties shall treat the terms and conditions (but not the existence) of this Agreement as the Confidential

Information of the other party. Confidential Information shall not include any information that is: (a) already known to the other party or its affiliates at the time of the disclosure; (b) publicly known at the time of the disclosure or becomes publicly known through no wrongful act or failure of the other party; (c) subsequently disclosed to the other party or its affiliates on a non-confidential basis by a third party not having a confidential relationship with the owner and which rightfully acquired such information; or (d) independently developed by one party without access to the Confidential Information of the other.

23.2. Use and Disclosure. All Confidential Information relating to a party will be held in confidence by the other party to the same extent and with at least the same degree of care as such party protects its own confidential or proprietary information of like kind and import, but in no event using less than a reasonable degree of care. Neither party will disclose, duplicate, publish, release, transfer or otherwise make available Confidential Information of the other party in any form to, or for the use or benefit of, any person or entity without the other party's consent. Each party will, however, be permitted to disclose relevant aspects of the other party's Confidential Information to its officers, affiliates, agents, subcontractors and employees to the extent that such disclosure is reasonably necessary for the performance of its duties and obligations under this Agreement and such disclosure is not prohibited by the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. 6801 et seq.), as it may be amended from time to time (the "GLB Act"), the regulations promulgated thereunder or other applicable law. Each party will establish commercially reasonable controls to ensure that the confidentiality of the Confidential Information and to ensure that the Confidential Information is not disclosed contrary to the provisions of this Agreement, the GLB Act or any other applicable privacy law. Without limiting the foregoing, each party will implement such physical and other security measures as are necessary to (a) ensure the security and confidentiality of the Confidential Information; (b) protect against any threats or hazards to the security and integrity of the Confidential Information; and (c) protect against any unauthorized access to or use of the Confidential Information. To the extent that any duties and responsibilities under this Agreement are delegated to an agent or other subcontractor, the party ensures that such agent and subcontractor are contractually bound to confidentiality terms consistent with the terms of this Section 23.

23.3. Required or Permitted Disclosure. In the event that any requests or demands are made for the disclosure of Confidential Information, other than requests to Agent for records of Shareholders pursuant to standard subpoenas from state or federal government authorities (e.g., in divorce and criminal actions), the party will notify the other party to secure instructions from an authorized officer of such party as to request and to enable the other party the opportunity to obtain a protective order or other confidential treatment. Each party expressly reserves the right, however, to disclose the Confidential Information to any person whenever it is advised by counsel that it may be held liable for the failure to disclose such Confidential Information or if required by law or court order.

23.4 Unauthorized Disclosure. As may be required by law and without limiting either party's rights in respect of a breach of this Section, each party will:

- (a) promptly notify the other party in writing of any unauthorized possession, use or disclosure of the other party's Confidential Information by any person or entity that may become known to such party;
- (b) promptly furnish to the other party full details of the unauthorized possession, use or disclosure; and
- (c) promptly use commercially reasonable efforts to prevent a recurrence of any such unauthorized possession, use or disclosure of Confidential Information.

23.5 Costs. Each party will bear the costs it incurs as a result of compliance with this Section 23.

24. Term and Termination.

This Agreement shall remain in effect until the earlier of (a) thirty (30) days after the Expiration Date; (b) it is terminated by either party upon a material breach of this Agreement which remains uncured for 30 days after written notice of such breach has been provided; or (c) 30 days' written notice has been provided by either party to the other. Upon termination of the Agreement, the Agent shall retain all canceled Subscription Certificates and related documentation as required by applicable law.

25. Notices.

Until further notice in writing by either party hereto to the other party, all written reports, notices and other communications between the Agent and the Company required or permitted hereunder shall be delivered or mailed by first class mail, postage prepaid, telecopier or overnight courier guaranteeing next day delivery, addressed as follows:

If to the Company, to:

Marshall Edwards, Inc.
11975 El Camino Real
Suite 101
San Diego, CA 92130
Attn: Corporate Secretary

If to the Agent, to:

Computershare Trust Company, N.A.
c/o Computershare Inc.
250 Royall Street
Canton, MA 02021
Attn: Reorganization Department

26. Survival.

The provisions of Paragraphs 12, 15, 17-19, 22, and 24-31 shall survive any termination, for any reason, of this Agreement.

27. Merger of Agreement.

This Agreement constitutes the entire agreement between the parties hereto and supercedes any prior agreement with respect to the subject matter hereof whether oral or written.

28. Priorities.

In the event of any conflict, discrepancy, or ambiguity between the terms and conditions contained in this Agreement and any schedules or attachments hereto, the terms and conditions contained in this Agreement shall take precedence.

29. Successors.

All the covenants and provisions of this Agreement by or for the benefit of the Company or the Transfer Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

30. No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all parties hereto, and not presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

31. Descriptive Headings.

Descriptive headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, hereunto duly authorized, as of the day and year first above written.

COMPUTERSHARE TRUST COMPANY, NA.

By: _____
Date: _____
Title: _____

MARSHALL EDWARDS, INC.

By: _____
Date: _____
Title: _____

COMPUTERSHARE INC.

By: _____
Date: _____
Title: _____

[Letterhead of Georgeson Inc.]

, 2012

Marshall Edwards, Inc.
11975 Camino Real – Suite 101
San Diego, CA 92130

Re: Revised Letter of Agreement

This Letter of Agreement, including the Appendix attached hereto (collectively, this “Agreement”), sets forth the terms and conditions of the engagement of Georgeson Inc. (“Georgeson”) by Marshall Edwards, Inc. (the “Company”) to act as Information Agent in connection with its upcoming rights offering (the “Offer”). The term of the Agreement shall be the term of the Offer, including any extensions thereof.

- (a) *Services.* Georgeson shall perform the services described in the Fees & Services Schedule attached hereto as Appendix I (collectively, the “Services”).
- (b) *Fees.* In consideration of Georgeson’s performance of the Services, the Company shall pay Georgeson the amounts, and pursuant to the terms, set forth on the Fees & Services Schedule attached hereto as Appendix I.
- (c) *Expenses.* In connection with Georgeson’s performance of the Services, and in addition to the fees and charges discussed in paragraphs (b) and (d) hereof, the Company agrees that it shall be solely responsible for the following costs and expenses, and that the Company shall, at Georgeson’s sole discretion, (i) reimburse Georgeson for such costs and expenses actually incurred by Georgeson, (ii) pay such costs and expenses directly and/or (iii) advance sufficient funds to Georgeson for payment of such costs and expenses:
- expenses incidental to the Offer, including postage and freight charges incurred in delivering Offer materials;
 - expenses incurred by Georgeson in working with its agents or other parties involved in the Offer, including charges for bank threshold lists, data processing, telephone directory assistance, facsimile transmissions or other forms of electronic communication;
 - expenses incurred by Georgeson at the Company’s request or for the Company’s convenience, including copying expenses, expenses relating to the printing of additional and/or supplemental material and travel expenses of Georgeson’s executives;
 - any other fees and expenses authorized by the Company and resulting from extraordinary contingencies which arise during the course of the Offer, including fees and expenses for advertising (including production and posting), media relations, stock watch and analytical services.
- (d) *Custodial Charges.* Georgeson agrees to check, itemize and pay on the Company’s behalf the charges of brokers and banks, with the exception of Broadridge Financial Solutions, Inc. which will bill the Company directly, for forwarding Offer materials to beneficial owners. The Company shall pay Georgeson an administrative fee of ten dollars (\$10.00) for each broker and bank invoice paid by Georgeson on the Company’s behalf. If the Company prefers to pay these bills directly, please strike out and initial this clause before returning the executed Agreement.
- (e) *Compliance with Applicable Laws.* The Company and Georgeson hereby represent to one another that each shall use its best efforts to comply with all applicable laws relating to the Offer, including, without limitation, the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

- (f) *Indemnification.* The Company agrees to indemnify and hold harmless Georgeson and its stockholders, officers, directors, employees, agents and affiliates against any and all claims, costs, damages, liabilities, judgments and expenses, including the fees, costs and expenses of counsel retained by Georgeson, which result from claims, actions, suits, subpoenas, demands or other proceedings brought against or involving Georgeson which directly relate to or arise out of Georgeson's performance of the Services (except for costs, damages, liabilities, judgments or expenses which shall have been determined by a court of law pursuant to a final and nonappealable judgment to have directly resulted from Georgeson's gross negligence or intentional misconduct). In addition, the prevailing party shall be entitled to reasonable attorneys' fees and court costs in any action between the parties to enforce the provisions of this Agreement, including the indemnification rights contained in this paragraph. The indemnity obligations set forth in this paragraph shall survive the termination of this Agreement.
- (g) *Governing Law.* This Agreement shall be governed by the substantive laws of the State of New York without regard to its principles of conflicts of laws, and shall not be modified in any way, unless pursuant to a written agreement which has been executed by each of the parties hereto. The parties agree that any and all disputes, controversies or claims arising out of or relating to this Agreement (including any breach hereof) shall be subject to the jurisdiction of the federal and state courts in New York County, New York and the parties hereby waive any defenses on the grounds of lack of personal jurisdiction of such courts, improper venue or *forum non conveniens*.
- (h) *Exclusivity.* The Company agrees and acknowledges that Georgeson shall be the sole Information Agent retained by the Company in connection with the Offer, and that the Company shall refrain from engaging any other Information Agent to render any Services, in a consultative capacity or otherwise, in relation to the Offer.
- (i) *Additional Services.* In addition to the Services, the Company may from time to time request that Georgeson provide it with certain additional consulting or other services. The Company agrees that Georgeson's provision of such additional services shall be governed by the terms of a separate agreement to be entered into by the parties at such time or times, and that the fees charged in connection therewith shall be at Georgeson's then-current rates.
- (j) *Confidentiality.* Georgeson agrees to preserve the confidentiality of (i) all material non-public information provided by the Company or its agents for Georgeson's use in fulfilling its obligations hereunder and (ii) any information developed by Georgeson based upon such material non-public information (collectively, "Confidential Information"). For purposes of this Agreement, Confidential Information shall not be deemed to include any information which (w) is or becomes generally available to the public in accordance with law other than as a result of a disclosure by Georgeson or any of its officers, directors, employees, agents or affiliates; (x) was available to Georgeson on a nonconfidential basis and in accordance with law prior to its disclosure to Georgeson by the Company; (y) becomes available to Georgeson on a nonconfidential basis and in accordance with law from a person other than the Company or any of its officers, directors, employees, agents or affiliates who is not otherwise bound by a confidentiality agreement with the Company or is not otherwise prohibited from transmitting such information to a third party; or (z) was independently and lawfully developed by Georgeson based on information described in clauses (w), (x) or (y) of this paragraph. The Company agrees that all reports, documents and other work product provided to the Company by Georgeson pursuant to the terms of this Agreement are for the exclusive use of the Company and may not be disclosed to any other person or entity without the prior written consent of Georgeson. The confidentiality obligations set forth in this paragraph shall survive the termination of this Agreement.
- (k) *Entire Agreement; Appendix.* This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof. The Appendix to this Agreement shall be deemed to be incorporated herein by reference as if fully set forth herein. This Agreement shall be binding upon all successors to the Company (by operation of law or otherwise).

If the above is agreed to by you, please execute and return the enclosed duplicate of this Agreement to Georgeson Inc., 199 Water Street – 26th Floor, New York, New York 10038, Attention: Foster J. Bartko.

Sincerely,

GEORGESON INC.

By: _____

Title: _____

Agreed to and accepted as of the date first set forth above:

MARSHALL EDWARDS, INC.

By: _____

Title: _____

Computershare, Inc.

250 Royall Street

Canton, Massachusetts 02021

Within USA, US territories & Canada: () -

Outside USA, US territories & Canada: () -

www.computershare.com

Mr A Sample**DESIGNATION (IF ANY)****ADD 1****ADD 2****ADD 3****ADD 4****ADD 5****ADD 6****Subscription Rights Certificate Number:****Number of Rights Represented by this Subscription Rights Certificate:****Number of Units (each consisting of 0.50 shares of common stock and a warrant to purchase 0.25 shares of common stock) for which Rights Represented by this Subscription Rights Certificate May be Exercised:****MARSHALL EDWARDS, INC.****FORM OF SUBSCRIPTION RIGHTS CERTIFICATE**

Marshall Edwards, Inc., a Delaware corporation (the "Company") is conducting a rights offering (the "Rights Offering") that entitles the holders of the Company's common stock, par value \$0.00000002 per share (the "Common Stock"), as well as holders of the Company's Series A warrants (collectively, the "Record Holders"), as of 5:00 p.m., Eastern time, on March 30, 2012 (the "Record Date") to purchase up to an aggregate of 17,129,361 units ("Units") at a subscription price of \$0.445 per Unit (the "Subscription Price"). Each Record Holder will receive one Subscription Right for each share of Common Stock owned (or underlying the Series A warrants, as applicable) on the Record Date and each Subscription Right will entitle its holder to purchase one Unit. Each Unit will consist of 0.50 shares of Common Stock and a warrant to purchase an additional 0.25 shares of Common Stock (the "Basic Subscription Right"). The Company will not issue fractional shares in connection with the Rights Offering. Rights Holders will only be entitled to purchase a number of Units representing a whole number of shares of Common Stock, rounded down to the nearest whole number of Units a holder would otherwise be entitled to purchase. Any excess subscription payments received by Computershare, Inc., as subscription agent (the "Subscription Agent") will be returned, without interest or deduction, as soon as practicable. Similarly, no fractional shares of Common Stock will be issued in connection with the exercise of a warrant issued in the Rights Offering. Instead, for any such fractional share that would otherwise have been issuable upon exercise of the warrant, the holder will be entitled to a cash payment equal to the pro-rated per share market price of the Common Stock on the last trading day preceding the exercise.

