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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2009

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 000-50484

Marshall Edwards, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE	**51-0407811**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

140 Wicks Road, North Ryde, NSW, 2113 Australia
(Address of principal executive offices) (Zip Code)

(011) 61 2 8877- 6196
Registrant's telephone number, including area code:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes o No o

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 definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Non-accelerated filer	x
Accelerated filer	o	Smaller reporting entity	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of October 31, 2009 the number of shares outstanding of the issuer's common stock, $0.00000002 par value, was 73,463,233.

MARSHALL EDWARDS, INC.

INDEX

PART I FINANCIAL INFORMATION

Item 1: Financial Statements

MARSHALL EDWARDS, INC.

(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 30, 2009 (unaudited)	June 30, 2009
ASSETS		
Current assets		
Cash and cash equivalents	**$ 15,233**	**$ 19,067**
Prepaid expenses and other current assets	**54**	**289**
Total current assets	**15,287**	**19,356**
Total assets	**$ 15,287**	**$ 19,356**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	**$ 1,270**	**$ 736**
Accrued expenses	**930**	**3,186**
Amount due to related company	**282**	**221**
Total current liabilities	**2,482**	**4,143**
Stockholders' equity:		
Preferred stock, $0.01 par value, authorized 100,000 shares, none outstanding	-	-
Common stock, $ 0.00000002 par value, 113,000,000 authorized shares; shares issued and outstanding: 73,463,233 at September 30, 2009 and 73,463,233 at June 30, 2009	-	-
Additional paid-in capital	**78,124**	**78,124**
Deficit accumulated during development stage	**(65,319)**	**(62,911)**
Total stockholders' equity	**12,805**	**15,213**
Total liabilities and stockholders' equity	**$ 15,287**	**$ 19,356**

See accompanying notes to the consolidated financial statements.

MARSHALL EDWARDS, INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share data)

(Unaudited)

	Three Months Ended September 30,		Period from December 1, 2000 (Inception) through September 30,
	2009	**2008**	**2009**
Revenues:			
Interest and other income	**$ 26**	$ 96	$ 2,672
Total revenues	**26**	96	2,672
Operating expenses:			
Research and development	**(503)**	(2,078)	(33,546)
License fees	**(1,500)**	-	(21,500)
Selling, general and administrative	**(431)**	(269)	(12,938)
Total operating expenses	**(2,434)**	(2,347)	(67,984)
Loss from operations	**(2,408)**	(2,251)	(65,312)
Income tax expense	**-**	(1)	(7)
Net loss arising during development stage	**$ (2,408)**	$ (2,252)	$ (65,319)
Net loss per common share:			
Basic and diluted	**$ (0.03)**	$ (0.03)	
Weighted average number of common shares outstanding	**73,463,233**	71,910,438	

See accompanying notes to the consolidated financial statements.

MARSHALL EDWARDS, INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended September 30,		Period from December 1, 2000 (Inception) through September 30,
	2009	**2008**	**2009**
Operating activities			
Net loss arising during development stage	**$ (2,408)**	$ (2,252)	$ (65,319)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Share based payments	**-**	65	1,732
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	**235**	46	(54)
Accounts payable	**534**	(417)	1,270
Accrued expenses	**(2,256)**	20	930
Amounts due to related company	**61**	(188)	282
Net cash used in operating activities	**(3,834)**	(2,726)	(61,159)
Financing activities			
Net proceeds from issuance of common stock	**-**	9,924	76,392
Net cash provided by financing activities	**-**	9,924	76,392
Net (decrease)/increase in cash and cash equivalents	**(3,834)**	7,198	15,233
Cash and cash equivalents at beginning of period	**19,067**	19,743	**-**
Cash and cash equivalents at end of period	**$ 15,233**	$ 26,941	$ 15,233

See accompanying notes to the consolidated financial statements.

MARSHALL EDWARDS, INC.

(A Development Stage Company)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(In thousands, except share data)

(Unaudited)

	Common Stock *(shares)*	Additional paid in capital	Deficit accumulated during development stage	Total
Balance at June 30, 2009	**73,463,233**	**$ 78,124**	**$ (62,911)**	**$ 15,213**
Net loss arising during development stage	-	-	**(2,408)**	**(2,408)**
Comprehensive Loss				**(2,408)**
Balance at September 30, 2009	**73,463,233**	**$ 78,124**	**$ (65,319)**	**$ 12,805**

See accompanying notes to the consolidated financial statements.

1. Basis of Presentation and Summary of Significant Accounting Policies

Marshall Edwards, Inc. ("MEI") including its wholly-owned subsidiary Marshall Edwards Pty Ltd ("MEPL") (together, the "Group" or the "Company") is a development stage company incorporated in December 2000 as a wholly-owned subsidiary of Novogen Limited ("Novogen"). As of the date of this Quarterly Report, Novogen owns approximately 71.3% of the outstanding shares of the Company's common stock.

The Company's financial statements have been prepared in accordance with U.S. generally accepted accounting principles or "GAAP" for the interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities Exchange Act of 1934 as amended. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. We believe all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included herein. Operating results for the three months ended September 30, 2009 are not necessarily indicative of the results that may be expected for the year ending June 30, 2010 or any other future period. The balance sheet at June 30, 2009 has been derived from the audited financial statements at that date. You should read these financial statements and notes in conjunction with the audited financial statements for the year ended June 30, 2009 which are included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Principles of Consolidation

The consolidated financial statements include the accounts of MEI and its wholly-owned subsidiary MEPL. Significant intercompany accounts and transactions have been eliminated on consolidation.

