

UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

In re Nuvelo, Inc. Securities Litigation, Master File No. 07-CV-04056-CRB

NOTICE OF PENDENCY OF AND PROPOSED SETTLEMENT OF CLASS ACTION;
NOTICE OF MOTION FOR AWARD OF ATTORNEYS' FEES AND EXPENSES; AND NOTICE OF COURT HEARING THEREON

If you purchased publicly-traded Nuvelo common stock or call options between January 5, 2006 and December 8, 2006, inclusive (the "Settlement Class Period"), and you suffered losses on those purchases (as defined in the Plan of Allocation set out in response to Question 9 below) and are not otherwise excluded from the Settlement Class (see Question 6 below), you could get a payment from a class action settlement.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Nuvelo Securities and Time Period:

1. Publicly-traded Nuvelo common stock (former ticker symbol: NUVO; current symbol ABIO; CUSIP No. 67072M301) purchased between January 5, 2006 and December 8, 2006, inclusive.
2. Publicly-traded options to purchase Nuvelo stock (call options) purchased between January 5, 2006 and December 8, 2006, inclusive.

Settlement Fund: \$8,916,666.70 in cash plus any interest earned. Your recovery will depend on the timing of your purchases and any sales of Nuvelo securities during the Settlement Class Period. For example, class members cannot recover for losses on Nuvelo common stock that they sold, or for call options that expired or were sold, before the end of the trading day on December 8, 2006. Based on the information currently available to Lead Plaintiffs and the analysis performed by their damage consultants, it is estimated that if Settlement Class Members submit claims for 100% of the shares of Nuvelo common stock eligible to receive distribution under the Plan of Allocation (described below), the estimated average distribution per share will be approximately \$0.26 before deduction of Court-approved fees and expenses, and the cost of notifying members of the Settlement Class and settlement administration. Historically, actual claims rates in similar cases are approximately 50%. Therefore, if Settlement Class Members submit claims for this lower percentage of shares, the estimated average distribution per share will be approximately \$0.52 before deduction of Court-approved fees and expenses, and the cost of notifying members of the Settlement Class and settlement administration. The recovery for options cannot accurately be estimated. A Settlement Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's allowed loss as compared to the total allowed losses of all Settlement Class Members who submit valid Proof of Claim and Release forms ("Proof of Claim").

Reasons for Settlement: Avoids the costs and risks associated with continued litigation, including the danger of no recovery.

If the Case Had Not Settled: Continuing with the case could have resulted in loss at summary judgment, trial or on appeal. The two sides vigorously disagree on both liability and the amount of money that could have been won if Lead Plaintiffs prevailed at trial. The parties disagree about, among other things: (1) the method for determining whether the price of Nuvelo securities was artificially inflated during the relevant period; (2) the amount of any such inflation; (3) whether there was any wrongdoing on the part of Defendants, including whether Defendants acted recklessly or intentionally, and whether Defendants made any misrepresentations and/or omissions as alleged by Plaintiffs; (4) the extent to which the various facts alleged by Lead Plaintiffs influenced the trading price of Nuvelo's securities during the Settlement Class Period; and (5) whether the facts alleged were material, false, misleading or otherwise actionable under the federal securities laws.

Attorneys' Fees and Expenses: Lead Plaintiffs' counsel will ask the Court for attorneys' fees not to exceed 30% of the Settlement Fund and expenses not to exceed \$420,000 to be paid from the Settlement Fund plus interest. Lead Plaintiffs' counsel will also ask the Court to approve awards for the Court-appointed Lead Plaintiffs for their time and expenses incurred in representing the Settlement Class, in a total amount not to exceed \$48,000 for all five Lead Plaintiffs combined. If the above amounts are requested and approved by the Court, the average cost per share will be \$0.09 based on claims being made for 100 percent of the eligible shares under the Plan of Allocation. Plaintiffs' Counsel have not received any payment for their work investigating the facts, prosecuting this Litigation and negotiating this settlement on behalf of the Lead Plaintiffs and the Settlement Class. In addition, there are costs associated with providing notice to the Settlement Class, processing claims and administering the settlement that may amount to an additional \$0.01 per eligible share.