Set forth above is the number of Units to which the holder whose name and address is set forth above is entitled to subscribe pursuant to the Basic Subscription Right. If you fully exercise your Basic Subscription Rights (after giving effect to any permitted distributions, as described below), you may also subscribe to purchase additional Units, subject to the conditions and limitations described further in the Company's prospectus dated March [], 2012 (the "Prospectus").

For a more complete description of the terms and conditions of the Rights Offering, please refer to the Prospectus, a copy of which has been delivered to you together with this Subscription Rights Certificate. Additional copies of the Prospectus are available upon request from the information agent, Georgeson, Inc., by calling (866) 628-6021. Capitalized terms used but not defined herein shall have the meanings given to them in the Prospectus.

In order to exercise your Subscription Rights, you must either (1) complete and sign this Subscription Rights Certificate on the back and return it in the envelope provided together with full payment of the Subscription Price multiplied by the total number of shares for which you have subscribed (including pursuant to the Over-subscription Privilege), or (2) present a properly completed Notice of Guaranteed Delivery, together with full payment of the Subscription Price multiplied by the total number of shares for which you have subscribed (including pursuant to the Over-subscription Privilege), to the Subscription Agent, in either case before 5:00 p.m., Eastern time, on May 11, 2012, subject to extension or earlier termination (the "Expiration Date"). Any Subscription Rights not exercised prior to the Expiration Date will expire and have no value. Any subscription for Units in the Rights Offering made hereby is irrevocable.

Full payment of the Subscription Price per Unit for all Units subscribed for pursuant to both the Basic Subscription Right and the Over-subscription Privilege must accompany this Subscription Rights Certificate and must be made in full in U.S. dollars by (i) uncertified check drawn against a U.S. bank payable to "Computershare, Inc." or (ii) certified or cashier's check or bank draft drawn against a U.S. bank and payable to "Computershare, Inc." If you exercise less than all of the Subscription Rights evidenced by your Subscription Rights Certificate, the Subscription Agent will issue to you a new Subscription Rights Certificate evidencing the unexercised Subscription Rights upon your request. However, if you choose to have a new Subscription Rights Certificate sent to you, you may not receive any such new Subscription Rights Certificate in sufficient time to permit exercise of the Subscription Rights evidenced thereby.

THE SUBSCRIPTION RIGHTS ARE NON-TRANSFERABLE

The Subscription Rights represented by this Subscription Rights Certificate may not be transferred or sold; provided, however, that holders of Subscription Rights are permitted to distribute their Subscription Rights to their own shareholders, members or general or limited partners. You must effect any such distribution in sufficient time for the Subscription Agent to receive proper evidence of the distribution of your Subscription Rights. Holders who intend to make a permitted distribution of their Subscription Rights must contact the Subscription Agent in advance of such distribution to request copies of the required documentation.

The Subscription Rights will not be listed on the NASDAQ Capital Market, any other stock exchange or market, or on the OTC Bulletin Board.

You are advised to review the Prospectus and the Instructions for Use of Marshall Edwards, Inc. Subscription Rights Certificates included with this Subscription Rights Certificate, additional copies of which are available from the Subscription Agent, before exercising your Subscription Rights.

SECTION 1 – EXERCISE AND SUBSCRIPTION

The undersigned hereby irrevocably exercises one or more Subscription Rights to subscribe for Units as indicated below, on the terms and subject to the conditions specified in the Prospectus, receipt of which is hereby acknowledged.

Basic Subscription Rights:

I apply for:		x	\$0.445	=	
	(no. of Units)		(subscription price / Unit)		(required payment)

Over-subscription Privilege: IF YOU HAVE FULLY SUBSCRIBED FOR YOUR BASIC SUBSCRIPTION RIGHT AND WISH TO PURCHASE ADDITIONAL UNITS PURSUANT TO THE OVER-SUBSCRIPTION PRIVILEGE:

I apply for:

	x	\$0.445	=	\$
(no. of Units)		(subscription price / Unit)		(required payment)

Total Amount Enclosed: \$ _____

Check here if the Basic Subscription Rights do not account for all of the Subscription Rights evidenced by this Subscription Rights Certificate and you wish to receive a new Subscription Rights Certificate evidencing the remaining Subscription Rights to which the undersigned is entitled.

SECTION 2—ACKNOWLEDGEMENT

THE SUBSCRIPTION ORDER FORM IS NOT VALID UNLESS YOU SIGN BELOW

I/We acknowledge receipt of the Prospectus contained with this Subscription Certificate and understand that after delivery to Computershare Inc., as Subscription Agent for Marshall Edwards, Inc., I/we may not modify or revoke this Subscription Certificate. Under penalties of perjury, I/we certify that the information contained herein, including the social security number or taxpayer identification number contained herein, is correct.

The signature below must correspond with the name of the registered holder exactly as it appears on the books of the Marshall Edwards, Inc. transfer agent without any alteration or change whatsoever.

Signature(s) of Registered Holder: _____ Date: _____

If the signature is by trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, please provide the following information:

Name: _____ Capacity: _____ Soc. Sec. # /Tax ID #: _____

Address: _____ Phone: _____

If the aggregate Subscription Price enclosed or transmitted is insufficient to purchase the total number of Units indicated above, or if the number of Units being subscribed for is not specified, you will be deemed to have subscribed for the maximum amount of Units that could be subscribed for upon payment of such amount. If the aggregate Subscription Price paid by you exceeds the amount necessary to purchase the number of Units indicated above (such excess being the "Subscription Excess"), then you will be deemed to have exercised the Over-subscription Privilege to the full extent of the excess payment tendered, to purchase, to the extent available, the maximum number of Units that could be purchased with your excess payment. To the extent any portion of the aggregate Subscription Price enclosed or transmitted remains after the foregoing procedures, such funds shall be mailed to the subscriber without interest or deduction, promptly after the expiration of the subscription period.

DELIVERY OPTIONS FOR SUBSCRIPTION RIGHTS CERTIFICATE:

Delivery of this Subscription Rights Certificate to an address other than as set forth below does not constitute valid delivery:

By mail:
Computershare Trust Company, N.A.
Attn: Corporate Actions
P.O. Box 43011
Providence, RI 02940-3011

By Express Mail or Overnight Courier:
Computershare Trust Company, N.A.
250 Royall Street
Suite V
Canton, MA 02021

ANY QUESTIONS REGARDING THIS SUBSCRIPTION RIGHTS CERTIFICATE AND THE RIGHTS OFFERING MAY BE DIRECTED TO THE INFORMATION AGENT, GEORGESON, INC., BY TELEPHONE, IF YOU ARE LOCATED WITHIN THE U.S., AT (866) 628-6021, OR, IF YOU ARE LOCATED OUTSIDE THE U.S., AT (212) 440-9800.

FORM OF WARRANT AGREEMENT

Agreement made as of [], 2012 between Marshall Edwards, Inc., a Delaware corporation, (the "Company"), and Computershare Inc., a Delaware corporation and its wholly-owned subsidiary Computershare Trust Company, N.A., a federally chartered, limited purpose trust company (collectively, the "Warrant Agent" or individually, "Computershare" and the "Trust Company," respectively).

WHEREAS, the Company is offering subscription rights (the "Rights") to its shareholders of record as of 5:00 p.m. Eastern time on March 30, 2012, each Right exercisable for one unit comprised of 0.50 shares of the Company's common stock, par value \$0.00000002 per share (the "Common Stock"), and a warrant to purchase an additional 0.25 shares of Common Stock at an exercise price of \$1.19 per share (the "Warrants") for a period of five years following the issuance of the Warrants;

WHEREAS, the Company has filed with the Securities and Exchange Commission a Registration Statement on Form S-1, No. 333-179590 for the registration, under the Securities Act of 1933, as amended (the "1933 Act") of the Rights, the Common Stock issuable upon exercise of the Rights, the Warrants and the Common Stock issuable upon exercise of the Warrants (the "Warrant Shares");

WHEREAS, following the closing of the rights offering, the Warrants will be transferable separately from the Common Stock, although it is not anticipated that there will initially be any trading market for the Warrants;

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in connection with the issuance, registration, transfer, exchange and exercise of the Warrants;

WHEREAS, the Company desires to provide for the form and provisions of the Warrants, the terms upon which they shall be issued and exercised, and the respective rights, limitation of rights, and immunities of the Company, the Warrant Agent, and the holders of the Warrants; and

WHEREAS, all acts and things have been done and performed which are necessary to make the Warrants, when executed on behalf of the Company and countersigned by or on behalf of the Warrant Agent, as provided herein, the valid, binding and legal obligations of the Company, and to authorize the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company for the Warrants, and the Warrant Agent hereby accepts such appointment and agrees to perform the same in accordance with the terms and conditions set forth in this Agreement.

2. Warrants.

2.1 Form of Warrant. Each Warrant shall be issued in substantially the form of Exhibit A hereto, the provisions of which are incorporated herein and shall be signed by or bear the facsimile signature of the Chief Executive Officer or President of the Company and of the Secretary of the Company. In the event the person whose facsimile signature has been placed upon any Warrant shall have ceased to serve in the capacity in which such person signed the Warrant before such Warrant is issued, it may be issued with the same effect as if he or she had not ceased to be such at the date of issuance.

2.2 Effect of Countersignature. Unless and until countersigned by the manual or facsimile signature of the Warrant Agent pursuant to this Agreement, a Warrant shall be invalid and of no effect and may not be exercised by the holder thereof.

2.3 Registration.

2.3.1 Warrant Register. The Warrant Agent shall maintain books (“Warrant Register”), for the registration of original issuance and the registration of transfer of the Warrants. Upon the initial issuance of the Warrants, the Warrant Agent shall issue and register the Warrants in the names of the respective holders thereof in such denominations and otherwise in accordance with instructions delivered to the Warrant Agent by the Company.

2.3.2 Registered Holder. Prior to due presentment for registration of transfer of any Warrant, the Company and the Warrant Agent may deem and treat the person in whose name such Warrant shall be registered upon the Warrant Register (“registered holder”), as the absolute owner of such Warrant and of each Warrant represented thereby (notwithstanding any notation of ownership or other writing on the Warrant Certificate made by anyone other than the Company or the Warrant Agent), for the purpose of any exercise thereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

3. Terms and Exercise of Warrants.

3.1 Warrant Price. Each Warrant shall, when countersigned by the Warrant Agent, entitle the registered holder thereof, subject to the provisions of such Warrant and of this Warrant Agreement, to purchase from the Company the number of shares of Common Stock stated therein, at the price of \$1.19 per whole share, subject to the adjustments provided in Section 4 hereof. The term “Warrant Price” as used in this Warrant Agreement refers to the price per share at which Common Stock may be purchased at the time a Warrant is exercised.

3.2 Duration of Warrants. A Warrant may be exercised only during the period (“Exercise Period”) commencing on 9:00 a.m., Eastern time on the date of issuance of the Warrant and terminating at 5:00 p.m., Eastern time on the five-year anniversary of the date of issuance of the Warrant (“Expiration Date”). Each Warrant not exercised on or before the Expiration Date shall become void, and all rights thereunder and all rights in respect thereof under this Agreement shall cease at the close of business on the Expiration Date.

3.3 Exercise of Warrants.

3.3.1 Payment. Subject to the provisions of the Warrant and this Warrant Agreement, a Warrant, when countersigned by the Warrant Agent, may be exercised by the registered holder thereof by surrendering it, at the office of the Warrant Agent, or at the office of any successor Warrant Agent, with the subscription form, as set forth in the Warrant, duly executed, and (A) by paying in full the Warrant Price for each full share of Common Stock as to which the Warrant is exercised and any and all applicable taxes due in connection with the exercise of the Warrant by certified check or bank draft payable to the order of the Company (or as otherwise agreed to by the Company), or (B) if applicable as set forth in Section 3.3.6, by notifying the Company that the Warrant is being exercised pursuant to a Cashless Exercise in accordance with such Section.

3.3.2 Issuance of Certificates. As soon as practicable after the exercise of any Warrant and the clearance of the funds in payment of the Warrant Price, the Warrant Agent shall deliver to the registered holder of such Warrant a certificate or certificates for the number of full shares of Common Stock to which such registered holder is entitled, registered in such name or names as may be directed by him, her or it, and if such Warrant shall not have been exercised in full, a new countersigned Warrant for the number of Warrant Shares as to which such Warrant shall not have been exercised. In no event will the Company be required to net cash settle the warrant exercise.

3.3.3 Valid Issuance. All shares of Common Stock issued upon the proper exercise of a Warrant in conformity with this Agreement shall be validly issued, fully paid and non-assessable. The Company shall provide an opinion of counsel prior to the issuance of securities hereunder, including, *inter alia*, the Warrants and the Common Stock. The opinion shall state that all such securities, or the transactions in which they are being offered or issued, as applicable, are:

- (1) Registered, or subject to a valid exemption from registration, under the 1933 Act, and all appropriate state securities law filings have been made with respect to such securities; and
- (2) Validly issued, fully paid and non-assessable.

3.3.4 Date of Issuance. Each person in whose name any such certificate for shares of Common Stock is issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant was surrendered and payment of the Warrant Price was made, irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open.

3.3.5 Bank Accounts. The Company acknowledges that the bank accounts maintained by Computershare in connection with the services provided under this Agreement will be in its name and that Computershare may receive investment earnings in connection with the investment at Computershare's risk and for its benefit of funds held in those accounts from time to time. Neither the Company nor the Holders will receive interest on any deposits or funds tendered in payment of the Warrant Price.