Estimates

The preparation of the consolidated financial statements, in conformity with accounting principles generally accepted in the U.S., requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Revenue Recognition

Interest

The only revenue earned to date is interest on cash balances, which is recognized on an accruals basis.

Cash and Cash Equivalents

Cash on hand and in banks and short-term deposits is stated at its nominal value. The Company considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. Highly liquid investments with stated maturities of greater than three months are classified as short-term investments. The Company's cash, held in the U.S., is deposited in financial institutions that are FDIC insured. These deposits are in excess of the FDIC insurance limits. The Company also holds cash with Australian financial institutions. Cash deposits held in Australian banks are guaranteed by the Australian Government up to a maximum amount of A$1 million per account.

Income Taxes

Income taxes have been provided for using the liability method. Under this method, deferred tax assets and liabilities are recognized and measured using enacted tax rates in effect for the year in which the differences are expected to be recognized. Valuation allowances are established against the recorded deferred income tax assets to the extent that management believes that it is more likely than not that a portion of the deferred income tax assets are not realizable. There is a full valuation allowance against net deferred tax assets.

The Company accounts for any uncertain tax position by using a two step approach. Step one, recognition, requires a company to determine if the weight of available evidence indicates that a tax position is more likely than not to be sustained upon audit, including resolution of related appeals or litigation processes, if any. Step two, measurement, is based on the largest amount of benefit, which is more likely than not to be realized upon ultimate settlement. Additionally, tax positions for which the timing of the ultimate resolution is uncertain are recognized as long term liabilities.

The Company's major tax jurisdictions are the U.S. and Australia and its tax years since inception remain subject to examination by the appropriate governmental agencies in those jurisdictions due to its tax loss position.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, including cash and cash equivalents and accounts payable, approximate fair value. Fair value has been determined based on the fair value of identical investments in active markets. All cash and cash equivalents are classified as level 1 as defined by the fair value hierarchy.

Foreign Currency Translation

The financial statements of MEPL have been translated into U.S. dollars. Assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Income statement amounts have been translated using the average exchange rate for the periods. Realized gains and losses from foreign currency transactions are reflected in the consolidated statements of operations.

Translation of MEPL's financial statements into U.S. dollars does not have a material impact on the Company's financial position.

Research and Development Expenses

Research and development expenses relate primarily to the cost of conducting human clinical and pre-clinical trials of the licensed cancer compounds. Research and development costs are charged to earnings in the period incurred.

Clinical development costs are a significant component of research and development expenses. Estimates have been used in determining the expense liability under certain clinical trial contracts where services have been performed but not yet invoiced. The actual costs of those services could differ in amount and timing from the estimates used in completing the financial statements.

At June 30, 2009 the Company had accrued $1,181,000 in relation to claims received for clinical trial expenses in connection with the termination of enrollment into the OVATURE Phase III clinical trial. Following negotiations the Company has paid $649,000 during the quarter and has accrued $266,000 as at September 30, 2009 representing management's best estimate of the final amounts payable for claims received.

License Fees

Costs incurred related to the acquisition or licensing of products that have not yet received regulatory approval to be marketed, or that are not commercially viable and ready for use or have no alternative future use, are charged to earnings in the period incurred.

The license agreements with Novogen may be cancelled without penalty by MEPL by giving three months notice. Therefore license fees due under these license agreements are recognised as an expense when the milestone event occurs.

Stock-Based Compensation

The Company's 2008 Stock Omnibus Equity Compensation Plan provides for the grant of options to the Company's directors, employees, employees of the Company's affiliates and certain of the Company's contractors and consultants.

The Company recognizes the cost of goods acquired or the expense for services received in a share-based payment transaction when it obtains the goods or as services are received. The Company recognizes a corresponding increase in equity or a liability depending on the classification of the share-based instrument granted.

Basic and Diluted Loss Per Share

In computing basic earnings or loss per share, the dilutive effect of stock options and warrants are excluded, whereas for diluted earnings per share they are included unless the effect is anti-dilutive.

Stockholders' Equity

Ordinary share capital is recognized at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of shares are recognized directly in equity as a reduction in the share proceeds received.

Deferred Offering Costs

Where costs associated with a capital raising have been incurred at balance date and it is probable that the capital raising will be successfully completed after balance date, such costs are deferred and offset against the proceeds subsequently received from the capital raising.

2. Loss Per Share

The following table sets forth the computation of basic and diluted net loss per common share:

	Three Months Ended September 30,	
	2009	2008
	(In Thousands, except share and per share data)	
Numerator		
Net loss arising during development stage	(2,408)	(2,252)
Numerator for diluted earnings per share	$ (2,408)	$ (2,252)
Denominator		
Denominator for basic earnings per share:		
Weighted average number of shares used in computing net loss per share, basic and diluted	73,463,233	71,910,438
Dilutive potential common shares	73,463,233	71,910,438
Basic and diluted earnings per share	$ (0.03)	$ (0.03)

During the period presented, the Company had warrants and stock options outstanding that could potentially dilute basic earnings per share in the future, but were excluded from the computation of diluted net loss per share as the effect would have been anti-dilutive. Since the Company has a loss for all periods presented, diluted and basic earnings per share are the same. The outstanding warrants and stock options consist of the following potential common shares:

	As at September 30,	
	2009	2008
	(Number of warrant shares)	
Warrants exercisable prior to July 11, 2010 at an exercise price of $4.35	2,815,258	2,815,258
Warrants exercisable prior to August 6, 2012 at an exercise price of $3.60	2,185,598	2,185,598
Warrants exercisable prior to August 6, 2012 at an exercise price of $3.00	248,364	248,364
Warrants exercisable prior to July 30, 2013 at an exercise price of $2.17	46,083	46,083
Stock options exercisable prior to January 28, 2014 at an exercise price of $0.63	50,000	-
Common shares issuable upon exercise of outstanding warrants	5,345,303	5,295,303

