

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

KALOBIOS PHARMACEUTICALS, INC.,

Debtor.<sup>1</sup>

Chapter 11

Case No. 15-12628 (LSS)

**Re: D.I. 434, 581**

**NOTICE OF (I) ENTRY OF CONFIRMATION ORDER, (II) OCCURRENCE OF  
EFFECTIVE DATE, AND (III) RELATED BAR DATES**

**To: All Holders of Claims and Interests and Other Parties in Interest.**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. **Entry of Confirmation Order.** On June 16, 2016, the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered the Findings Of Fact, Conclusions Of Law, And Order Confirming Second Amended Chapter 11 Plan Of Reorganization Of KaloBios Pharmaceuticals, Inc. (D.I. 581) (the “Confirmation Order”), pursuant to which the Bankruptcy Court approved and confirmed the Debtor’s Second Amended Plan of Reorganization, dated May 9, 2016 (D.I. 434) (as amended and modified, and together with all exhibits, schedules and supplements, the “Plan”).<sup>2</sup>

2. **Effective Date.** The Effective Date, as defined in the Plan, occurred on **June 30, 2016**.

3. **Certain Plan Modifications.** Attached as Exhibit B to the Confirmation Order, are certain technical Plan modifications that are incorporated into the Plan and approved by the Confirmation Order.

4. **Administrative Claims Bar Date.** Except as set forth in the Plan or the Confirmation Order, any request for allowance or payment of an Administrative Claim that was incurred after April 30, 2016, must be Filed with Prime Clerk, LLC (the “Claims Agent”) on or before **August 1, 2016**. As defined in the Plan, an “Administrative Claim” is means: (a) a Claim for costs and expenses of administering the Chapter 11 Case under sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including the following items: (i) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the business of the Debtor; (ii) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded or allowed under sections 330 and 331 of the Bankruptcy Code, including Fee Claims (to the extent allowed by the Bankruptcy Court); and (iii) all fees and charges assessed against the Estate under chapter 123 of the Judicial Code, 28 U.S.C. ch. 123; (b) a Claim entitled to priority under section 503(b)(9) of the Bankruptcy Code; or (c) a Claim entitled to administrative expense priority by order of the Bankruptcy Court.

<sup>1</sup> The last four digits of the Debtor’s federal tax identification number are 7236. The Debtor’s address is 1000 Marina Blvd #250, Brisbane, CA 94005-1878.

<sup>2</sup> Capitalized terms used but not defined herein are defined in the Plan or Confirmation Order, as applicable.

5. **Fee Claims Bar Date.** All requests for compensation or payment of Fee Claims incurred through and including the Effective Date must be Filed with the Bankruptcy Court and served in accordance with the procedures prescribed by the Plan, the Confirmation Order, the Bankruptcy Rules, and other rules and orders of the Bankruptcy Court on or before **August 29, 2016**. As defined by the Plan, a “Fee Claim” is a Claim under sections 327, 328, 330(a), 331, 503, or 1103 of the Bankruptcy Code for compensation of a Professional or other Entity for services rendered or expenses incurred in the Chapter 11 Case. Objections to any Fee Claims must be Filed and served on the Reorganized Debtor, counsel to the Reorganized Debtor, and the requesting party no later than fourteen (14) days after the filing of the final applications for compensation or reimbursement (unless otherwise agreed by the party requesting compensation of a Fee Claim).