3.3.6 Cashless Exercise. Notwithstanding anything contained herein to the contrary, if a registration statement or registration statements of the Company filed under the 1933 Act covering the exercise of the Warrants that are the subject of the Subscription Form pursuant to the 1933 Act is not available, the Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, such Holder will receive upon such exercise the "Net Number" of shares of Common Stock determined according to the following formula (a "Cashless Exercise"):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{D}$$

For purposes of the foregoing formula:

A= the total number of shares with respect to which this Warrant is then being exercised.

B= the arithmetic average of the Weighted Average Prices of the Common Stock (as reported by Bloomberg) for the five (5) consecutive trading days ending on the date immediately preceding the date of the Subscription Form.

C= the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

D= the Weighted Average Price of the Common Stock on the exercise date.

For purposes of Rule 144(d) promulgated under the 1933 Act, as in effect on the date hereof, it is intended and the Company acknowledges that the Warrant Shares issued in a Cashless Exercise shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the Issuance Date. For the avoidance of doubt, the Company shall not be required to repurchase, redeem or settle any Warrants for cash or other property, other than for shares of Common Stock in accordance with the provisions of this Section 3.3.6.

4. Adjustments.

4.1 Stock Dividends — Split-Ups. If, after the date hereof, and subject to the provisions of Section 4.7, the number of outstanding shares of Common Stock is increased by a stock dividend payable in shares of Common Stock, or by a split-up of shares of Common Stock, or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of Common Stock issuable on exercise of each Warrant shall be increased in proportion to such increase in shares of Common Stock.

4.2 Aggregation of Shares. If, after the date hereof, and subject to the provisions of Section 4.7, the number of outstanding shares of Common Stock is decreased by a consolidation, combination, reverse stock split or reclassification of shares of Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of Common Stock issuable on exercise of each Warrant shall be decreased in proportion to such decrease in outstanding shares of Common Stock.

4.3 Adjustments in Exercise Price. Whenever the number of shares of Common Stock purchasable upon the exercise of the Warrants is adjusted, as provided in Section 4.1 and 4.2 above, the Warrant Price shall be adjusted (to the nearest cent) by multiplying such Warrant Price immediately prior to such adjustment by a fraction (x) the numerator of which shall be the number of shares of Common Stock purchasable upon the exercise of the Warrants immediately prior to such adjustment, and (y) the denominator of which shall be the number of shares of Common Stock so purchasable immediately thereafter.

4.4 Replacement of Securities upon Reorganization, etc. In case of any reclassification or reorganization of the outstanding shares of Common Stock (other than a change covered by Section 4.1 or 4.2 hereof or that solely affects the par value of such shares of Common Stock), or in the case of any merger or consolidation of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of the outstanding shares of Common Stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of the Company as an entirety or substantially as an entirety, the Warrant holders shall thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Warrants and in lieu of the shares of Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the Warrant holder would have received if such Warrant holder had exercised his, her or its Warrant(s) immediately prior to such event; and if any reclassification also results in a change in shares of Common Stock covered by Section 4.1 or 4.2, then such adjustment shall be made pursuant to Sections 4.1, 4.2, 4.3 and this Section 4.4. The provisions of this Section 4.4 shall similarly apply to successive reclassifications, reorganizations, mergers or consolidations, sales or other transfers.

4.5 Requirement to Exercise Warrants. Notwithstanding Section 4.4 hereof, and in lieu thereof, the Company may elect by written notice to the registered holder of the Warrant, to require such registered holder to exercise all of the Warrants remaining unexercised prior to any such reorganization, reclassification, consolidation, merger or sale. If the registered holder of the Warrant shall not exercise all or any part of the Warrants remaining unexercised prior to such event, such unexercised Warrants shall automatically become null and void upon the occurrence of any such event, and of no further force and effect. The Common Stock issued pursuant to any such exercise shall be deemed to be issued and outstanding immediately prior to any such event, and shall be entitled to be treated as any other issued and outstanding share of Common Stock in connection with such event. If an election is not made by the Company pursuant to this subsection 4.5 in connection with any such event, then the provisions of subsection 4.4 shall apply to such event.

4.6 Notices of Changes in Warrant. Upon every adjustment of the Warrant Price or the number of shares issuable upon exercise of a Warrant, the Company shall give written notice thereof to the Warrant Agent, which notice shall state the Warrant Price resulting from such adjustment and the increase or decrease, if any, in the number of shares purchasable at such price upon the exercise of a Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Upon the occurrence of any event specified in Sections 4.1, 4.2, 4.3, 4.4, or 4.5, then, in any such event, the Company shall give written notice to each Warrant holder, at the last address set forth for such holder in the warrant register, of the record date or the effective date of the event. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such event.

4.7 No Fractional Shares. Notwithstanding any provision contained in this Agreement to the contrary, the Company shall not issue fractional shares upon exercise of Warrants. If, by reason of any adjustment made pursuant to this Section 4, the holder of any Warrant would be entitled, upon the exercise of such Warrant, to receive a fractional interest in a share, the Company shall, upon such exercise, round up or down to the nearest whole number the number of shares of Common Stock to be issued to the Warrant holder.

4.8 Form of Warrant. The form of Warrant need not be changed because of any adjustment pursuant to this Section 4, and Warrants issued after such adjustment may state the same Warrant Price and the same number of shares as is stated in the Warrants initially issued pursuant to this Agreement. However, the Company may at any time in its sole discretion make any change in the form of Warrant that the Company may deem appropriate and that does not affect the substance thereof, and any Warrant thereafter issued or countersigned, whether in exchange or substitution for an outstanding Warrant or otherwise, may be in the form as so changed.

4.9 Optional Tax Adjustment. The Company may at its option, at any time during the term of the Warrants, increase the number of Warrant Shares into which each Warrant is exercisable, or decrease the Exercise Price, in addition to those changes otherwise required by this Section 4, as deemed advisable by the Board of Directors of the Company, in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the holders of the Common Stock or for any other purpose. Such adjustment may be made upon such terms as the Company may deem appropriate.

4.10 Other Events. If any event occurs as to which the foregoing provisions of this Article 4 are not strictly applicable or, if strictly applicable, would not, in the good faith judgment of the Board, fairly and adequately protect the purchase rights of the registered holders of the Warrants in accordance with the essential intent and principles of such provisions, then the Board shall make such adjustments in the application of such provisions, in accordance with such essential intent and principles, as shall be reasonably necessary, in the good faith opinion of the Board, to protect such purchase rights as aforesaid.

5. Transfer and Exchange of Warrants.

5.1 Registration of Transfer. The Warrant Agent shall register the transfer, from time to time, of any outstanding Warrant upon the Warrant Register, upon surrender of such Warrant for transfer. The requirements for such transfer or for exchanges to be issued in a name other than the registered holder shall include, *inter alia*, a signature guarantee from an eligible guarantor institution participating in a signature guarantee program approved by the Securities Transfer Association as indicated in Section 6(i)(v) below, and any other reasonable evidence of authority that may be required by the Warrant Agent. Upon any such transfer, a new Warrant representing an equal aggregate number of Warrants shall be issued and the old Warrant shall be cancelled by the Warrant Agent. The Warrants so cancelled shall be delivered by the Warrant Agent to the Company from time to time upon request.

5.2 Procedure for Surrender of Warrants. Warrants may be surrendered to the Warrant Agent, together with a written request for exchange or transfer, and thereupon the Warrant Agent shall issue in exchange therefor one or more new Warrants as requested by the registered holder of the Warrants so surrendered, representing an equal aggregate number of Warrants.

5.3 Fractional Warrants. The Warrant Agent shall not be required to effect any registration of transfer or exchange which will result in the issuance of a warrant certificate for a fraction of a Warrant.

5.4 Service Charges. No service charge shall be made for any exchange or registration of transfer of Warrants.

5.5 Warrant Execution and Countersignature. The Warrant Agent is hereby authorized to countersign and to deliver, in accordance with the terms of this Agreement, the Warrants required to be issued pursuant to the provisions of this Section 5, and the Company, whenever required by the Warrant Agent, will supply the Warrant Agent with Warrants duly executed on behalf of the Company for such purpose.

6. Other Provisions Relating to Rights of Holders of Warrants.

6.1 No Rights as Shareholder. A Warrant does not entitle the registered holder thereof to any of the rights of a shareholder of the Company, including, without limitation, the right to receive dividends, or other distributions, exercise any preemptive rights to vote or to consent or to receive notice as shareholders in respect of the meetings of shareholders or the election of directors of the Company or any other matter.

6.2 Mutilated or Missing Warrants. If any of the Warrants shall be mutilated, lost, stolen or destroyed, the Company shall issue, and the Warrant Agent shall countersign and deliver, in exchange and substitution for and upon cancellation of the mutilated Warrant, or in lieu of and substitution for the Warrants lost, stolen or destroyed, new Warrants of like tenor and representing an equivalent number of Warrants, but only upon receipt of evidence reasonably satisfactory to the Company and the Warrant Agent of the loss, theft or destruction of such Warrants and an affidavit or the posting of an indemnity or bond, if requested by either the Company or the Warrant Agent, also satisfactory to them. Applicants for such substitute Warrants shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company or the Warrant Agent may prescribe and as required by Section 8-405 of the Uniform Commercial Code as in effect in the State of New York.

6.3 Reservation of Common Stock. The Company shall at all times reserve and keep available a number of its authorized but unissued shares of Common Stock that will be sufficient to permit the exercise in full of all outstanding Warrants issued pursuant to this Agreement.

7. Concerning the Warrant Agent and Other Matters.

7.1 Payment of Taxes. The Company will from time to time promptly pay all taxes and charges that may be imposed upon the Company or the Warrant Agent in respect of the issuance or delivery of shares of Common Stock upon the exercise of Warrants, but the Company shall not be obligated to pay any transfer taxes in respect of the Warrants or such shares.

7.2 Resignation, Consolidation, or Merger of Warrant Agent.

7.2.1 Appointment of Successor Warrant Agent. The Warrant Agent, or any successor to it hereafter appointed, may resign its duties and be discharged from all further duties and liabilities hereunder after giving sixty (60) days' notice in writing to the Company. If the office of the Warrant Agent becomes vacant by resignation or incapacity to act or otherwise, the Company shall appoint in writing a successor Warrant Agent in place of the Warrant Agent before the expiration of such sixty (60) day notice. Any successor Warrant Agent shall be a corporation in good standing and authorized under the laws of its jurisdiction of incorporation to exercise corporate trust powers and subject to supervision or examination by federal or state authority. After appointment, any successor Warrant Agent shall be vested with all the authority, powers, rights, immunities, duties, and obligations of its predecessor Warrant Agent with like effect as if originally named as Warrant Agent hereunder, without any further act or deed; but if for any reason it becomes necessary or appropriate, the predecessor Warrant Agent shall execute and deliver, at the expense of the Company, an instrument transferring to such successor Warrant Agent all the authority, powers, and rights of such predecessor Warrant Agent hereunder; and upon request of any successor Warrant Agent the Company shall make, execute, acknowledge, and deliver any and all instruments in writing for more fully and effectually vesting in and confirming to such successor Warrant Agent all such authority, powers, rights, immunities, duties, and obligations.

7.2.2 Notice of Successor Warrant Agent. In the event a successor Warrant Agent shall be appointed, the Company shall give notice thereof to the predecessor Warrant Agent and the transfer agent for the Common Stock not later than the effective date of any such appointment.

7.2.3 Merger or Consolidation of Warrant Agent. Any corporation into which the Warrant Agent may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Warrant Agent shall be a party shall be the successor Warrant Agent under this Agreement without any further act.

7.3 Fees and Expenses of Warrant Agent.

7.3.1 Remuneration. The Company agrees to pay the Warrant Agent reasonable remuneration for its services as such Warrant Agent hereunder and will reimburse the Warrant Agent upon demand for all expenditures that the Warrant Agent may reasonably incur in the execution of its duties hereunder.

7.3.2 Further Assurances. The Company agrees to perform, execute, acknowledge, and deliver or cause to be performed, executed, acknowledged, and delivered all such further and other acts, instruments, and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

7.4 Liability of Warrant Agent.

7.4.1 Reliance on Company Statement. Whenever in the performance of its duties under this Warrant Agreement, the Warrant Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a statement signed by the Chief Executive Officer or President of the Company and delivered to the Warrant Agent. The Warrant Agent may rely upon such statement for any action taken or suffered in good faith by it pursuant to the provisions of this Agreement.

7.4.2 Indemnity. The Warrant Agent shall be liable hereunder only for its own willful misconduct or bad faith. Notwithstanding anything contained herein to the contrary, the Warrant Agent's aggregate liability during any term of this Agreement with respect to, arising from, or arising in connection with this Agreement, or from all services provided or omitted to be provided under this Agreement, whether in contract, or in tort, or otherwise, is limited to, and shall not exceed, the amounts paid hereunder by the Company to Warrant Agent as fees and charges, but not including reimbursable expenses. The Company agrees to indemnify the Warrant Agent and save it harmless against any and all liabilities, including judgments, costs and reasonable counsel fees, for anything done or omitted by the Warrant Agent in the execution of this Agreement, including, but not by way of limitation, any action taken or omitted to be taken by the Warrant Agent hereunder in reliance on instructions from the Company, except as a result of the Warrant Agent's willful misconduct or bad faith.

7.4.3 Exclusions. The Warrant Agent shall have no responsibility with respect to the validity of this Agreement or with respect to the validity or execution of any Warrant (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant; nor shall it be responsible to make any adjustments required under the provisions of Section 4 hereof or responsible for the manner, method, or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment; nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock to be issued pursuant to this Agreement or any Warrant or as to whether any shares of Common Stock will, when issued, be valid and fully paid and non-assessable.