3. Expenditure Commitments

At September 30, 2009, the Company had contractual obligations for the conduct of clinical trials, pre-clinical research and development and manufacturing process development of approximately $2,178,000. Of the expenditure commitments, clinical trial amounts are based on the assumption that all patients enrolled in clinical trials will complete the maximum number of allowed treatment cycles. The amounts, assuming all treatment cycles are completed, are expected to be incurred as follows:

(In thousands)		Payment due by period			
Contractual Obligations	**Total**	less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Purchase Obligations	$ 2,178	$ 1,547	$ 346	$ 285	$ -
Total	$ 2,178	$ 1,547	$ 346	$ 285	$ -

No amounts have been included for future payments to Novogen which may arise in connection with the Phenoxodiol License Agreement, the License Agreement for Triphendiol and NV-143, the License Agreement for NV-128, the Services Agreement or the Manufacturing License and Supply Agreement as future payments under the terms of the agreements are subject to termination provisions. The terms of the agreements, including future payments, are detailed in Note 5 “Related Party Transactions.”

The Company is not currently a party to any material legal proceedings.

The Company’s certificate of incorporation provides that it will indemnify Novogen in connection with certain actions brought against Novogen by any of the Company’s stockholders or any other person.

Pursuant to the terms of a Guarantee and Indemnity Agreement, the Company has guaranteed the payment and performance of the obligations of MEPL to Novogen and its subsidiaries, Novogen Laboratories Pty Limited and Novogen Research Pty Limited, under the Phenoxodiol License Agreement, the Manufacturing License and Supply Agreement and the Services Agreement. Novogen has guaranteed the performance of the obligations of Novogen Research Pty Limited under the Phenoxodiol License Agreement and the obligations of Novogen Laboratories Pty Limited under the Manufacturing License and Supply Agreement to MEPL. Each of the Company and Novogen’s obligations in the Guarantee and Indemnity Agreement are absolute, unconditional and irrevocable.

4. Segment Information

The Company's focus is the clinical development and commercialization of its licensed cancer compounds. The business contains two major segments based on geographic location.

	Three Months Ended September 30, 2009		Three Months Ended September 30, 2008	
	(In Thousands)			
	USA	Australia	USA	Australia
Loss from operations	$ (20)	$ (2,388)	$ (253)	$ (1,999)
Segment assets	11,689	3,598	20,854	6,166

5. Related Party Transactions

License Agreement for Phenoxodiol, as amended

In September 2003, the Company entered into a license agreement pursuant to which Novogen's subsidiary, Novogen Research Pty Limited, granted to MEPL a worldwide non-transferable license under its patents and patent applications and in its know-how to conduct clinical trials and commercialize and distribute phenoxodiol products (the "Phenoxodiol License Agreement"). The Phenoxodiol License Agreement covers uses of phenoxodiol in the field of prevention, treatment or cure of cancer in humans, delivered in all forms except topical applications. The license is exclusive until the expiration or lapsing of the last relevant Novogen patents or patent applications in the world and thereafter is non-exclusive. MEPL may terminate the Phenoxodiol License Agreement by giving three months notice to Novogen. MEPL paid $5,000,000 to Novogen in February 2004 which was the first lump sum license fee payment due under the terms of the Phenoxodiol License Agreement. Also, MEPL paid $2,000,000 to Novogen in January 2005 and $4,000,000 in January 2006 which were the annual milestone license fee payments due under the Phenoxodiol License Agreement. The Company paid a second lump sum license fee of $5,000,000 to Novogen in July 2006 following the raising of funds in a private placement or PIPE. This license fee was due on the later of November 1, 2003 or such later date when the cumulative total of all funds received from debt or equity issuances and revenue received from commercialization (income other than sales) and sales of phenoxodiol products exceeded $50,000,000. Following the PIPE capital raising which closed on July 11, 2006, the funds received from equity issuances exceeded $50,000,000 which triggered this license fee payment. Future amounts payable to Novogen under terms of the Phenoxodiol License Agreement are as follows:

1. Until the expiration of the exclusivity period of the license, MEPL must pay Novogen 2.5% of all net sales and 25% of commercialization income. After the exclusivity period of the license, 1.5% of net sales must be paid to Novogen. The preconditions to such payments have not yet occurred.

The "Exclusivity Period" ends on the later of:

(a) the date of expiration or lapsing of the last patent right in the patents and patent applications set out in the Phenoxodiol License Agreement with Novogen; or

(b) the date of expiration or lapsing of the last licensed patent right which MEPL would, but for the license granted in the Phenoxodiol License Agreement, infringe in any country in the geographical territory covered by the Phenoxodiol License Agreement by doing in that country any of the things set out in the Phenoxodiol License Agreement.

2. In addition to the amounts above, the License Agreement for Phenoxodiol was amended in June 2006 and April 2007 to provide that upon the earliest receipt (the "Approval Date") by MEPL of the first:

(i) approval by the U.S. Food and Drug Administration (the "FDA") of a New Drug Application ("NDA") for phenoxodiol;
(ii) approval or authorization of any kind to market phenoxodiol in the United States; or
(iii) approval or authorization of any kind by a government agency in any other country to market phenoxodiol,

MEPL will be required to pay Novogen Research Pty Limited $8,000,000, together with interest on such amount from (and including) December 31, 2006 to (but excluding) the Approval Date. Thereafter, MEPL will be required to make license milestone fee payments of $8,000,000 to Novogen Research Pty Limited on December 31 of the year of the Approval Date and on December 31 of each year thereafter during the exclusivity period under the Phenoxodiol License Agreement.