6. **Procedures Relating to Assumption and Rejection of Executory Contracts and Unexpired Leases.** Pursuant to Article VIII of the Plan, all Executory Contracts and Unexpired Leases shall be deemed assumed and/or assumed and assigned in accordance with the provisions and requirements of Bankruptcy Code sections 365 and 1123 as of the Effective Date, unless such Executory Contract or Unexpired Lease: (a) was previously assumed or rejected by the Debtor; (b) previously expired or terminated pursuant to its terms; (c) is the subject of a motion to assume or reject Filed by the Debtor under Bankruptcy Code section 365 pending as of the Effective Date; or (d) is designated specifically on the Schedule of Rejected Executory Contracts and Unexpired Leases in the Plan Supplement. If an Executory Contract or Unexpired Lease is not listed on a Schedule of Assumed Executory Contracts and Unexpired Leases, and is not otherwise subject to the exceptions to assumption listed above, such Executory Contract or Unexpired Lease shall nonetheless be deemed assumed and/or assumed and assigned in accordance with the provisions and requirements of Bankruptcy Code sections 365 and 1123. Unless otherwise indicated on the Schedule of Assumed Executory Contracts and Unexpired Leases attached as Exhibit 7 to the *Notice of Filing Plan Supplement to Debtor’s Second Amended Plan* (D.I. 490) or Exhibit B to the *Notice of Filing Third Plan Supplement to Debtor’s Second Amended Plan of Reorganization* (D.I. 564), the proposed Cure Amount for each assumed Executory Contract and Unexpired Lease is zero dollars. Unless a counterparty to an assumed Executory Contract or Unexpired Lease Filed a proper and timely objection to the Cure Amount on or before fourteen (14) days after the applicable counterparty was served with notice of the Cure Amount, such counterparty shall be deemed to have consented to the Cure Amount and shall be forever barred from asserting, collecting, or seeking to collect any additional amounts relating thereto against the Debtor or the Reorganized Debtor, or the property of any of them.

7. **Rejection Damages Claim Bar Date.** Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of Executory Contracts and Unexpired Leases pursuant to the Plan or otherwise must be Filed with the Claims Agent no later than 21 days after the effective date of rejection.

8. **Claims Objection Deadline.** Any objections to Claims or Administrative Claims shall be served and Filed on or before the later of: (i) Claims Objection Deadline; and (ii) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clause (i) hereof. Any Claim or Administrative Claim Filed after the Claims Bar Date or Administrative Claims Bar Date, as applicable, shall be deemed Disallowed and expunged in its entirety without further order of the Bankruptcy Court or any action being required on the part of the Debtor or the Reorganized Debtor, unless the Person or Entity wishing to File such untimely

Claim or Administrative Claim has received Bankruptcy Court authority to do so. As defined by the Plan, “Claims Objection Deadline” means, for all Claims and Administrative Claims (other than Fee Claims) the later of (a) 180 days after the Effective Date and (b) such other period of limitation as may be specifically fixed by the Plan, the Confirmation Order or a Final Order for objecting to such Claims or Administrative Claims, provided, however, that the Claims Objection Deadline may be extended by order of the Bankruptcy Court.

9. **Post-Effective Date Notice Procedures.** From and after the Effective Date, if you wish to receive notice of filings in this case, you must request additional notice in writing to the Debtor or Reorganized Debtor, as applicable, or File a request for notice under Bankruptcy Rule 2002 after the Effective Date. You must do this even if you Filed such a notice prior to the Effective Date.

10. **Copies of Plan Related Documents.** Copies of the Confirmation Order and the Plan, together with all pleadings and orders of the Bankruptcy Court in the above-captioned Chapter 11 Case, are publicly available by accessing the Bankruptcy Court’s website, <http://www.deb.uscourts.gov>, for a nominal charge (a PACER account is required), or by accessing the Claims Agent’s website, <https://cases.primeclerk.com/kalobios/Home-Index>, free of charge.

11. **Binding Effect of Plan and Confirmation Order.** The Plan and its provisions are binding upon the Debtor and the Reorganized Debtor, as applicable, and any and all Holders of Claims or Interests (regardless of whether such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the Plan or the Confirmation Order, and any and all non-debtor parties to Executory Contracts and Unexpired Leases with the Debtor. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any holder of a Claim or debt has voted on the Plan.

Dated: June 30, 2016

MORRIS, NICHOLS, ARSHT  
& TUNNELL LLP

-and-

Peter Ivanick, Esq.  
Lynn W. Holbert, Esq.  
John D. Beck, Esq.  
HOGAN LOVELLS US LLP  
875 Third Avenue  
New York, NY 10022  
Telephone: (212) 918-3000  
Facsimile: (212) 918-3100

/s/ Gregory W. Werkheiser  
Eric D. Schwartz (No. 3134)  
Gregory W. Werkheiser (No. 3553)  
Matthew B. Harvey (No. 5186)  
Marcy J. McLaughlin (No. 6184)  
1201 N. Market St., 16<sup>th</sup> Floor  
PO Box 1347  
Wilmington, DE 19899-1347  
Telephone: (302) 658-9200  
Facsimile: (302) 658-3989

*Counsel for Debtor and Debtor-in-Possession*