7.5 Acceptance of Agency. The Warrant Agent hereby accepts the agency established by this Agreement and agrees to perform the same upon the terms and conditions herein set forth and among other things, shall account promptly to the Company with respect to Warrants exercised and concurrently account for, and pay to the Company, all moneys received by the Warrant Agent for the purchase of shares of Common Stock through the exercise of Warrants.

8. Miscellaneous Provisions.

8.1 Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns.

8.2 Notices. Any notice, statement or demand authorized by this Agreement to be given or made by the Warrant Agent or by the holder of any Warrant to or on the Company shall be sufficiently given when so delivered, if by hand or overnight delivery or if sent by certified mail or private courier service, within three days after deposit of such notice, postage prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent), as follows:

Marshall Edwards, Inc.
11975 El Camino Real, Suite 101
San Diego, CA 92130
Attn: Secretary

Any notice, statement or demand authorized by this Agreement to be given or made by the holder of any Warrant or by the Company to or on the Warrant Agent shall be sufficiently given when so delivered, if by hand or overnight delivery or if sent by certified mail or private courier service, within three days after deposit of such notice, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company), as follows:

Computershare Trust Company, N.A.
Attn: Corporate Actions
250 Royall Street
Canton, MA 02021

8.3 Applicable law. The validity, interpretation, and performance of this Agreement and of the Warrants shall be governed in all respects by the laws of the State of New York, without giving effect to conflicts of law principles that would result in the application of the substantive laws of another jurisdiction. The Company hereby agrees that any action, proceeding or claim against it arising out of or relating in any way to this Agreement shall be brought and enforced in the courts of the State of New York or a United States District Court located in New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any such process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 8.2 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim.

8.4 Persons Having Rights under this Agreement. Nothing in this Agreement expressed and nothing that may be implied from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the parties hereto of the Warrants any right, remedy, or claim under or by reason of this Agreement or of any covenant, condition, stipulation, promise, or agreement hereof. All covenants, conditions, stipulations, promises, and agreements contained in this Agreement shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns and of the registered holders of the Warrants.

8.5 Examination of the Warrant Agreement. A copy of this Agreement shall be available at all reasonable times at the principal office of the Warrant Agent for inspection by the registered holder of any Warrant. The Warrant Agent may require any such holder to submit his Warrant for inspection by it.

8.6 Counterparts. This Agreement may be executed in any number of original or facsimile counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

8.7 Effect of Headings. The Section headings herein are for convenience only and are not part of this Agreement and shall not affect the interpretation thereof.

8.8 Amendments. This Agreement may be amended by the parties hereto without the consent of any registered holder for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein or adding or changing any other provisions with respect to matters or questions arising under this Agreement as the parties may deem necessary or desirable and that the parties deem shall not adversely affect the interest of the registered holders. All other modifications or amendments, including any amendment to increase the Warrant Price or shorten the Exercise Period, shall require the written consent of the registered holders of the then outstanding Warrants exercisable for a majority of the shares of Common Stock issuable upon exercise of the Warrants.

8.9 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

8.10 Survival. All provisions regarding indemnification, warranty, liability and limits thereon, and confidentiality and protection of proprietary rights and trade secrets shall survive the termination or expiration of this Agreement.

8.11 Confidentiality. The Warrant Agent and the Company agree that all books, records, information and data pertaining to the business of the other party which are exchanged or received pursuant to the negotiation or the carrying out of this Agreement including the fees for services set forth in the attached schedule shall remain confidential, and shall not be voluntarily disclosed to any other person, except as may be required by law.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the day and year first above written.

MARSHALL EDWARDS, INC.

By: _____
Name: _____
Title: _____

COMPUTERSHARE INC.

By: _____
Name: _____
Title: _____

COMPUTERSHARE TRUST COMPANY, N.A.

By: _____
Name: _____
Title: _____

(SEE REVERSE SIDE FOR LEGEND)

THIS WARRANT WILL BE VOID IF NOT EXERCISED PRIOR TO 5:00 P.M.
EASTERN TIME, _____, 2017

CUSIP

MARSHALL EDWARDS, INC.

FORM OF WARRANT

THIS CERTIFIES THAT, for value received _____ is the registered holder of a Warrant or Warrants expiring _____, 2017 (the "Warrant") to purchase one quarter of one (0.25) fully paid and non-assessable share of Common Stock, par value \$0.00000002 per share ("Shares"), of Marshall Edwards, Inc., a Delaware corporation (the "Company"), for each Warrant evidenced by this Warrant Certificate. The Warrant entitles the holder thereof to purchase from the Company, commencing _____, 2012, such number of Shares of the Company at the price of \$1.19 per share, upon surrender of this Warrant Certificate and payment of the Warrant Price at the office or agency of the Warrant Agent, Computershare Trust Company, N.A., but subject to any conditions set forth herein and in the Warrant Agreement between the Company and Computershare Trust Company, N.A. (as such agreement may be amended from time to time, the "Warrant Agreement"). In no event will the Company be required to net cash settle the warrant exercise. The Warrant Agreement provides that upon the occurrence of certain events the Warrant Price and the number of Warrant Shares purchasable hereunder, set forth on the face hereof, may, subject to certain conditions, be adjusted. The term Warrant Price as used in this Warrant Certificate refers to the price per Share at which Shares may be purchased at the time the Warrant is exercised.

No fraction of a Share will be issued upon any exercise of a Warrant. If the holder of a Warrant would be entitled to receive a fraction of a Share upon any exercise of a Warrant, the Company shall, upon such exercise, round down to the nearest whole number the number of Shares to be issued to such holder. Upon any exercise of the Warrant for less than the total number of Shares provided for herein, there shall be issued to the registered holder hereof or the registered holder's assignee a new Warrant Certificate covering the number of Shares for which the Warrant has not been exercised.

Warrant Certificates, when surrendered at the office or agency of the Warrant Agent by the registered holder hereof in person or by attorney duly authorized in writing, may be exchanged in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants. Upon due presentment for registration of transfer of the Warrant Certificate at the office or agency of the Warrant Agent, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any applicable tax or other governmental charge.

The Company and the Warrant Agent may deem and treat the registered holder as the absolute owner of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the registered holder, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. This Warrant does not entitle the registered holder to any of the rights of a shareholder of the Company.

MARSHALL EDWARDS, INC.

By: _____
SecretaryBy: _____
Chief Executive Officer

SUBSCRIPTION FORM

To Be Executed by the Registered Holder in Order to Exercise Warrants

The undersigned Registered Holder irrevocably elects to exercise Warrants represented by this Warrant Certificate, and to purchase the shares of Common Stock issuable upon the exercise of such Warrants, and requests that Certificates for such shares shall be issued in the name of

(PLEASE TYPE OR PRINT NAME AND ADDRESS)

(SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER)

and be
delivered
to

(PLEASE PRINT OR TYPE NAME AND ADDRESS)

and, if such number of Warrants shall not be all the Warrants evidenced by this Warrant Certificate, that a new Warrant Certificate for the balance of such Warrants be registered in the name of, and delivered to, the Registered Holder at the address stated below:

Dated: _____

(SIGNATURE)

(ADDRESS)

(SOCIAL SECURITY OR TAX
IDENTIFICATION NUMBER)

ASSIGNMENT

To Be Executed by the Registered Holder in Order to Assign Warrants

For Value Received, hereby sells, assigns, and transfers unto

(PLEASE TYPE OR PRINT NAME AND ADDRESS)

(SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER)

and be
delivered
to

(PLEASE PRINT OR TYPE NAME AND ADDRESS)

_____ of the Warrants represented by this Warrant Certificate, and hereby irrevocably constitutes and appoints
Certificate on the books of the Company, with full power of substitution in the premises.

Attorney to transfer this Warrant

Dated: _____

(SIGNATURE)

THE SIGNATURE TO THE ASSIGNMENT OF THIS WARRANT MUST CORRESPOND TO THE NAME WRITTEN UPON THE FACE OF THIS WARRANT IN EVERY PARTICULAR, WITHOUT ALTERATION OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY OR A MEMBER FIRM OF THE AMERICAN STOCK EXCHANGE, NEW YORK STOCK EXCHANGE, PACIFIC STOCK EXCHANGE OR CHICAGO STOCK EXCHANGE.

[Letterhead of Morgan, Lewis & Bockius LLP]

March 20, 2012

Marshall Edwards, Inc.
11975 El Camino Real, Suite 101
San Diego, California 92130

Re: Registration Statement on Form S-1 (File No. 333-179590)

Ladies and Gentlemen:

We have acted as counsel to Marshall Edwards, Inc., a Delaware corporation (the "Company"), in connection with the filing of a Registration Statement on Form S-1, as amended (the "Registration Statement"), under the Securities Act of 1933, as amended (the "Act"), with the Securities and Exchange Commission (the "Commission") for the purpose of registering: (i) subscription rights (the "Rights") entitling the holders thereof to purchase units (the "Units"), each Unit consisting of 0.50 shares (the "Rights Shares") of the Company's common stock, par value \$0.00000002 per share, and one warrant (each, a "Warrant") to purchase 0.25 shares of Common Stock (the "Warrant Shares") at a subscription price of \$0.445 per Unit, (ii) the Units, (iii) the Rights Shares (iv) the Warrants and (v) the Warrant Shares.

The Warrants will be issued pursuant to a warrant agreement (the "Warrant Agreement") to be entered into between the Company and Computershare, Inc., as warrant agent (the "Warrant Agent").

In connection with this opinion letter, we have examined the Registration Statement and originals, or copies certified or otherwise identified to our satisfaction, of the Restated Certificate of Incorporation, as amended, the Amended and Restated Bylaws of the Company the Warrant Agreement (including the form of Warrant contained therein) and such other documents, records and other instruments as we have deemed appropriate for purposes of the opinion set forth herein.

In our examination of the foregoing documents, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, the authenticity of the originals of such latter documents and the legal competence of all signatories to such documents.

Based on the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. the Rights have been duly authorized and, when issued in accordance with the terms of the Registration Statement, will be the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, receivership or other laws relating to or affecting creditors' rights generally, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity);
2. the Units and Rights Shares have been duly authorized and, when issued and delivered against payment therefor upon due exercise of Rights as contemplated in the Registration Statement, the Units and Rights Shares will be validly issued, fully paid and non-assessable;
3. the Warrants have been duly authorized and, when issued and delivered against payment therefor upon due exercise of the Rights as contemplated in the Registration Statement, will be the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, receivership or other laws relating to or affecting creditors' rights generally, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity); and

4. the Warrant Shares have been duly authorized and, when issued and delivered against payment therefor upon due exercise of the Warrants in accordance with the terms thereof, will be validly issued, fully paid and nonassessable.

We assume for purposes of this opinion that (i) the Warrant Agent is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) the Warrant Agent is duly qualified to engage in the activities contemplated by the Warrant Agreement, (iii) the Warrant Agent is in compliance, generally and with respect to acting as a Warrant Agent under the Warrant Agreement, with all applicable laws and regulations, (iv) the Warrant Agent has the requisite organizational and legal power and authority to perform its obligations under the Warrant Agreement and (v) that the Warrant Agreement will be a valid, binding and enforceable obligation of the Warrant Agent.

We express no opinion herein as to the laws of any state or jurisdiction other than the General Corporation Law of the State of Delaware and the federal laws of the United States of America.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading "Legal Matters" in the document that forms a part of such Registration Statement. In giving such consent, we do not thereby admit that we are acting within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Morgan, Lewis & Bockius LLP

Consent of Independent Registered Public Accounting Firm

Marshall Edwards, Inc.
San Diego, California

We hereby consent to the incorporation by reference in the Prospectus constituting a part of this Registration Statement of our report dated September 28, 2011, relating to the consolidated financial statements of Marshall Edwards, Inc., which are incorporated by reference in that Prospectus.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO USA, LLP
San Diego, California
March 19, 2012

Marshall Edwards, Inc.
11975 El Camino Real, Suite 101
San Diego, CA 92130
United States of America

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Prospectus constituting a part of this Registration Statement of our report dated August 26, 2010, relating to the 2010 and 2009 consolidated financial statements of Marshall Edwards, Inc. appearing in the Company's Annual Report on Form 10-K for the year ended June 30, 2011.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO Audit (NSW-VIC) Pty Ltd
Sydney, NSW, Australia
March 19, 2012

**FORM OF INSTRUCTIONS FOR USE OF MARSHALL EDWARDS, INC.
SUBSCRIPTION RIGHTS CERTIFICATES**

CONSULT THE INFORMATION AGENT OR
YOUR BANK OR BROKER AS TO ANY QUESTIONS

The following instructions relate to the offering (the "Rights Offering") of subscription rights (the "Subscription Rights") by Marshall Edwards, Inc. ("we", "us", "our" or the "Company") to the holders of record of our common stock, par value \$0.00000002 per share (the "Common Stock"), as well as holders of the Company's Series A warrants (collectively, the "Record Holders") as described further in the accompanying prospectus, dated [____], 2012 (the "Prospectus").

In the Rights Offering, we are distributing, at no charge, to holders of our Common Stock as of 5:00 p.m., Eastern time, on [____], 2012 (the "Record Date"), Rights to purchase units ("Units") at a subscription price of \$[____] per Unit. You will receive one Subscription Right for every share of Common Stock that you owned on the Record Date. Each Subscription Right will entitle a holder to purchase one Unit, consisting of [____] shares of Common Stock and a warrant representing the right to purchase [____] shares of Common Stock (the "Basic Subscription Right"). For example, if you owned 100 shares of Common Stock on the Record Date, you would receive 100 Rights, and if you chose to exercise all of your Subscription Rights, you would be required to pay an aggregate subscription price of \$[____] and would receive [____] shares of Common Stock and a warrant representing the right to purchase 25 shares of Common Stock at an exercise price of \$[____] per share.