No license fees have been accrued in respect of phenoxodiol at September 30, 2009.

License Agreement for Triphendiol and NV-143

In May 2006, the Company entered into a second license agreement with Novogen for two oncology compounds, triphendiol and NV-143 (the "License Agreement for Triphendiol and NV-143"). Triphendiol is being developed initially in oral form for the treatment of pancreatic and bile duct cancer and has completed initial Phase I(a) human testing. NV-143 is targeted for the treatment of melanoma, also in oral dose form, and is in the pre-clinical stage. The License Agreement for Triphendiol and NV-143 is an agreement under which Novogen's subsidiary, Novogen Research Pty Limited, grants to MEPL a worldwide non-transferable license under its patents and patent applications and in its know-how to conduct clinical trials and commercialize and distribute triphendiol and NV-143 products. The License Agreement for Triphendiol and NV-143 covers uses of triphendiol and NV-143 in the field of prevention, treatment or cure of cancer in humans delivered in all forms except topical applications. The license is exclusive until the expiration or lapsing of the last relevant Novogen patents or patent applications in the world and thereafter is non-exclusive. MEPL may terminate the agreement by giving three months notice to Novogen. The Company is required to make payments under the terms of the License Agreement for Triphendiol and NV-143 with Novogen as follows:

1. A lump sum license fee of $1,000,000 is payable to Novogen on the commencement date of the license in consideration of the license granted. This initial lump sum license fee was paid to Novogen in May 2006.

2. In further consideration of the license granted, MEPL must pay to Novogen the following milestone license fees upon the occurrence of the corresponding milestone as set forth below;

a) the first license product containing triphendiol to reach a milestone as set forth below; and
b) the first licensed product containing NV-143 to reach a milestone as set forth below.

The milestone license fees are:

i) $1,000,000 on the date an Investigation New Drug Application ("IND") for the licensed product goes into effect or the equivalent approval of a government agency is obtained in another country. If this event does not occur before March 31, 2008 then this amount will be due on this date. The amount of $1,000,000 was paid to Novogen on March 31, 2008 under the terms of this agreement;

ii) $2,000,000 on the date of enrollment of the first clinical trial subject in a Phase II clinical trial of the licensed product. If this event does not occur before June 30, 2009, then this amount will be due on this date; The amount of $2,000,000 was paid to Novogen on June 30, 2009 under the terms of this agreement;

iii) $3,000,000 on the date of enrollment of the first clinical trial subject in a Phase III clinical trial of the licensed product. If this event does not occur before December 31, 2011, then this amount will be due on this date; and

iv) $8,000,000 on the date of first receipt of a NDA for the licensed product from the FDA or equivalent approval from a government agency in another country. If this event does not occur before December 31, 2013, then this amount will be due on this date.

3. MEPL must pay Novogen royalties of 5.0% of all net sales and 25% of commercialization income for the term of the license. The royalty rate is reduced by 50% if the licensed patent rights in any country or territory expire, lapse, are revoked, do not exist or are assigned to MEPL and the product is entirely manufactured and supplied in such country.

4. Minimum royalties of $3,000,000 per year are payable following the date of first receipt of an NDA for a licensed product from the FDA (or equivalent approval from a government agency in any other country) until the expiration of the term.

No license fees have been accrued in respect of triphendiol or NV-143 at September 30, 2009.

License Agreement for NV-128

On August 4, 2009, the Company, through MEPL, entered into a license agreement with Novogen pursuant to which Novogen granted to MEPL an exclusive, worldwide, non-transferable license under its patents and patent applications and in the intellectual property rights related to its know how to conduct clinical trials, commercialize and distribute NV-128 (the "NV-128 Licence Agreement"). NV-128 is an investigational cancer compound which has been shown in pre-clinical laboratory studies to promote cancer cell death by targeting a pro-survival regulatory pathway (the AKT-mTOR pathway). The NV-128 License Agreement covers the use of NV-128 in the field of prevention, treatment and cure of cancer in humans delivered in all forms except topical applications. The NV-128 License Agreement remains in effect until (i) the expiration or lapsing of the last relevant patents or patent applications in the world or (ii) Novogen's assignment to MEPL of the last relevant patents or patent applications in the world so that MEPL may assume the filing, prosecution and maintenance of such patents or patent applications. Thereafter, the license becomes a non-exclusive, perpetual and irrevocable license covering any remaining intellectual property rights related to the know how with respect to NV-128.

1. The Company paid U.S. $1,500,000 to Novogen Research in August 2009, which was the first lump sum license fee payment under the terms of the license agreement.

2. Future amounts payable to Novogen upon the achievement of certain milestones are as follows:

i) $1,000,000 on the date an IND for the licensed product goes into effect or the equivalent approval of a government agency is obtained in another country. If this event does not occur before December 31, 2011 then this amount will be due on this date;

ii) $2,000,000 on the date of enrollment of the first clinical trial subject in a Phase II clinical trial of the licensed product. If this event does not occur before December 31, 2012, then this amount will be due on this date;

iii) $3,000,000 on the date of enrollment of the first clinical trial subject in a Phase III clinical trial of the licensed product. If this event does not occur before December 31, 2014, then this amount will be due on this date; and

iv) $8,000,000 on the date of first receipt of a NDA for the licensed product from the FDA or equivalent approval from a government agency in another country. If this event does not occur before December 31, 2017, then this amount will be due on this date.