Deadlines:

Submit Claim: July 22, 2011
Request Exclusion: May 11, 2011
File Objection: May 27, 2011

Court Hearing on Fairness of Settlement: June 10, 2011

More Information: www.nuvelo.hrsclaims.com

Claims Administrator:

Nuvelo Securities Litigation
Claims Administrator
Heffler, Radetich & Saitta LLP
P.O. Box 220
Philadelphia, PA 19105-0220

Lead Counsel:

Phyllis M. Parker
Berger & Montague, P.C.
1622 Locust Street
Philadelphia, PA 19103
1-215-875-3000

Jeffrey S. Nobel
Izard Nobel LLP
29 South Main Street, Suite 215
West Hartford, CT 06107
1-860-493-6292

- Your legal rights are affected whether you act, or do not act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to participate in another lawsuit against the Defendants and their Related Parties relating to the legal claims in this case.
OBJECT	You may write to the Court if you do not like this settlement, the motion for attorneys' fees and expenses, the reimbursements of Lead Plaintiffs or the Plan of Allocation.
GO TO A HEARING	You may ask to speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

- These rights and options — **and the deadlines to exercise them** — are explained in this Notice.
- The Court in charge of this case must decide whether to approve the settlement. Payments will be made if the Court approves the settlement and, if there are any appeals, after appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased Nuvelo securities between January 5, 2006 and December 8, 2006, inclusive.

The Court directed that you be sent this Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after any objections or appeals (if there are any) are resolved, the Claims Administrator appointed by the Court will make the payments that the settlement allows.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of California, and the case is known as *In re Nuvelo, Inc. Securities Litigation*, No. 07-cv-04056-CRB. The persons who lead the Litigation, Juan Pablo Cabrera, Frank C. Petronis, Patricia A. Petronis, Todd A. Stephens and Amy A. Stephens, are called Lead Plaintiffs and the company and the individuals they sued are called Defendants.

2. What is this lawsuit about?

Plaintiffs claim that Defendants Nuvelo, Inc. (“Nuvelo” or the “Company”) and its three principal officers violated §§10(b) and 20(a) of the Securities Exchange Act of 1934 by making materially false representations and concealing material facts that deceived investors about the likelihood of success of the Phase 3 clinical trials necessary for FDA approval of Nuvelo’s development stage drug alfinetrapase, a blood clot dissolver, for the treatment of two conditions: (1) Peripheral Arterial Occlusion (“PAO”), also known as “leg attack,” in which blood clots block circulation in the legs; and (2) Catheter Occlusion (“CO”), which is blockage of central venous catheters used to administer drugs and withdraw blood, caused primarily by blood clots, but also due to other causes. In particular, Plaintiffs claim that Defendants: (1) misrepresented facts about the results of the prior PAO trial; (2) misrepresented facts about the design of and expected results in the placebo group in the Phase 3 PAO trial; and (3) misrepresented and concealed facts about the statistical standard that would determine the success of the Phase 3 CO trial. Plaintiffs claim that before the market opened on December 11, 2006, Defendants disclosed that the Phase 3 CO and PAO clinical trials had failed due to the facts Lead Plaintiffs alleged were misrepresented and concealed by Defendants, and that the price of Nuvelo stock price dropped, causing damages to the Settlement Class.

Defendants deny all of Lead Plaintiffs’ allegations and that they did anything wrong. Defendants also deny that Lead Plaintiffs or the Settlement Class suffered damages or that the price of Nuvelo securities was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise.

3. Why is this a class action?

In a class action, one or more persons called class representatives (in this case, the Court-appointed Lead Plaintiffs) sue on behalf of persons who have similar claims. All of these people and/or entities are called a class or class members. One judge resolves the issues for all class members, except for those who exclude themselves from the class.

4. Why is there a settlement?

The Court did not decide in favor of Lead Plaintiffs or Defendants. Instead, the lawyers for both sides of the lawsuit have negotiated a settlement, with the assistance of a highly respected mediator, retired federal judge Layn R. Phillips, that they believe is in the best interests of their respective clients. The settlement allows both sides to avoid the risks and cost of lengthy and uncertain litigation and the uncertainty of a trial and appeals, and permits Settlement Class Members to be compensated without further delay. The Lead Plaintiffs and their attorneys think the settlement is best for all Settlement Class Members.

WHO GETS MONEY FROM THE SETTLEMENT

To see if you will get money from this settlement, you first have to determine if you are a Settlement Class Member.