We will issue up to a total of [____] Units in the Rights Offering, consisting of an aggregate of up to [____] shares of Common Stock and warrants representing the right to purchase up to [____] shares of Common Stock, for an aggregate purchase price of up to \$[____] million.

We will not issue fractional shares of Common Stock in the Rights Offering. Record Holders will only be entitled to purchase a number of Units representing a whole number of shares of Common Stock, rounded down to the nearest whole number of Units a holder would otherwise be entitled to purchase. Any excess subscription payments that the subscription agent receives will be returned, without interest or deduction, as soon as practicable. Similarly, no fractional shares of Common Stock will be issued in connection with the exercise of a warrant. Instead, for any such fractional share that would otherwise have been issuable upon exercise of the warrant, the holder will be entitled to a cash payment equal to the pro-rated per share market price of the Common Stock on the last trading day preceding the exercise.

Each holder of Subscription Rights who fully exercises its Basic Subscription Right (after giving effect to any permitted distributions) will be eligible to subscribe to purchase additional Units, subject to the conditions and limitations described further in the Prospectus (the "Over-subscription Privilege"). We reserve the right, exercisable in our sole discretion, to reject in whole or in part any requests to purchase additional Units that we may receive pursuant to the Over-subscription Privilege, regardless of the availability of Units to satisfy these requests.

The Subscription Rights held by each Record Holder are evidenced by a subscription rights certificate (the "Subscription Rights Certificate") registered in the Record Holder's name. The Subscription Rights are non-transferable; provided, however, that Record Holders may distribute their Subscription Rights solely to their own stockholders, members or limited or general partners, as described below.

The Subscription Rights will expire if not exercised prior to 5:00 p.m. Eastern time on [____], 2012, unless we extend the period of the Rights Offering beyond such date (as such date may be extended, the "Expiration Date"). Each Record Holder will be required to submit payment in full for all of the Units that the Record Holder wishes to purchase pursuant to the Basic Subscription Right and the Over-subscription Privilege before the Expiration Date.

The number of Subscription Rights to which you are entitled and the corresponding number of Units that you may subscribe to purchase under your Basic Subscription Right are printed on the face of your Subscription Rights Certificate. You should indicate your wishes with regard to the exercise of your Subscription Rights, including any Units you wish to purchase pursuant to the Over-subscription Privilege, by completing the appropriate portions of your Subscription Rights Certificate and returning the Subscription Rights Certificate to the Subscription Agent in the envelope provided.

THE SUBSCRIPTION RIGHTS CERTIFICATE OR NOTICE OF GUARANTEED DELIVERY, IN EITHER CASE ACCOMPANIED BY FULL PAYMENT OF THE AGGREGATE SUBSCRIPTION PRICE FOR ALL UNITS SUBSCRIBED FOR UNDER THE BASIC SUBSCRIPTION RIGHT AND ANY ADDITIONAL UNITS SUBSCRIBED FOR PURSUANT TO THE OVER-SUBSCRIPTION PRIVILEGE, INCLUDING FINAL CLEARANCE OF ANY UNCERTIFIED PERSONAL CHECKS, MUST BE RECEIVED BY THE SUBSCRIPTION AGENT ON OR BEFORE 5:00 P.M., EASTERN TIME, ON THE EXPIRATION DATE. ONCE A RECORD HOLDER HAS EXERCISED ANY SUBSCRIPTION RIGHTS, SUCH EXERCISE MAY NOT BE CANCELLED, REVOKED OR OTHERWISE AMENDED. SUBSCRIPTION RIGHTS THAT ARE NOT EXERCISED PRIOR TO 5:00 P.M., EASTERN TIME, ON THE EXPIRATION DATE WILL EXPIRE.

1. Method of Subscription—Exercise of Subscription Rights

To exercise your Subscription Rights, complete your Subscription Rights Certificate and send the properly completed and executed Subscription Rights Certificate evidencing such Subscription Rights, together with payment in full of the total required subscription amount for all of the Units you intend to purchase under your Basic Subscription Right and any additional shares you wish to subscribe for pursuant to the Over-subscription Privilege, to the Subscription Agent, by no later than 5:00 p.m., Eastern time, on the Expiration Date. Your full payment will be held in a segregated account to be maintained by the Subscription Agent. All payments must be made in U.S. dollars by (i) uncertified check drawn against a U.S. bank payable to “Computershare”, or (ii) certified or cashier’s check or bank draft drawn against a U.S. bank and payable to “Computershare”. Payments will be deemed to have been received upon clearance of any uncertified check or receipt by the Subscription Agent of any certified check or bank draft drawn upon a U.S. bank. If you pay by uncertified check, please note that your payment may take five (5) or more business days to clear. Accordingly, if you wish to pay your subscription amount by means of uncertified personal check, we urge you to deliver your payment to the Subscription Agent sufficiently in advance of the Expiration Date to ensure that your payment is received and clears by the Expiration Date, and we also urge you to consider making your payment by means of a certified or cashier’s check.

The Subscription Rights Certificate and full payment of the total subscription amount must be delivered to the Subscription Agent by one of the methods described below:

By Mail:

Computershare Trust Company, N.A.
Attn Corporate Actions
P.O. Box 43011
Providence, RI 02940-3011

By Express Mail or Overnight Courier:

Computershare Trust Company, N.A.
250 Royall Street
Suite V
Canton, MA 02021

Delivery to any address or by a method other than those set forth above does not constitute valid delivery.

If you have any questions, require any assistance in exercising your Subscription Rights, or require additional copies of relevant documents, please contact the information agent for the Rights Offering, Georgeson, Inc. (the "Information Agent"). Banks and brokers should call (212) 440-9800 and shareholders should call (866) 628-6021.

By making arrangements with your bank or broker for the delivery of funds on your behalf, you may also request such bank or broker to exercise the Subscription Rights Certificate on your behalf. Alternatively, you may request a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, or a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended (each an "Eligible Institution"), to deliver a written guarantee in the form included with these instructions (the "Notice of Guaranteed Delivery"), together with payment in full of your total subscription amount, to the Subscription Agent by no later than 5:00 p.m., Eastern time, on the Expiration Date. Such Notice of Guaranteed Delivery must state your name, the number of Subscription Rights represented by your Subscription Rights Certificate, the number of shares of Common Stock that you intend to purchase under your Basic Subscription Right, the number of additional shares of Common Stock, if any, that you request to purchase pursuant to the Over-subscription Privilege, and that you will guarantee the delivery to the Subscription Agent of a properly completed and executed Subscription Rights Certificate evidencing such Subscription Rights by no later than three (3) business days after the date the Notice of Guaranteed Delivery is submitted. If this procedure is followed, the properly completed Subscription Rights Certificate evidencing the Subscription Rights that you intend to exercise must be received by the Subscription Agent within three (3) business days after the date the Notice of Guaranteed Delivery is submitted. The Notice of Guaranteed Delivery may be delivered to the Subscription Agent in the same manner as the Subscription Rights Certificate at the address set forth above or may be transmitted, if transmitted by an Eligible Institution, to the Subscription Agent by facsimile transmission to facsimile no. (617) 360-6810. You should confirm receipt of all facsimile transmissions by calling the Subscription Agent at (781) 575-2332. Additional copies of the Notice of Guaranteed Delivery may be obtained upon request from the Information Agent by calling the Information Agent. Banks and brokers should call (212) 440-9800 and shareholders should call (866) 628-6021.

If you do not indicate the number of Subscription Rights being exercised, or do not send full payment of the total subscription amount, then you will be deemed to have exercised the maximum number of Subscription Rights that may be exercised with the amount of payment that you delivered to the Subscription Agent. If the Subscription Agent does not apply your full subscription payment to your purchase of shares of Common Stock, any excess subscription payment received by the Subscription Agent will be returned to you, without interest, as soon as practicable following the completion of the Rights Offering.

Brokers, custodian banks, and other nominee holders of Subscription Rights who exercise the Subscription Rights on behalf of beneficial owners of Subscription Rights will be required to certify to the Company, the Subscription Agent, and the Information Agent, with respect to each beneficial owner of Subscription Rights (including such nominee itself) on whose behalf such nominee holder is acting, as to the aggregate number of Subscription Rights that have been exercised and the corresponding number of shares of Common Stock subscribed for pursuant to the Basic Subscription Right and, in connection with any subscription request pursuant to the Over-subscription Privilege, the number of shares of Common Stock subscribed for pursuant to the Over-subscription Privilege.

As described further in the Prospectus, the availability of shares of Common Stock that may be issued by the Company in connection with the Over-subscription Privilege will depend on the number of shares subscribed for by Record Holders under the Basic Subscription Right. We may reject any over-subscription and we reserve discretion to reject an over-subscription to the extent the Subscription Rights holder would own 5% or more of our Common Stock after the over subscription is exercised. If you exercise your Over-subscription Privilege and your over-subscription is rejected, for any reason, the excess subscription payment will be returned to you, without interest or penalty, as soon as practicable.

2. Issuance of Common Stock

The following deliveries and payments will be made to the address shown on the face of your Subscription Rights Certificate, unless you provide instructions to the contrary in your Subscription Rights Certificate.

(a) Basic Subscription Right. As soon as practicable after the Expiration Date and the valid exercise of your Subscription Rights, the Subscription Agent will credit your account with the shares of Common Stock you have purchased pursuant to your Basic Subscription Right.

(b) Over-subscription Privilege. As soon as practicable after the Expiration Date and after all pro-rations and adjustments contemplated by the terms of the Rights Offering have been effected, the Subscription Agent will credit your account with the shares of Common Stock, if any, allocated to you pursuant to validly exercised and accepted subscription requests pursuant to the Over-subscription Privilege.

(c) Excess Cash Payments. As soon as practicable after the Expiration Date and after all pro-rations and adjustments contemplated by the terms of the Rights Offering have been effected, any excess subscription payment that you have paid to the Subscription Agent will be returned, without interest or penalty, to you.

3. Execution

(a) Execution by Registered Holder. The signature on the Subscription Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Subscription Rights Certificate without any alteration or change whatsoever. Persons who sign the Subscription Rights Certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority to so act.

(b) Execution by Person Other than Registered Holder. If the Subscription Rights Certificate is executed by a person other than the holder named on the face of the Subscription Rights Certificate, proper evidence of authority of the person executing the Subscription Rights Certificate must accompany the same, unless, for good cause, the Subscription Agent dispenses with proof of authority.

4. Substitute Form W-9

Each subscription rights holder who elects to exercise Subscription Rights should provide the Subscription Agent with a correct Taxpayer Identification Number (TIN) on Substitute Form W-9. See "Important Tax Information—Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9." Failure to provide the information on the form may subject such holder to a \$50.00 penalty for each such failure and to 28% federal income tax withholding with respect to dividends that may be paid on shares of Common Stock purchased upon the exercise of Subscription Rights. Foreign persons may be required to provide an appropriate Form W-8 rather than Form W-9 and may be subject to withholding at a rate of up to 30%.

5. Permitted Distributions of Subscription Rights

The Subscription Rights are non-transferable; provided, however, that Record Holders may distribute their Subscription Rights to their own shareholders, members and general or limited partners. Subscription Rights will not be listed for trading on the NASDAQ Capital Market, any other stock exchange or market, or on the OTC Bulletin Board. Any distributee of any of your Subscription Rights must exercise those Subscription Rights on the same terms and subject to the same conditions as apply to you when exercising the distributed rights. You must effect any such distribution in sufficient time for the Subscription Agent to receive proper evidence of the distribution of your Subscription Rights. Holders who intend to make a permitted distribution of their Subscription Rights must contact the Subscription Agent in advance of such distribution to request copies of the required documentation. Subscription Rights, whether or not distributed, must be exercised prior to the expiration of the Rights Offering or they will terminate.

6. Method of Delivery

The method of delivery of Subscription Rights Certificates and payment in full of the total subscription amount to the Subscription Agent will be at the election and risk of the holders of the Subscription Rights. We recommend that you send your Subscription Rights Certificate and subscription payment by overnight courier or by registered mail, properly insured, with return receipt requested, and that you allow a sufficient number of days to ensure delivery to the Subscription Agent and clearance of payment prior to the Expiration Date. We urge you to consider using a certified or cashier's check to ensure that the Subscription Agent receives your funds prior to the Expiration Date. If you send an uncertified personal check, payment will not be deemed to have been received by the Subscription Agent until the check has cleared, which may take five (5) or more business days, but if you send a certified check or a bank draft drawn upon a U.S. bank, payment will be deemed to have been received by the Subscription Agent immediately upon receipt of your payment. If you wish to pay your subscription payment by means of an uncertified personal check, we urge you to deliver your payment to the Subscription Agent sufficiently in advance of the Expiration Date to ensure that your payment is received and clears by the Expiration Date.

7. Special Provisions Relating to the Delivery of Subscription Rights through the Depository Trust Company

In the case of Subscription Rights that are held of record through The Depository Trust Company ("DTC"), exercises of the Basic Subscription Rights and any subscription requests pursuant to the Over-subscription Privilege may be effected by instructing DTC to transfer the Subscription Rights from the DTC account of such holder to the DTC account of the Subscription Agent and by delivering to the Subscription Agent the required certification as to the number of shares of Common Stock subscribed for under the Basic Subscription Right and the number of any additional shares subscribed for pursuant to the Over-subscription Privilege by each beneficial owner of Subscription Rights on whose behalf such nominee is acting, together with payment in full of the total subscription amount for all of the shares of Common Stock subscribed for under the Basic Subscription Right and pursuant to the Over-subscription Privilege on behalf of such beneficial owner.