3. MEPL must pay Novogen royalties of 5.0% of all net sales and 25% of commercialization income for the term of the license.

4. Minimum royalties of $3,000,000 per year are payable following the date of first receipt of an NDA for a licensed product from the FDA (or equivalent approval from a government agency in any other country) until the expiration of the term.

The license agreement is able to be cancelled without penalty by MEPL by giving three months notice.

Amended and Restated License Option Deed

On September 24, 2003, MEPL and Novogen Research Pty Limited entered into an Amended and Restated License Option Deed (the “License Option Deed”). The License Option deed grants MEPL an exclusive right to accept and an exclusive right to match any proposed dealing by Novogen of its intellectual property rights with a third party relating to synthetic compounds (other than phenoxodiol) that have known or potential applications in the field of prevention, treatment or cure of cancer in humans in all forms other than topical applications.

Amended and Restated Services Agreement

On September 24, 2003, the Company, Novogen and MEPL entered into an Amended and Restated Services Agreement (the “Services Agreement”). The Company does not currently intend to directly employ any staff. Under the terms of the Services Agreement, Novogen or its subsidiaries have agreed to provide services reasonably required by the Company relating to the development and commercialization of phenoxodiol and other licensed products, including triphendiol and NV-143. Novogen has agreed to provide these services at cost plus a 10% mark-up. The Company may terminate the Services Agreement on three months written notice to Novogen.

Transactions giving rise to expenditures amounting to $683,000 and $683,000 were made under the Services Agreement with Novogen during the three months ended September 30, 2009 and 2008, respectively. Of these amounts, $487,000 and $442,000 related to service fees paid to Novogen for research and development services provided in the three months ended September 30, 2009 and 2008, respectively, reflecting the time spent by Novogen research staff on the development of phenoxodiol, triphendiol and NV-143. Additionally, $196,000 and $241,000 of the total expenditures during the three months ended September 30, 2009 and 2008, respectively, related to costs incurred for administration and accounting services provided by Novogen.

At September 30, 2009 and 2008, $282,000 and $241,000, respectively, were due and owing to Novogen under the Services Agreement and are included in amounts due to related company.

Manufacturing License and Supply Agreement

On September 24, 2003, MEPL and Novogen Laboratories Pty Limited, a subsidiary of Novogen, entered into an amended and restated manufacturing license and supply agreement (the "Manufacturing License and Supply Agreement"). Under the terms of the Manufacturing License and Supply Agreement, MEPL has granted to Novogen Laboratories Pty Limited an exclusive, non-transferable sub license to manufacture and supply phenoxodiol in its primary manufactured form. Novogen Laboratories Pty Limited has agreed to supply phenoxodiol to MEPL for the clinical trial development program and phenoxodiol's ultimate commercial use. Phenoxodiol supplied by Novogen under the terms of this agreement will be charged at cost plus a 50% markup.

There were no transactions under the Manufacturing License and Supply Agreement with Novogen during the three months ended September 30, 2009 and for three months ended September 30, 2008.

At September 30, 2009 and September 30, 2008 no amount was due and owing to Novogen under the Manufacturing License and Supply Agreement

Novogen has taken the strategic decision not to manufacture large scale Active Pharmaceutical Ingredients for cancer drugs, including phenoxodiol, as these can be more economically supplied by third parties with particular expertise in this area.

6. Equity

The Company entered into a Securities Subscription Agreement dated as of July 28, 2008 with Novogen and OppenheimerFunds, Inc. ("Oppenheimer") pursuant to which the Company sold 2,908,295 and 1,700,000 shares of common stock to Novogen and Oppenheimer, respectively, with Oppenheimer acting as adviser to each of the following parties severally and not jointly: (i) Oppenheimer International Growth Fund; (ii) Mass Mutual International Equity Fund; (iii) Oppenheimer International Growth Fund/VA; (iv) AZL Oppenheimer International Growth Fund; (v) OFITC International Growth Fund; and (vi) OFI International Equity Fund, at a purchase price of $2.17 per share, the consolidated closing bid price of the Company's common stock as quoted by the Nasdaq Market Intelligence Desk at 4:00 PM EST on July 28, 2008.

The shares were registered under the Securities Act of 1933, as amended (the "Securities Act"), under a Shelf Registration Statement on Form S-3 (File No. 333-149807). The Company received net proceeds of $9.8 million from the sale of the shares.

Following the closing of the registered direct offering described above in July 2008, Novogen retained approximately 71.3% of the Company's common stock.

In July 2008, the Company also issued a warrant to Mr. John O'Connor exercisable for 46,083 shares of common stock, as consideration for investor relations services rendered by him to the Company. The warrant has an exercise price of $2.17 per share. The warrant may be exercised immediately and expires five years from the date of issuance, on July 30, 2013. The warrant has not been registered under the Securities Act. The Company issued the warrant to Mr. O'Connor in a private placement made in reliance upon the exemption from securities registration afforded by Section 4(2) of the Securities Act.

In January 2009, the Company filed a registration statement on Form S-8 (File No. 333-156985) with the SEC registering 7,000,000 shares of common stock eligible for issuance under the Marshall Edwards, Inc. 2008 Stock Omnibus Equity Compensation Plan.

In January 2009, the Company issued a stock option exercisable for 50,000 shares of common stock to Associate Professor Gil Mor of Yale University in recognition of his contribution to the development of phenoxodiol under the Marshall Edwards, Inc. 2008 Stock Omnibus Equity Compensation Plan. The options have an exercise price of $0.63. The options are exercisable immediately and expire five years from date of issue.