5. How do I know if I am part of the settlement?

The Settlement Class includes ***all persons who purchased publicly-traded Nuvelo common stock or call options between January 5, 2006 and December 8, 2006, inclusive, and who suffered losses on those purchases.***

6. Are there exceptions to being included in the Settlement Class?

Yes. Defendants, officers and directors of Nuvelo, members of their immediate families and their legal representatives, heirs, successors and assigns, and any entity in which Defendants have or had a controlling interest, are excluded from the Settlement Class. Also excluded from the Settlement Class are those Persons who timely and validly request exclusion from the Settlement Class pursuant to this Notice of Pendency of and Proposed Settlement of Class Action.

7. I’m still not sure if I am included.

If you still are not sure whether you are included, you can ask for free help. You can call 1-800-528-7199 or visit www.nuvelo.hrsclaims.com for more information; or, you can call Phyllis M. Parker at 1-215-875-3000 or Jeffrey S. Nobel at 1-860-493-6292 for more information; or you can fill out and return the claim form described in Question 10 to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the settlement provide?

Defendants have agreed to pay \$8,916,666.70 in cash, which, together with all interest earned thereon, is referred to as the “Settlement Fund.” The Settlement Fund, less costs, fees and expenses (the “Net Settlement Fund”), will be divided among all eligible Settlement Class Members who send in valid claim forms (“Authorized Claimants”). Costs, fees and expenses include Court-approved attorneys’ fees and expenses, the costs of notifying Settlement Class Members, including the costs of printing and mailing this Notice, the cost of publishing newspaper notice and the costs of claims administration.

9. How much will my payment be?

Your share of the Net Settlement Fund will be determined in accordance with the proposed Plan of Allocation set forth below and will depend on the total number of shares represented by all valid Proof of Claim Forms that members of the Settlement Class submit, how many shares of Nuvelo common stock or call option contracts you purchased and/or acquired, the price you paid when you purchased and/or acquired those shares or call options, and if and when you sold those shares or call options.

The Basis for the Calculation of Your Recognized Loss and the Proposed Plan of Allocation:

The proposed Plan of Allocation reflects the proposition that the price of Nuvelo common stock and call options was artificially inflated by reason of Defendants’ allegedly false and misleading statements from the beginning of the Settlement Class Period on January 5, 2006 through the end of the Settlement Class Period on December 8, 2006, and that Defendants made a corrective disclosure before the market opened on December 11, 2006. Under the Supreme Court’s decision in *Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S. 336 (2005) and other precedents, only shares and call options purchased during the Settlement Class Period and held at the time of the corrective disclosure have suffered damages that are recoverable under the federal securities laws because only those losses were proximately caused by corrective disclosures relating to Defendants’ prior misleading statements. Therefore, only shares of stock or call options held at the close of trading on December 8, 2006 will be included in calculating the Recognized Loss.

The Plan of Allocation provides that you will be eligible to participate in the *pro rata* distribution of the Net Settlement Fund only if you purchased or otherwise acquired shares of Nuvelo common stock or call options during the Settlement Class Period and held those shares or call options through the end of the Settlement Class Period (“Eligible Securities”).

The Claims Administrator will determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Loss.” A Recognized Loss is not intended to be an estimate of what you might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation may be modified in connection with, among other things, a ruling by the Court without further notice to the Settlement Class.

An Authorized Claimant’s “Payable Claim” is determined by dividing the Net Settlement Fund by the total Recognized Loss sustained by all Authorized Claimants. The resulting fraction, or payout percentage, is then multiplied by each Authorized Claimant’s Recognized Loss to determine the amount of each Claimant’s Payable Claim subject to the further limitations below. Because the amount of your recovery will depend on the total number of Eligible Securities held by all Members of the Settlement Class who submit valid claims, we cannot tell you what your recovery will be until the claims administration process has been completed.

A “Recognized Loss” will be calculated as follows:

For Shares of Nuvelo Common Stock Purchased Between January 5, 2006 and December 8, 2006, inclusive:

1. For any shares sold on or before December 8, 2006, the Recognized Loss is zero.
2. For any shares held at the close of trading on December 8, 2006 and sold on December 11, 2006, the Recognized Loss is the difference between the purchase price, but not more than \$19.50 per share, and the selling price on December 11, 2006.
3. For any shares held at the close of trading on December 8, 2006, which were not sold on December 11, 2006, the Recognized Loss is the difference between the purchase price and \$4.05 (the closing price of Nuvelo common stock on December 11, 2006), but not to exceed \$15.50 per share (the difference between the \$19.55 closing price of Nuvelo common stock on December 8, 2006 and \$4.05 closing price on December 11, 2006).