8. Questions

If you have any questions regarding the Rights Offering, completing a Subscription Rights Certificate or submitting payment in the Rights Offering, please contact the Information Agent, Georgeson, Inc., at (866) 628-6021 (toll free) or, for banks and brokers, at (212) 440-9800. Any questions regarding Marshall Edwards, Inc. may be directed to Marshall Edwards, Inc.'s investor relations department at investor@marshalledwardsinc.com or (858) 369-7199.

FORM OF LETTER TO REGISTERED HOLDERS

**SUBSCRIPTION RIGHTS FOR THE EXERCISE OF UNITS CONSISTING OF
UP TO AN AGGREGATE OF [____] SHARES OF MARSHALL EDWARDS, INC. COMMON
STOCK AND WARRANTS FOR THE PURCHASE OF UP TO AN AGGREGATE OF [____]
SHARES OF COMMON STOCK**

THE SUBSCRIPTION RIGHTS ARE EXERCISABLE UNTIL 5:00 P.M. EASTERN TIME
ON [____], 2012, SUBJECT TO EXTENSION OR EARLIER CANCELLATION.

[____], 2012

Dear Stockholder:

Enclosed is a copy of the prospectus, dated March [____], 2012 (the "Prospectus"), relating to the rights offering (the "Rights Offering") by Marshall Edwards, Inc. ("we", "us", "our" or the "Company") of the Company's units ("Units"). Each Unit will consist of [____] share[s] of our common stock, par value \$0.00000002 per share (the "Common Stock"), and warrants to purchase an additional [____] shares of Common Stock, which will be issued upon the exercise of non-transferable subscription rights (the "Subscription Rights") that are being distributed at no charge to all holders of record, as well as holders of our Series A warrants (collectively, the "Record Holders"), as of 5:00 p.m. Eastern time on [____], 2012 (the "Record Date"). Please carefully review the Prospectus, which describes how you can participate in the Rights Offering. You will find answers to some frequently asked questions about the Rights Offering beginning on page [____] of the Prospectus. You should also refer to the detailed Instructions for Use of Marshall Edwards, Inc. Subscription Rights Certificate included with this letter. The exercise of Subscription Rights is irrevocable.

SUMMARY OF THE TERMS OF THE RIGHTS OFFERING:

- On the Record Date, which is 5:00 p.m. Eastern time, on [____], 2012, we are distributing to each Record Holder, at no charge, [____] Subscription Right for each share of Common Stock owned (or each share of Common Stock underlying the Series A warrants, as applicable). The Subscription Rights are evidenced by a Subscription Rights Certificate.
- Each Subscription Right gives its holder a Basic Subscription Right, which entitles the holder to purchase [____] Units at a subscription price of \$[____] per Unit (the "Subscription Price") upon timely delivery of the required documents and payment of the full subscription price.
- Subject to the allocation described below and the limitations described in the Prospectus, each Subscription Right also grants its holder an Over-subscription Privilege to purchase additional Units that are not purchased by other Subscription Rights holders pursuant to their Basic Subscription Rights. You are entitled to exercise your Over-subscription Privilege only if you fully exercise your Basic Subscription Rights (after giving effect to any permitted distributions, as described below).
- If you wish to exercise your Over-subscription Privilege, you should indicate the number of additional Units that you would like to purchase in the space provided on the back of your Subscription Rights Certificate. When you send in your Subscription Rights Certificate to the subscription agent, you must also send in the full Subscription Price for the number of additional Units that you have requested to purchase pursuant to your Over-subscription Privilege (in addition to the payment due for Units purchased pursuant to your Basic Subscription Rights).
- If the number of Units subscribed for pursuant to the exercise of over-subscription requests exceeds the number of Units available, we will allocate the available Units pro rata among the Subscription Rights holders exercising the Over-subscription Privilege in proportion to the number of Units each holder elected to purchase pursuant to the Over-subscription Privilege, relative to the aggregate number of Units requested in all of the over-subscription requests received from Subscription Rights holders. If this pro rata allocation results in any stockholder receiving a greater number of Units than the stockholder subscribed for pursuant

to the exercise of the over-subscription privilege, then such stockholder will be allocated only that number of Units for which the stockholder oversubscribed, and the remaining Units will be allocated among all other stockholders exercising the over-subscription privilege on the same pro rata basis described above. The proration process will be repeated until all Units have been allocated.

- If you properly exercise your Over-subscription Privilege for a number of Units that exceeds the number of Units allocated to you, any excess subscription payments received by the subscription agent will be returned to you as soon as practicable, without interest or penalty, following the expiration of the Rights Offering. We may reject any over-subscription request and we reserve discretion to reject an over-subscription to the extent the Rights holder would own 5% or more of our Common Stock after the over-subscription is exercised.
- We will not issue fractional shares of Common Stock in the Rights Offering. Rights Holders will only be entitled to purchase a number of Units representing a whole number of shares of Common Stock, rounded down to the nearest whole number of Units a holder would otherwise be entitled to purchase. Any excess subscription payments that the subscription agent receives will be returned, without interest or deduction, as soon as practicable. Similarly, no fractional shares of Common Stock will be issued in connection with the exercise of a warrant. Instead, for any such fractional share that would otherwise have been issuable upon exercise of the warrant, the holder will be entitled to a cash payment equal to the pro-rated per share market price of the Common Stock on the last trading day preceding the exercise.
- The Subscription Rights are non-transferable; provided, however, that Record Holders may distribute their Subscription Rights to their own shareholders, members and general or limited partners. Subscription Rights will not be listed for trading on the NASDAQ Capital Market, any other stock exchange or market, or on the OTC Bulletin Board. Any distributee of any of Subscription Rights must exercise those Subscription Rights on the same terms and subject to the same conditions as apply to you when exercising the distributed rights. You must effect any such distribution in sufficient time for the Subscription Agent to receive proper evidence of the distribution of your Subscription Rights. Holders who intend to make a permitted distribution of their Subscription Rights must contact the Subscription Agent in advance of such distribution to request copies of the required documentation. Subscription Rights, whether or not distributed, must be exercised prior to the expiration of the Rights Offering or they will terminate
- If rights holders wish to exercise their Subscription Rights, they must do so prior to 5:00 p.m., Eastern Time, on [____], 2012 (the “Expiration Date”), subject to extension or earlier cancellation. Any Subscription Rights not exercised prior to the Expiration Date will expire.
- You are not required to exercise any or all of your Subscription Rights. We will deliver to each Subscription Rights holder who purchases Units in the Rights Offering a certificate or certificates representing the shares of Common Stock and warrants comprising such Units as soon as practicable after the Expiration Date.
- In connection with the exercise of the Over-subscription Privilege, brokers, dealers, custodian banks and other nominee holders of Subscription Rights who act on behalf of beneficial owners will be required to certify to us and to the subscription agent as to the aggregate number of Subscription Rights that have been exercised pursuant to Basic Subscription Rights, whether the Basic Subscription Rights of each beneficial owner of Subscription Rights on whose behalf the nominee holder is acting have been exercised in full, and the number of Units being subscribed for pursuant to the Over-Subscription Privilege by each beneficial owner of Subscription Rights on whose behalf the nominee holder is acting.
- If your shares are held in your name, a Subscription Rights Certificate is enclosed. If your shares are otherwise held in the name of your broker, dealer, custodian bank or other nominee, you must contact such nominee if you wish to participate in this Rights Offering.

If you do not exercise your Subscription Rights, your ownership interest in the Company may be diluted. Please see page [] of the Prospectus for a discussion of risk factors relating to the Rights Offering.

If you have any questions regarding the Rights Offering, completing a Subscription Rights Certificate or submitting payment in the Rights Offering, please contact the Information Agent, Georgeson, Inc., at (866) 628-6021 (toll free) or, for banks and brokers, at (212) 440-9800. Any questions regarding Marshall Edwards, Inc. may be directed to Marshall Edwards, Inc.'s investor relations department at investor@marshalledwardsinc.com or (858) 369-7199.

Sincerely,

Daniel P. Gold
President and Chief Executive Officer

FORM OF LETTER TO BROKERS AND OTHER NOMINEE HOLDERS
SUBSCRIPTION RIGHTS FOR THE EXERCISE OF UNITS CONSISTING OF
UP TO AN AGGREGATE OF [] SHARES OF MARSHALL EDWARDS, INC. COMMON
STOCK AND WARRANTS FOR THE PURCHASE OF UP TO AN AGGREGATE OF []
SHARES OF COMMON STOCK

THE SUBSCRIPTION RIGHTS ARE EXERCISABLE UNTIL 5:00 P.M. EASTERN TIME
ON [], 2012, SUBJECT TO EXTENSION OR EARLIER CANCELLATION.
[], 2012

To: Brokers, Dealers, Custodian Banks and Other Nominee Holders:

This letter is being distributed to brokers, dealers, custodian banks and other nominee holders in connection with the rights offering (the "Rights Offering") by Marshall Edwards, Inc. (the "Company") of the Company's units ("Units"). Each Unit will consist of [] share[s] of our common stock, par value \$0.00000002 per share (the "Common Stock"), and warrants to purchase an additional [] shares of Common Stock, which will be issued upon the exercise of non-transferable subscription rights (the "Subscription Rights") that are being distributed to all holders of record of Common Stock, as well as holders of the Company's Series A warrants (collectively, the "Record Holders"), as of 5:00 p.m., Eastern time, on [], 2012 (the "Record Date"). The Subscription Rights and the Rights Offering are described in the prospectus, dated March [], 2012, which is enclosed with this letter (the "Prospectus").

In the Rights Offering, the Company is offering up to [] Units consisting of up to an aggregate of [] shares of Common Stock and warrants to purchase of up to an aggregate of [] shares of Common Stock, to be issued upon the exercise of the Subscription Rights, which is described further in the Prospectus. The Subscription Rights will expire, if not exercised earlier, at 5:00 p.m., Eastern time, on [], 2012, unless the Company elects in its sole discretion to extend the period of the Rights Offering beyond this date (as such date may be extended, the "Expiration Date").

As described in the Prospectus, each Record Holder will receive one Subscription Right for each share of Common Stock owned on the Record Date. Each Subscription Right will entitle the holder thereof to subscribe to purchase [] Units (the "Basic Subscription Right") at a subscription price of \$[] per Unit. For example, if a holder owned 100 shares of Common Stock on the Record Date, the Record Holder would receive [] Units consisting of [] shares of Common Stock and warrants to purchase up to an additional [] shares of Common Stock for \$[] per Unit pursuant to such holder's Basic Subscription Right.

In addition, if the holder of Subscription Rights fully exercises the holder's Basic Subscription Right (after giving effect to any permitted distributions), then the holder will be eligible to subscribe to purchase additional Units, subject to the conditions and limitations described further in the Prospectus (the "Over-Subscription Privilege"). The Company offers no assurances that any subscription requests that any holder of Subscription Rights may submit pursuant to the Over-Subscription Privilege will be fulfilled in whole or in part.

Each holder of Subscription Rights will be required to submit payment in full for all of the Units that the holder wishes to buy under the holder's Basic Subscription Right and pursuant to the Over-Subscription Privilege to Computershare, Inc. (the "Subscription Agent"), by no later than 5:00 p.m., Eastern time, on the Expiration Date.

The Company will not issue fractional shares of Common Stock in the Rights Offering. Rights Holders will only be entitled to purchase a number of Units representing a whole number of shares of Common Stock, rounded down to the nearest whole number of Units a holder would otherwise be entitled to purchase. Any excess subscription payments that the subscription agent receives will be returned, without interest or deduction, as soon as practicable. Similarly, no fractional shares of Common Stock will be issued in connection with the exercise of a warrant. Instead, for any such fractional share that would otherwise have been issuable upon exercise of the warrant, the holder will be entitled to a cash payment equal to the pro-rated per share market price of the Common Stock on the last trading day preceding the exercise.

The Subscription Rights are evidenced by subscription rights certificates (each, a “Subscription Rights Certificate”) registered in the Record Holder’s name. The Subscription Rights are non-transferable, meaning that they may not be sold, transferred, or assigned by the Record Holder to any other party; provided, however, that Record Holders may distribute their Subscription Rights to their own shareholders, members or general or limited partners.

We are asking persons who hold shares of Common Stock beneficially and who have received the Subscription Rights distributable with respect to those shares through a broker, dealer, commercial bank, trust company, or other nominee, as well as persons who hold certificates of Common Stock directly and prefer to have such institutions effect transactions relating to the Subscription Rights on their behalf, to contact the appropriate institution or nominee and request it to effect the transactions for them. In addition, we are asking beneficial owners who wish to obtain a separate Subscription Rights Certificate to contact the appropriate nominee as soon as possible and request that a separate Subscription Rights Certificate be issued.

If you exercise the Subscription Rights on behalf of beneficial owners of Subscription Rights you will be required to certify to the Company, the Subscription Agent, and the Information Agent (as defined below), with respect to each beneficial owner of Subscription Rights on whose behalf you are acting, as to the aggregate number of Subscription Rights that have been exercised and the corresponding number of Units subscribed for pursuant to the Basic Subscription Right and, in connection with any subscription request pursuant to the Over-Subscription Privilege, the number of Units subscribed for pursuant to the Over-Subscription Privilege.

All commissions, fees, and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the Subscription Agent and Georgeson, Inc. (the “Information Agent”), incurred in connection with the exercise of the Subscription Rights will be for the account of the holder of the Subscription Rights, and none of such commissions, fees, or expenses will be paid by the Company, the Subscription Agent, or the Information Agent.