7. Contingent Liabilities

In relation to the claims received in connection with the termination of enrollment into the OVATURE Phase III clinical trial, the Company has finalized negotiations and signed a Deed of Release. The Company believes that it does not have any further liability in relation to claims made other than amounts provided in the accounts at September 30, 2009.

Under the terms of the license agreements with Novogen, milestone license fee payments are payable upon achieving certain milestones. Details of the payments due under these agreements are detailed in Note 5 "Related Party Transactions." The license agreements are subject to termination provisions.

8. Significant Events After Balance Date

The subsequent event information has been evaluated up to November 10, 2009.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operation

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (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 Quarterly Report, 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, among other things:

- our inability to obtain required additional financing or financing available to us on acceptable terms, particularly in the context of the global financial crisis;
- our inability to maintain or enter into, and our dependence upon, collaboration or contractual arrangements necessary for the clinical development of phenoxodiol and other drug candidates;
- our limited operating history;
- our failure to successfully commercialize our product candidates;
- our termination of new enrollment into the OVATURE Phase III clinical trial;
- costs and delays in the clinical development program 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;
- uncertainties in clinical trial results;
- our inability to maintain or enter into, and the risks resulting from our dependence upon, collaboration or contractual arrangements necessary for the development, manufacture, commercialization, marketing, sales and distribution of any products;
- our inability to control the costs of manufacturing our products;
- continued cooperation and support of Novogen Limited, our parent company;
- 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 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 defence against third party intellectual property infringement claims;
- difficulties in enforcement of civil liabilities against our officers and directors who are residents of jurisdictions outside the U.S.;
- general economic conditions;
- the failure of any products to gain market acceptance;
- technological changes;
- government regulation generally and the receipt of the regulatory approvals;
- changes in industry practice; and
- one-time events.

These risks are not exhaustive. Other sections of this Quarterly Report on Form 10-Q may include additional factors which could adversely impact our business and financial performance. In addition, our business and financial performance may be affected by the factors that are discussed under “Risk Factors” in the Annual Report on Form 10-K for the year ended June 30, 2009. 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.

The following discussion is qualified in its entirety by, and should be read in conjunction with, the more detailed information set forth in the financial statements and the notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q.

Overview

Our main focus since commencing operations has been to undertake human clinical testing of phenoxodiol. Our operations were expanded to include the additional licensed drug candidates triphendiol and NV-143. In August 2009, we entered into a third license agreement for the drug candidate NV-128. During fiscal year 2007, we commenced the Phase III clinical trial (known as “OVATURE”).

We reached agreement under the Special Protocol Assessment process with the FDA on the design of our OVATURE pivotal study protocol for phenoxodiol. The trial is designed to test the ability of phenoxodiol to restore sensitivity of late-stage ovarian cancers to carboplatin, a standard form of therapy for ovarian cancer.

In April 2009, we announced the termination of enrollment into the OVATURE Phase III trial and our intention to undertake an un-blinded analysis of the available data from the trial. The patients currently enrolled in the trial will continue their treatment according to the study protocol. However, ceased recruiting new patients and the available data from 142 completed and current patients will be analyzed for safety and efficacy outcomes.

We intend to allocate our current funds of approximately $15 million to completing the OVATURE data analysis of 142 patients, pursuing negotiations for out-licensing phenoxodiol should evidence of efficacy and safety emerge from the OVATURE analysis, initiating the triphendiol clinical program and continuing the pre-clinical program for NV-128.

We believe that the proceeds from the registered direct offering which closed in July 2008 and savings generated from ceasing the OVATURE trial will provide us with sufficient cash resources to fund these operations over the next twelve months.

We will, however, need additional funds in order complete the planned clinical development programs beyond the current objectives.

As of September 30, 2009, we had accumulated losses of $65,319,000.

We have not generated any revenues from operations since inception other than interest on cash assets. We have incurred losses since inception and expect to incur operating losses and generate negative cash flows from operations for the foreseeable future.

We do not employ any staff directly but obtain services from Novogen under the Services Agreement.

Expenses to date have consisted primarily of costs associated with conducting the clinical trials of phenoxodiol, including OVATURE, costs incurred under the Phenoxodiol License Agreement, as amended, the License Agreement for Triphendiol and NV-143, the License Agreement from NV-128, the Services Agreement and the Manufacturing License and Supply Agreements with Novogen and its subsidiaries, including the costs of the clinical trial drug supplies.

To date, operations have been funded primarily through the sale of equity securities.

As at the date of the Quarterly Report, Novogen owns approximately 71.3% of the outstanding shares of our common stock.

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Clinical Trials Expenses

Estimates have been used in determining the expense liability under certain clinical trial contracts where services have been performed but not yet invoiced. The actual costs of those services could differ in amount and timing from the estimates used in completing the financial statements.

Generally the costs, and therefore estimates, associated with clinical trial contracts are based on the number of patients, drug administration cycles, the type of treatment and the outcome being measured. The length of time before actual amounts can be determined will vary depending on length of the patient cycles and the timing of the invoices by the clinical trial partners.

Clinical trial expenses of $838,000 have been accrued at September 30, 2009. These estimates are based on the number of patients in each trial and the drug administration cycle.

At June 30, 2009 we had accrued $1,181,000 in relation to claims received for clinical trial expenses in connection with the termination of enrollment into the OVATURE Phase III clinical trial. Following negotiations we have paid $649,000 during the quarter and have accrued $266,000 as at September 30, 2009 representing management's best estimate of the final amounts payable for claims received.