IF YOU HAVE ANY QUESTIONS, CONTACT THE CLAIMS ADMINISTRATOR TOLL-FREE AT 1-800-528-7199, OR VISIT WWW.NUVELO.HRSCLAIMS.COM

For Options to Purchase Nuvelo Common Stock (“Call Options”) that were Purchased Between January 5, 2006 and December 8, 2006, inclusive:

1. For any options to purchase Nuvelo stock (call options) that were exercisable (open) at the close of trading on December 8, 2006, the Recognized Loss is the smaller of either: (a) the purchase price of those call options or (b) the closing market bid price for such calls on December 8, 2006.
2. A claimant’s Recognized Loss for (a) any call option sold or expired on or before December 8, 2006, or (b) any put option contracts, is zero.
3. The combined recovery for the call options shall not exceed 5% of the Net Settlement Fund.

General Provisions Applicable to the Plan of Allocation:

All per share prices and amounts in this Notice and the calculation of Recognized Losses under the Plan of Allocation apply to actual shares and prices in effect during 2006, without adjustment for the 1-for-20 reverse stock split that took effect after the market closed on January 26, 2009 in connection with the merger of Nuvelo and ARCA biopharma, Inc.

The date of purchase or sale of any Nuvelo securities is the “contract” or “trade” date as distinguished from the “settlement” date.

The price per share or per option contract, paid or received, should exclude all commissions, taxes and fees.

The restrictions on computing Recognized Losses set out in the 3 bullet points below apply to all claims. As a practical matter, however, they apply primarily to certain transactions engaged in by sophisticated traders or certain corporate or institutional claimants:

- “Short” sales will not be recognized for any amount of loss on the cover or purchase transaction, and no Recognized Loss will be computed for any such covering purchase transaction.
- No Recognized Loss will be computed for any transactions in Nuvelo common shares or Nuvelo call options engaged in by market makers.
- In computing the Recognized Loss on any Nuvelo common shares, no Recognized Loss will be computed for any option premium paid, or received where the shares of Nuvelo were purchased or sold by reason of having exercised or been assigned an option.

If you inherited or received a gift of Nuvelo securities (stock or call options) during the Settlement Class Period, that inheritance or gift is not considered a purchase of Nuvelo securities unless your ancestor or donor was the actual purchaser of Nuvelo securities during the Settlement Class Period. You, as a recipient of a gift or inheritance, and the original purchaser may not both file a claim with regard to the same shares of Nuvelo stock or same Nuvelo call options. If both you and the donor (or you and your ancestor’s estate) make such a claim, only the claim filed by the recipient (or heir) will be honored.

Shares or call options “transferred into”, “delivered into” or “received into” the claimant’s account, will not be considered as a purchase of shares unless the claimant submits documentation demonstrating that the original purchase of these shares or call options occurred during the Settlement Class Period. Also, shares or call options purchased and subsequently “transferred out” or “delivered out” of claimant’s account will not be considered part of claimant’s claim, as the right to file for those shares or options belongs to the person or party receiving the shares or options.

In the interest of economy, no payment will be made to any Authorized Claimant whose Payable Claim would be less than \$10.00 based on the initial allocation of the Net Settlement Fund to the Authorized Claimants.

For Settlement Class Members who held Nuvelo securities at the beginning of the Settlement Class Period or made multiple purchases or sales during the Settlement Class Period, the first-in, first-out (“FIFO”) method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of Nuvelo securities during the Settlement Class Period will be matched against the same type of security, in chronological order, first against securities held at the beginning of the Settlement Class Period. The remaining sales of securities during the Settlement Class Period will then be matched, in chronological order, against securities purchased during the Settlement Class Period.

The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Settlement Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Lead Plaintiffs, Plaintiffs’ Counsel, any claims administrator or other Person designated by Lead Counsel or Defendants and/or their Related Parties and/or their counsel based on distributions made substantially in accordance with the Stipulation and the settlement contained therein, the Plan of Allocation, or further orders of the Court. All Settlement Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

10. How will I get a payment?

To qualify for a payment, you must send in a claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than July 22, 2011.