Enclosed are copies of the following documents:

- the Prospectus;
- the Subscription Rights Certificate;
- the Instructions For Use of Marshall Edwards, Inc. Subscription Rights Certificates (including an accompanying Notice of Guaranteed Delivery for Subscription Rights Certificates Issued by Marshall Edwards, Inc.);
- A form of letter that you may send to your clients for whose accounts you hold shares of Common Stock registered in your name or the name of your nominee (including an accompanying Beneficial Owner Election Form);
- Nominee Holder Certification, which must be completed and submitted by you if you exercise the Subscription Rights, including the exercise of the Basic Subscription Right and any subscription request pursuant to the Over-Subscription Privilege, on behalf of any beneficial owners of Subscription Rights; and
- A return envelope addressed to the Subscription Agent.

Your prompt action is requested. To exercise the Subscription Rights, you must deliver the properly completed and signed Subscription Rights Certificate (or the Notice of Guaranteed Delivery if you are following the guaranteed delivery procedures), together with payment in full of the total subscription amount that is required for all of the Units subscribed for under the Basic Subscription Right and any additional Units subscribed for pursuant to the Over-Subscription Privilege, to the Subscription Agent as described further in the Prospectus. The properly completed and signed Subscription Rights Certificate or Notice of Guaranteed Delivery, in either case accompanied by full payment of the total subscription amount, must be received by the Subscription Agent by no later than 5:00 p.m., Eastern time, on the Expiration Date. **Failure to return the properly completed Subscription Rights Certificate with the correct payment will result in your not being able to exercise the Subscription Rights held in your name on behalf of yourself or other beneficial owners.** A Subscription Rights holder cannot revoke the exercise of Subscription Rights. Subscription Rights not exercised before 5:00 p.m., Eastern time, on the Expiration Date will expire.

Additional copies of the enclosed materials may be obtained from the Information Agent. Banks and brokers should call (212) 440-9800 and shareholders should call (866) 628-6021.

Very truly yours,

Daniel P. Gold
President and Chief Executive Officer

NOTHING CONTAINED IN THE PROSPECTUS OR IN ANY OF THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF MARSHALL EDWARDS, INC., THE SUBSCRIPTION AGENT, THE INFORMATION AGENT, OR ANY OTHER PERSON MAKING OR DEEMED TO BE MAKING OFFERS OF THE SECURITIES ISSUABLE UPON VALID EXERCISE OF THE SUBSCRIPTION RIGHTS, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT TO THE RIGHTS OFFERING EXCEPT FOR STATEMENTS MADE IN THE PROSPECTUS.

FORM OF LETTER TO CLIENTS
SUBSCRIPTION RIGHTS FOR THE EXERCISE OF UNITS CONSISTING OF
UP TO AN AGGREGATE OF [____] SHARES OF MARSHALL EDWARDS, INC. COMMON
STOCK AND WARRANTS FOR THE PURCHASE OF UP TO AN AGGREGATE OF [____]
SHARES OF COMMON STOCK

[____], 2012

To Our Clients:

Enclosed for your consideration are the prospectus, dated [____], 2012 (the "Prospectus") and the Instructions for Use of Marshall Edwards, Inc. Subscription Rights Certificates relating to the rights offering (the "Rights Offering") by Marshall Edwards, Inc. (the "Company") of units (the "Units"). Each Unit will consist of [____] share[s] of our common stock, par value \$0.00000002 per share (the "Common Stock"), and warrants to purchase an additional [____] shares of Common Stock, which will be issued upon the exercise of non-transferable subscription rights (the "Subscription Rights"), which are being distributed to all holders of record of Common Stock, as well as holders of the Company's Series A warrants (collectively, "Record Holders"), as of 5:00 p.m., Eastern time, on [____], 2012 (the "Record Date"). The Subscription Rights and the Rights Offering are described in detail in the Prospectus.

In the Rights Offering, the Company is offering up to [____] Units consisting of up to an aggregate of [____] shares of Common Stock and warrants to purchase of up to an aggregate of [____] shares of Common Stock, to be issued upon the exercise of the Subscription Rights, which is described further in the Prospectus. The Subscription Rights will expire, if not exercised earlier, at 5:00 p.m., Eastern time, on [____], 2012, unless the Company elects in its sole discretion to extend the period of the Rights Offering beyond this date (as such date may be extended, the "Expiration Date").

As described in the Prospectus, you will receive one Subscription Right for each share of Common Stock you owned on the Record Date. Each Subscription Right will entitle you to subscribe to purchase [____] Units (the "Basic Subscription Right") at a subscription price of \$[____] per share. For example, if you owned 100 shares of Common Stock on the Record Date, you would receive 100 Subscription Rights and would have the right to purchase [____] Units consisting of an aggregate of [____] shares of Common Stock and warrants to purchase an aggregate of [____] shares Common Stock for \$[____] per Unit pursuant to your Basic Subscription Right.

In addition, if you fully exercise your Basic Subscription Right (after giving effect to permitted distributions), then you will be eligible to subscribe to purchase additional Units, subject to the conditions and limitations described further in the Prospectus (the "Over-Subscription Privilege"). The Company offers no assurances that any subscription requests made by any holder of Subscription Rights pursuant to the Over-Subscription Privilege will be fulfilled in whole or in part.

You will be required to submit payment in full for all of the Units that you wish to buy under your Basic Subscription Right and pursuant to the Over-Subscription Privilege.

The Company will not issue fractional shares of Common Stock in the Rights Offering. Rights Holders will only be entitled to purchase a number of Units representing a whole number of shares of Common Stock, rounded down to the nearest whole number of Units a holder would otherwise be entitled to purchase. Any excess subscription payments that the subscription agent receives will be returned, without interest or deduction, as soon as practicable. Similarly, no fractional shares of Common Stock will be issued in connection with the exercise of a

warrant. Instead, for any such fractional share that would otherwise have been issuable upon exercise of the warrant, the holder will be entitled to a cash payment equal to the pro-rated per share market price of the Common Stock on the last trading day preceding the exercise.

The Subscription Rights are evidenced by subscription rights certificates registered in the names of the record holders of the shares of Common Stock (or Series A warrants, as applicable) for which the Subscription Rights are being distributed. The Subscription Rights are non-transferable, meaning that they may not be sold, transferred, or assigned by the holder of the Subscription Rights to any other party; provided, however, that holders may distribute their Subscription Rights to their own shareholders, members or general or limited partners.

THE ENCLOSED MATERIALS ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF SHARES OF COMMON STOCK WHICH ARE CARRIED BY US IN YOUR ACCOUNT BUT ARE NOT REGISTERED IN YOUR NAME. EXERCISES OF THE SUBSCRIPTION RIGHTS DISTRIBUTED WITH RESPECT TO THESE SHARES MAY BE MADE ONLY BY US AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS. WE URGE YOU TO READ THE PROSPECTUS AND OTHER ENCLOSED MATERIALS CAREFULLY AND IN THEIR ENTIRETY BEFORE INSTRUCTING US TO EXERCISE YOUR SUBSCRIPTION RIGHTS.

We are hereby requesting that you instruct us as to whether you wish us to subscribe for any Units to which you are entitled pursuant to the terms of the Rights Offering and subject to the conditions set forth in the Prospectus. If you wish to have us, on your behalf, exercise the Subscription Rights for any Units to which you are entitled, please so instruct us by timely completing, executing, and returning to us the enclosed Beneficial Owner Election Form with any required payment. The Beneficial Owner Election Form, together with any required payment, should be forwarded as promptly as possible in order to permit us to exercise the Subscription Rights on your behalf in accordance with the provisions of the Rights Offering.

The Rights Offering will expire at 5:00 p.m., Eastern time, on the Expiration Date. Once you have exercised any of your Subscription Rights, such exercise may not be canceled, revoked or otherwise amended. With respect to any instructions to exercise (or not to exercise) Subscription Rights, the enclosed Beneficial Ownership Election Form must be completed and returned, together with any required payment, such that it will be actually received by us by 5:00 p.m., Eastern time, on [____], 2012, the last business day prior to the scheduled Expiration Date of the Rights Offering. Any Subscription Rights that you do not exercise in accordance with the foregoing instructions will expire and cease to have any value.

Additional copies of the enclosed materials may be obtained from the Company's information agent for the Rights Offering, Georgeson, Inc. Banks and brokers should call (212) 440-9800 and shareholders should call (866) 628-6021.

**FORM OF BENEFICIAL OWNER ELECTION FORM
MARSHALL EDWARDS, INC.**

**SUBSCRIPTION RIGHTS FOR THE EXERCISE OF UNITS CONSISTING OF
UP TO AN AGGREGATE OF [] SHARES OF MARSHALL EDWARDS, INC. COMMON STOCK AND WARRANTS FOR THE PURCHASE
OF UP TO AN AGGREGATE OF [] SHARES OF COMMON STOCK**

The undersigned acknowledges receipt of your letter and the enclosed materials referred to therein relating to the grant of non-transferable rights (the "Subscription Rights") issued by Marshall Edwards, Inc. (the "Company") to purchase units ("Units"). Each Unit consists of [] shares of the Company's common stock, par value \$0.0000002 per share (the "Common Stock") and a warrant to purchase an additional [] shares of the Common Stock pursuant to a subscription rights offering (the "Rights Offering") as described further in the Company's prospectus, dated March [], 2012 (the "Prospectus"), the receipt of which is hereby acknowledged.

With respect to any instructions to exercise (or not to exercise) Subscription Rights, the undersigned acknowledges that this form must be completed and returned such that it will be received by you by no later than 5:00 p.m., Eastern time, on [], 2012, the last business day prior to the scheduled expiration date of the Rights Offering.

This will instruct you whether to exercise Subscription Rights to purchase Units distributed with respect to the shares of Common Stock held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the Prospectus and the accompanying Instructions as to Use of Marshall Edwards, Inc. Subscription Rights Certificates.

CHECK THE APPLICABLE BOXES AND PROVIDE ALL REQUIRED INFORMATION

Box1. Please DO NOT EXERCISE SUBSCRIPTION RIGHTS for Units.

Box2. Please EXERCISE SUBSCRIPTION RIGHTS for Units as set forth below:

Basic Subscription Right

$$\frac{\text{_____}}{\text{(no. of Rights)}} \text{ rights} = \frac{\text{_____}}{\text{(no. of Units)}} \times \$[\] \text{ (subscription price / Unit)} = \$ \frac{\text{_____}}{\text{(required payment)}}$$

Over-subscription Privilege

IF YOU HAVE FULLY EXERCISED (AFTER GIVING EFFECT TO ANY PERMITTED DISTRIBUTIONS) YOUR BASIC SUBSCRIPTION RIGHT ABOVE and you wish to subscribe for additional Units, subject to availability and the conditions and limitations described in the Prospectus, please so indicate by completing the additional required information:

$$\text{_____} \text{ (no. of Units)} \times \$[\] \text{ (subscription price / Unit)} = \$ \frac{\text{_____}}{\text{(required payment)}}$$

Total subscription payment required:

\$ _____ + \$ _____ = \$ _____
(Basic Subscription (Over-subscription (Total required payment)
Right payment) Privilege payment)

Form of payment:

in the following amount is enclosed: \$ _____
Payment

deduct payment of \$ _____ from my (our) following account maintained by you:
Please

(Type of Account) (Account Number)

I (we) on my (our) own behalf, or on behalf of any person(s) on whose behalf, or under whose directions, I am (we are) signing this form:

- Acknowledge receipt of the Prospectus and irrevocably elect to purchase the number of Units indicated above upon the terms and conditions specified in the Prospectus; and
- Agree that if I (we) fail to pay for the Units that I (we) have elected to purchase, you may exercise any remedies available to you under the law.

Name of beneficial owner(s): _____

Signature of beneficial owner(s): _____

If you are signing in your capacity as a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation, or in any other fiduciary or representative capacity, please provide the following information:

Name: _____

Capacity: _____

Address: _____

Telephone Number: _____

FORM OF NOMINEE HOLDER CERTIFICATION

MARSHALL EDWARDS, INC.

SUBSCRIPTION RIGHTS FOR THE EXERCISE OF UNITS CONSISTING OF
 UP TO AN AGGREGATE OF [] SHARES OF MARSHALL EDWARDS, INC. COMMON
 STOCK AND WARRANTS FOR THE PURCHASE OF UP TO AN AGGREGATE OF []
 SHARES OF COMMON STOCK

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE PROSPECTUS OF
 MARSHALL EDWARDS, INC., DATED [], 2012 (THE "PROSPECTUS").