Stock Based Compensation

On December 9, 2008, we adopted the Marshall Edwards, Inc. 2008 Stock Omnibus Equity Compensation Plan (the "2008 Stock Omnibus Equity Compensation Plan") and cancelled the Marshall Edwards, Inc. Share Option Plan (the "Share Option Plan"). No options were issued under the Share Option Plan. The 2008 Stock Omnibus Equity Compensation Plan provides for the issuance of a maximum of 7,000,000 shares of common stock in connection with the grant of options and/or other stock-based or stock-denominated awards to our non-employee directors, officers, employees and advisors. To date, we have issued options exercisable for 50,000 shares of common stock under the 2008 Stock Omnibus Equity Compensation Plan.

We account for stock based payments by estimating the fair value of the options issued. The costs of these equity-settled transactions are determined using a binomial model to calculate the fair value at the date on which they are granted. With respect to the fair value of the warrant representing 46,083 warrant shares issued to Mr. John O'Connor on July 30, 2008, in consideration for investor relations services rendered, and stock options representing 50,000 shares of common stock issued to Associate Professor Gil Mor of Yale University on January 28, 2009, in recognition of his contribution to the development of phenoxodiol under the 2008 Stock Omnibus Equity Compensation Plan, the following assumptions were used:

	July 30, 2008	January 28, 2009
Dividend yield	0%	0%
Expected volatility	81%	111%
Historical volatility	81%	111%
Risk-free interest rate	3.36%	1.70%
Expected life of warrant	5 years	5 years
Warrant fair value	$1.41	$0.50

The dividend yield reflects the assumption that the current dividend payout, which is zero, will continue with no anticipated increases. The expected life of the warrant is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Results of Operations

Three Months Ended September 30, 2009 and 2008

We recorded a consolidated loss of $2,408,000 and $2,252,000 for the three months ended September 30, 2009 and 2008, respectively.

Revenues: We received interest on cash assets and cash equivalents and short term investments of $26,000 for the three months ended September 30, 2009 compared to $96,000 for the three months ended September 30, 2008. The decrease was due to lower cash balances and lower interest rates earned by our cash deposits.

Research and Development: Research and development expenses decreased $1,575,000 to $503,000 for the three months ended September 30, 2009 compared to $2,078,000 for the three months ended September 30, 2008. The reduction was due to the termination of the enrollment in the OVATURE Phase III clinical trial and associated cost savings ..

Selling, General and Administrative: Selling, general and administrative expenses increased by $162,000 to $431,000 for the three months ended September 30, 2009 compared to $269,000 for the three months ended September 30, 2008. The increase was due to net foreign exchange movements (described below), partially offset by reduced spending on legal fees, reduced travel expenses and reduced share based payment expenses which were not incurred in the three months ended September 30, 2009.

Foreign exchange gains/(losses) are included in selling, general and administrative expenses and occur when revaluing cash denominated in foreign currencies and upon consolidation of our wholly owned subsidiary Marshall Edwards Pty Ltd (“MEPL”). MEPL uses U.S. dollars as its functional currency and also engages in transactions in foreign currencies. Further, MEPL’s accounts and financial statements are denominated in Australian dollars. Translation of MEPL’s financial statements into U.S. dollars did not have a material impact on our financial position.

However, exchange rates are volatile in the current market resulting from the global financial crisis and there is a possibility that foreign exchange gains/losses may have a material impact in future periods. At September 30, 2009, we had not established a foreign currency hedging program. Net foreign exchange losses during the three months ended September 30, 2009 were $90,000 compared with foreign exchange gains of $408,000 during the three months ended September 30, 2008.

Liquidity and Capital Resources

At September 30, 2009, we had cash resources of $15,233,000 compared to $19,067,000 at June 30, 2009. The decrease was due to the expenditures in the clinical trial program and other corporate expenses incurred in the period. Funds are invested in short term money market accounts, pending use.

On July 28, 2008 we entered into a securities subscription agreement with Novogen and OppenheimerFunds, Inc. ("Oppenheimer") pursuant to which we sold 2,908,295 and 1,700,000 shares of common stock to Novogen and Oppenheimer, respectively, with Oppenheimer acting as adviser to each of the following parties severally and not jointly: (i) Oppenheimer International Growth Fund; (ii) Mass Mutual International Equity Fund; (iii) Oppenheimer International Growth Fund/VA; (iv) AZL Oppenheimer International Growth Fund; (v) OFITC International Growth Fund; and (vi) OFI International Equity Fund, at a purchase price of $2.17 per share, the consolidated closing bid price of our common stock on July 28, 2008. The shares were registered under the Securities Act of 1933, as amended (the "Securities Act") under a Shelf Registration Statement on Form S-3 (File No. 333-149807). We received gross proceeds of $10 million from the sale of the shares.

Following the closing, in July 2008, of the registered direct offering described above, Novogen retained approximately 71.3% of our common stock.

In July 2008, we issued a warrant to Mr. John O'Connor exercisable for 46,083 shares of common stock, as consideration for investor relation services rendered by him to us. The warrant has an exercise price of $2.17 per share. The warrant may be exercised immediately and expires five years from the date of issuance, on July 30, 2013. The warrant has not been registered under the Securities Act. We issued the warrant to Mr. O'Connor in a private placement made in reliance upon the exemption from securities registration afforded by Section 4(2) of the Securities Act.

In January 2009, we issued a stock option exercisable for 50,000 shares of common stock to Associate Professor Gil Mor of Yale University in recognition of his contribution to the development of phenoxodiol under the Marshall Edwards, Inc 2008 Stock Omnibus Equity Compensation Plan. The option has an exercise price of $0.63 per share of common stock. The options are exercisable immediately and expire five years from date of issue, on January 28, 2014.