The undersigned, a broker, custodian bank, or other nominee holder (the "Nominee Holder") of non-transferable subscription rights (the "Rights") to purchase units ("Units") consisting of shares of common stock, par value \$0.00000002 per share (the "Common Stock"), and warrants to purchase additional shares of Common Stock of Marshall Edwards, Inc. (the "Company") pursuant to the rights offering described and provided for in the Prospectus, hereby certifies to the Company, to Computershare, Inc., as subscription agent for the rights offering, and to Georgeson, Inc., as information agent for the rights offering, that the undersigned has exercised, on behalf of the beneficial owners thereof (which may include the undersigned), the Rights to purchase the number of Units specified below under the Basic Subscription Right (as defined in the Prospectus), and on behalf of beneficial owners of rights who have exercised their Basic Subscription Right in full (after giving effect to any permitted distributions, as described in the Prospectus), the request to purchase the number of additional Units specified below pursuant to the Over-subscription Privilege (as defined in the Prospectus), the terms of which are described further in the Prospectus, listing separately each exercised Basic Subscription Right and any corresponding Over-subscription Privilege as to each beneficial owner for whom the Nominee Holder is acting hereby:

Number of Shares Owned on Record Date	Number of Units Subscribed For Under Basic Subscription Right	Number of Units Requested Under Over-subscription Privilege
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Print Name of the Nominee Holder: _____

By: _____

Name: _____

Title: _____

Contact Phone Number: _____

Provide the following information, if applicable:

 Depository Trust Company ("DTC") Participant Number

Participant

By: _____

Name: _____

Title: _____

Contact Phone Number: _____

**FORM OF NOTICE OF GUARANTEED DELIVERY
FOR SUBSCRIPTION RIGHTS CERTIFICATES ISSUED BY
MARSHALL EDWARDS, INC.**

This Notice of Guaranteed Delivery (“Notice”) must be used to exercise the subscription rights (the “Subscription Rights”) pursuant to the rights offering (the “Rights Offering”) as described in the prospectus dated [], 2012 (the “Prospectus”) of Marshall Edwards, Inc., a Delaware corporation (the “Company”), by a holder of Subscription Rights wishing to exercise its Subscription Rights but who cannot deliver the certificate evidencing the Subscription Rights (the “Subscription Rights Certificate”) to Computershare, Inc., as subscription agent (the “Subscription Agent”), before 5:00 p.m., Eastern time, on [], 2012 (as the Company may extend such date, the “Expiration Date”). This Notice must be delivered by facsimile transmission, first class mail, or overnight delivery to the Subscription Agent and must be received by the Subscription Agent before 5:00 p.m., Eastern time, on the Expiration Date. Capitalized terms used but not otherwise defined in this Notice have the meanings given to them in the Prospectus.

Payment of the subscription price of \$[] per Unit subscribed for pursuant to the exercise of Subscription Rights, including all Units subscribed for under the Basic Subscription Right and any additional Units requested pursuant to the Over-Subscription Privilege, must be received by the Subscription Agent in the manner specified in the Prospectus before 5:00 p.m., New York time, on the Expiration Date even if the Subscription Rights Certificate evidencing such Subscription Rights is being delivered pursuant to the Guaranteed Delivery Procedures hereunder.

By Mail:

Computershare Trust Company, N.A.
Attn Corporate Actions
P.O. Box 43011
Providence, RI 02940-3011

*By Facsimile Transmission
(for Eligible Institutions only):*

(617) 360-6810

Telephone Number for Confirmation:

(781) 575-2332

Telephone Numbers for Information Agent:

Georgeson Inc.

Banks and Brokers: (212) 440-9800 Shareholders:

(866) 628-6021

*By Express Mail or Overnight Courier
(until 3:00 p.m. Central time on the
expiration date of the Rights Offering):*

Computershare Trust Company, N.A.
250 Royall Street
Suite V
Canton, MA 02021

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS INSTRUMENT VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY.

Ladies and Gentlemen:

The undersigned hereby represents that the undersigned is the holder of a Subscription Rights Certificate representing [] Subscription Rights and that such Subscription Rights Certificate cannot be delivered to the Subscription Agent prior to the Expiration Date of the Rights Offering. Upon the terms and subject to the conditions set forth in the Prospectus, receipt of which is hereby acknowledged, the undersigned hereby elects to exercise Subscription Rights represented by the Subscription Rights Certificate (i) to subscribe for [] Units (each consisting of [] share[s] of the Company's common stock and a warrant to purchase an additional [] shares of the Company's common stock) under the Basic Subscription Right, and (ii) to request pursuant to the Over-subscription Privilege to purchase [] additional Units, subject to the conditions and limitations described further in the Prospectus.

The undersigned understands that payment of the full subscription price of \$[] per Unit subscribed for under the Basic Subscription Right and pursuant to the Over-subscription Privilege must be received by the Subscription Agent before 5:00 p.m., Eastern time, on the Expiration Date, and represents that such payment, in the aggregate amount of \$, either (check appropriate box):

- Is being delivered to the Subscription Agent herewith; or
- Has been delivered separately to the Subscription Agent in the manner set forth below (check appropriate box and complete the information relating thereto):
 - Uncertified check (Payment by uncertified check will not be deemed to have been received by the Subscription Agent until such check has cleared. Holders paying by such means are urged to make payment sufficiently in advance of the Expiration Date to ensure that such payment clears by such date.)
 - Certified check
 - Bank draft (cashier's check)

Name of maker: _____

Date of check or draft: _____

Check or draft number: _____

Bank on which check is drawn: _____

Name(s):	Signature(s):	Address(es):	Telephone No(s):
_____	_____	_____	_____
_____	_____	_____	_____

GUARANTEE OF DELIVERY

The undersigned, a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, or a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, guarantees that the undersigned will deliver to the Subscription Agent the Subscription Rights Certificates representing the Subscription Rights being exercised hereby, with any required signature guarantee and any other required documents, by no later than three business days after the date of submission of the Notice of Guaranteed Delivery to the Subscription Agent.

Dated: _____, 2012

(Address)

(Name of Firm)

(Telephone Number)

(Authorized Signature)

The institution that completes this form must communicate the guarantee to the Subscription Agent and must deliver the Subscription Rights Certificate to the Subscription Agent within three business days following the date of submission of the Notice of Guaranteed Delivery as described in the Prospectus. Failure to do so could result in a financial loss to such institution.

FORM OF INFORMATION FOR SUBSTITUTE FORM W-9

The tax information is provided in connection with the prospectus of Marshall Edwards, Inc. ("Marshall Edwards") dated _____, 2012 (the "Prospectus").

Under the U.S. federal income tax laws, dividend payments that may be made by Marshall Edwards on shares of its common stock, par value \$0.0000002 per share (the "Common Stock"), issued upon the exercise of (x) the Rights (as defined in the Prospectus) or (y) the warrants issuable upon exercise of the Rights may be subject to backup withholding. Generally, such payments will be subject to backup withholding unless the holder (i) is exempt from backup withholding or (ii) furnishes the payer with its correct taxpayer identification number ("TIN") and certifies, under penalties of perjury, that the number provided is correct and provides certain other certifications. Each holder that exercises Rights and wants to avoid backup withholding must, unless an exemption applies, provide the Subscription Agent, as Marshall Edwards' agent in respect of the exercised Rights, with such holder's correct TIN (or with a certification that such holder is awaiting a TIN) and certain other certifications by completing Substitute Form W-9 below.

Certain holders (including, among others, corporations and certain foreign individuals) are generally exempt from these backup withholding and reporting requirements. In general, in order for a foreign holder to qualify as an exempt recipient, that holder must submit a properly completed Form W-8BEN (instead of a Substitute Form W-9), signed under penalties of perjury, attesting to such holder's foreign status. Such Form W-8BEN may be obtained from the Subscription Agent. Exempt U.S. holders should indicate their exempt status on Substitute Form W-9 to avoid possible backup withholding. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions. Holders are urged to consult their tax advisers to determine whether they are exempt from withholding and reporting requirements.

If backup withholding applies, Marshall Edwards or the Subscription Agent, as the case may be, will be required to withhold taxes (currently at a 28% rate) on any dividend payments made to a holder that exercises Rights. Backup withholding is not an additional tax. Rather, the amount of backup withholding can be credited against the U.S. federal income tax liability of the holder subject to backup withholding, provided that the required information is timely provided to the Internal Revenue Service ("IRS").

A holder that exercises Rights is required to give the Subscription Agent the TIN of the record owner of the subscription rights. If such record owner is an individual, the TIN is generally the taxpayer's social security number. For most other entities, the TIN is the employer identification number. If the subscription rights are in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidelines on which number to report. If the Subscription Agent is not provided with the correct TIN in connection with such payments, the holder may be subject to a penalty imposed by the IRS.

If you do not have a TIN, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for instructions on applying for a TIN, write "Applied For" in the space for the TIN in Part 1 of the Substitute Form W-9 and, under penalties of perjury, sign and date the Substitute Form W-9 and the Certificate of Awaiting Taxpayer Identification Number set forth herein. If you do not provide your TIN to the Subscription Agent within 60 days, backup withholding will begin and continue until you furnish your TIN to the Subscription Agent. Please note that writing "Applied For" on the Substitute Form W-9 means that you have already applied for a TIN or that you intend to apply for one in the near future.

**SUBSTITUTE
Form W-9**

PART 1 - Taxpayer Identification Number ("TIN"). ENTER YOUR TIN IN THE APPROPRIATE BOX. (For most individuals, this is your Social Security Number. For most other entities, it is your Employer Identification Number. If you do not have a TIN, see "Obtaining a Number" in the enclosed Guidelines.) CERTIFY BY SIGNING AND DATING BELOW.

Social Security Number:

OR

Employer Identification Number:

(if awaiting TIN, write "Applied For")

Note: If the account is in more than one name, see the chart in the enclosed Guidelines to determine which number to give the payer.

**Department of the
Treasury Internal
Revenue Service**

PART 2 - Payees Exempt from Backup Withholding — See the enclosed Guidelines and complete as instructed therein.

**Payer's Request for
Taxpayer
Identification
Number ("TIN") and
Certification**

PART 3 - Certification — Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- (3) I am a U.S. citizen or other U.S. person (including a U.S. resident alien).

Certification Instructions — You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Name: _____

Business name, if different from above: _____

Entity type (circle one):

Individual/Sole proprietorship
C Corporation
S Corporation
Trust/estate

Partnership
Limited Liability Company
Enter the tax classification of the
Limited Liability Company
(C=C Corporation, S=S
Corporation,
P = Partnership):

Address (number, street, and apt. or suite no.)

City, State and Zip Code

Telephone Number

Signature _____ Date _____, 2012

**YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU WROTE "APPLIED FOR"
INSTEAD OF A TIN IN THE SUBSTITUTE FORM W-9**

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number to the subscription agent, 28% of all reportable payments made to me will be withheld, but will be refunded to me if I provide a certified taxpayer identification number within 60 days.

Signature: _____ Date: _____, 2012

NOTE: FAILURE TO COMPLETE AND RETURN THIS SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS OF DIVIDENDS MADE TO YOU. IN ADDITION, FAILURE TO PROVIDE SUCH INFORMATION MAY RESULT IN A PENALTY IMPOSED BY THE INTERNAL REVENUE SERVICE. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL INFORMATION.

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9**

Guidelines for Determining the Proper Identification Number to Give the Payer — Social Security Numbers have nine digits separated by two hyphens (i.e., 000-00-0000). Employer Identification Numbers have nine digits separated by only one hyphen (i.e., 00-0000000). The table below will help determine the number to give the payer.

<u>For this type of account:</u>	<u>Give name and SOCIAL SECURITY number of:</u>	<u>For this type of account:</u>	<u>Give the Name and EMPLOYER IDENTIFICATION number of:</u>
1. Individual	The individual	7. Disregarded entity not owned by an individual	The owner
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)	8. A valid trust, estate or pension trust	Legal entity(4)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)	9. Corporate or LLC electing corporate status on Form 8832 or Form 2553	The corporation
4a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)	10. Association, club, religious, charitable, educational, or other tax-exempt organization account	The organization
4b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)	11. Partnership or multi-member LLC	The partnership

5.	Sole proprietorship or disregarded entity owned by an individual	The owner(3)	12.	A broker or registered nominee	The broker or nominee
6.	Grantor trust filing under Optional Form 1099 Filing Method 1 (See Treas. Reg. § 1.671-4(b)(2)(i)(A))	The grantor	13.	Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
			14.	Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

(1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a social security number, that person's number must be furnished.

(2) Circle the minor's name and furnish the minor's social security number.

(3) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or employer identification number (if you have one).

(4) List first and circle the name of the legal trust, estate, or pension trust. Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.

NOTE: *If no name is circled when there is more than one name listed, the number will be considered to be that of the first name listed.*

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9**

Obtaining a Number

If you do not have a taxpayer identification number or you do not know your number, obtain Form SS-5, Application for Social Security Card, or Form SS-4, Application for Employer Identification Number, and apply for a number. You may obtain Form SS-5 from your local Social Security Administration office or online at www.ssa.gov, and Form SS-4 from the IRS from the IRS's internet web site at www.irs.gov. Section references in these guidelines refer to sections under the Internal Revenue Code of 1986, as amended.

The following payees are exempt from backup withholding.

- An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
- The United States or any of its agencies or instrumentalities,
- A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
- A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
- An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

- A corporation,
- A foreign central bank of issue,
- A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
- A futures commission merchant registered with the Commodity Futures Trading Commission,
- A real estate investment trust,
- An entity registered at all times during the tax year under the Investment Company Act of 1940,
- A common trust fund operated by a bank under section 584(a),
- A financial institution,
- A middleman known in the investment community as a nominee or custodian, or
- A trust exempt from tax under section 664 or described in section 4947.

Even if you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" IN PART 2 OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

Privacy Act Notice. — Section 6109 requires most recipients of dividend, interest, or certain other income to give taxpayer identification numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of tax returns. The IRS may also provide this information to the Department of Justice for civil and criminal litigation and to cities, states and the District of Columbia to carry out their tax laws. The IRS may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal non-tax criminal laws and to combat terrorism. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold a portion of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply for providing false or fraudulent information.

Penalties

(1) *Failure to Furnish Taxpayer Identification Number.* — If you fail to furnish your correct taxpayer identification number to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) *Civil Penalty for False Information With Respect to Withholding.* — If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

(3) *Criminal Penalty for Falsifying Information.* — Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

(4) *Misuse of Taxpayer Identification Numbers.* — If the requester discloses or uses taxpayer identification numbers in violation of federal law, the requester may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX ADVISOR OR THE INTERNAL REVENUE SERVICE.