Given the current state of the global financial markets, we do not expect to be able to raise additional capital through the issuance of equity or debt in this calander year.

Source and Uses of Cash

Cash Used in Operating Activities

Cash used in operating activities for the three months ended September 30, 2009 was $3,834,000 compared to $2,726,000 for the same period in 2008.

Cash Requirements

The Company intends to allocate its current funds of approximately $15 million to completing the OVATURE data analysis of 142 patients, pursuing negotiations for out-licensing phenoxodiol should evidence of efficacy and safety emerge from the OVATURE analysis, initiating the triphendiol clinical program and continuing the pre-clinical program for NV-128.

Specifically we intend to:

- Continue the clinical development of the drug candidate triphendiol;
- Continue the pre-clinical development of NV-128. In August 2009 we completed negotiations with Novogen to in-license the mTOR inhibitor NV-128, which has shown compelling preclinical results to date. In consideration of the license granted to us we paid Novogen a license fee of $1,500,000.

Ongoing operations, including the conduct of the pre clinical and clinical trial program, will continue to consume cash resources without generating revenues. In order to obtain the additional funding necessary to conduct our business, we may need to rely on collaboration and /or licensing opportunities. We cannot assure you that we will be able to raise the funds necessary to fund our programs or find appropriate collaboration or licensing opportunities.

Payments to Novogen

Future payments to Novogen under the terms of the Phenoxodiol License Agreement, as amended and the License Agreement for Triphendiol and NV-143 and the License agreement for NV-128 are detailed in Note 5 of the financial statements “Related Party Transactions” on page 12 of this Quarterly Report on Form 10-Q.

We will also be required to make payments to Novogen under the Services Agreement and Manufacturing License and Supply Agreement if future clinical supplies of drug product are sourced from Novogen.

We do not intend to incur any significant capital expenditures in the foreseeable future.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements.

Contractual Obligations

For details of our contractual obligations at September 30, 2009 see Note 3 to the financial statements “Expenditure Commitments” on page 11 of this Quarterly Report on Form 10-Q.

Item 3: Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Our exposure to market interest rates relates primarily to the investments of cash balances.

We have cash reserves held primarily in U.S. and Australian dollars and we place funds on deposit with financial institutions which are generally at call.

We do not use derivative financial instruments. We place our cash deposits with high credit quality financial institutions, and, by policy, limit the amount of credit exposure to any single counter-party. We are adverse to principal loss and we ensure the safety and preservation of our invested funds by limiting default risk, market risk and reinvestment risk.

We mitigate default risk by depositing funds with high credit quality financial institutions and by constantly positioning the portfolio to respond appropriately to a significant reduction in a credit rating of any financial institution.

We have no interest rate exposure due to rate changes for long-term debt.

We do not consider the effects of interest rate movements to be a material risk to our financial condition.

Foreign Currency Risk

We conduct our business in various currencies, primarily in U.S. dollars and Australian dollars, Euros and British pounds. At September 30, 2009, we had not established a foreign currency hedging program. Net foreign exchange losses during the three months ended September 30, 2009 were $90,000 compared with net exchange gains of $408,000 during the three months ended September 30, 2008. Foreign exchange gains and losses occur upon consolidation of MEPL, which uses U.S. dollars as its functional currency and also engages in transactions in foreign currencies. MEPL's accounts are denominated in Australian dollars. Translation of MEPL's financial statements into U.S. dollars did not have a material impact on our financial position.

We do not consider the effects of foreign currency movements to be a material risk to our financial condition.

Item 4T: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

At the end of the period covered by this Quarterly Report, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and have ensured that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

There were no changes in our internal control over financial reporting during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

Item 6: Exhibits

Exhibit Index

Exhibits

31.1	Certification required by Rule 13a-14(a) or Rule 15d-14(a)
31.2	Certification required by Rule 13a-14(a) or Rule 15d-14(a)
32.1	Certification required by Rule 13a-14(b) or Rule 15d-14(b) and section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C 1350).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned, thereunto duly authorized.

MARSHALL EDWARDS, INC.

/s/ DAVID SEATON

David R. Seaton
Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Date: November 10, 2009

Exhibit 31.1

CERTIFICATION

I, Christopher Naughton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Marshall Edwards, Inc.;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within the entities, particularly during the period in which this Quarterly Report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the Quarterly Report our conclusions about the effectiveness of this disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and

   (d) Disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrants first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2009

/s/CHRISTOPHER NAUGHTON

Christopher Naughton
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, David Ross Seaton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Marshall Edwards, Inc.;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within the entities, particularly during the period in which this Quarterly Report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the Quarterly Report our conclusions about the effectiveness of this disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and

   (d) Disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrants first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2009

/s/ DAVID SEATON

David R. Seaton
Chief Financial Officer

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), Christopher Naughton, the President and Chief Executive Officer of Marshall Edwards, Inc. (the "Registrant"), and David R. Seaton, the Chief Financial Officer of the Registrant, each hereby certifies that, to his knowledge:

1. The Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2009, (the "Form 10-Q") to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition of the Registrant at the end of the period covered by the Form 10-Q and results of operations of the registrant for the period covered by the Form 10-Q.

These certifications accompanying the Form 10-Q to which they relate, are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

Dated: November 10, 2009

/s/CHRISTOPHER NAUGHTON

Christopher Naughton
Chief Executive Officer

/s/ DAVID SEATON

David R. Seaton
Chief Financial Officer