11. When would I get my payment?

The Court will hold a hearing on June 10, 2011, at 10:00 a.m., to decide whether to approve the settlement. If Judge Breyer approves the settlement, there may be appeals. It is always uncertain whether these appeals can be resolved favorably, and resolving them can take time, perhaps more than a year. It also takes time for all the claim forms to be processed. If there are no appeals and depending on the number of claims submitted, the Claims Administrator could distribute the Net Settlement Fund as early as 12 months after the fairness hearing. Please be patient.

12. What am I giving up to get a payment or stay in the Settlement Class?

Unless you exclude yourself, you are staying in the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the same issues in this case or about issues that could have been asserted in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your Released Claims in this case against the Defendants. "Released Claims" means all rights, demands, claims (including "Unknown Claims" as defined in the Stipulation) and causes of action of every nature and description, in law or equity, accrued or unaccrued, and whether known or unknown, and whether arising under federal, state, common or foreign law, that Lead Plaintiffs or any member of the Settlement Class asserted, or could have asserted, arising out of, or relating to the purchase of Nuvelo securities during the Settlement Class Period, and the facts, matters, allegations, transactions, events, disclosures, statements, acts or omissions that were alleged or could have been alleged in the Litigation.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep the right to sue or continue to sue the Defendants on your own about the same issues in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself or is sometimes referred to as opting out of the Settlement Class. Persons who exclude themselves from the Settlement Class will not share in the Net Settlement Fund.

13. How do I get out of the Settlement Class?

To exclude yourself from the Settlement Class, you must send a letter by mail stating that you want to be excluded from *In re Nuvelo, Inc. Securities Litigation*, No. 07-cv-04056-CRB. You must include your name, address, telephone number, your signature, and the number of shares of Nuvelo securities you held as of January 5, 2006, the number of shares you purchased or sold between January 5, 2006 to December 8, 2006, and the dates and prices of such Settlement Class Period purchases or sales. You must mail your exclusion request postmarked no later than May 11, 2011 to:

Nuvelo Securities Litigation
EXCLUSIONS
Claims Administrator
Heffler, Radetich & Saitta LLP
P.O. Box 220
Philadelphia, PA 19105-0220

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit.

14. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this settlement resolves. Remember, the exclusion deadline is May 11, 2011.

15. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money. Once you exclude yourself, you will receive no cash payment even if you also submit a claim form.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firms of Berger & Montague, P.C. and Izard Nobel LLP to represent you and other Settlement Class Members. These lawyers are called Lead Counsel. The Court also appointed Robbins Geller Rudman & Dowd LLP as Liaison Counsel. These lawyers will apply to the Court for payment from the Settlement Fund; you will not otherwise be charged for their work. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

At the fairness hearing, Lead Plaintiffs' counsel will request the Court to award attorneys' fees of up to 30% of the Settlement Fund and for expenses up to \$420,000, which were incurred in connection with the Litigation. In addition, the Court-appointed Lead Plaintiffs will request reimbursement of their time and expenses incurred in representing the Settlement Class, in a total amount not to exceed \$48,000 for all five Lead Plaintiffs combined. If awarded, the total cost would be \$0.09 per share (based on claims being made for 100 percent of the eligible shares under the Plan of Allocation). This compensation will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. To date, Lead Counsel have not received any payment for their services in conducting this Litigation on behalf of the Lead Plaintiffs and the Settlement Class, nor have counsel been paid for their expenses. The fee requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement Fund. The Court may award less than the amount requested by Lead Plaintiffs and their counsel.

OBJECTING TO THE SETTLEMENT OR MOTION FOR ATTORNEYS' FEES

You can tell the Court that you do not agree with the settlement or the motion for attorneys' fees.

18. How do I tell the Court that I do not like the settlement or motion for attorneys' fees and expenses or some part of it?

If you are a Settlement Class Member (and you have not excluded yourself), you can object to the settlement, the motion for attorneys' fees and expenses, the reimbursements to Lead Plaintiffs or the Plan of Allocation. You can give reasons why you think the Court should not approve the settlement, the request for attorneys' fees and expenses, the reimbursements to Lead Plaintiffs or the Plan of Allocation. The Court will consider your views. To object, you must send a signed letter saying that you object to the proposed settlement in *In re Nuvelo, Inc. Securities Litigation*, No. 07-cv-04056-CRB. Be sure to include your name, address, telephone number, your signature, the number of shares of Nuvelo securities purchased between January 5, 2006 and December 8, 2006, and the reasons you object to the settlement, the requested attorneys' fees and expenses, the reimbursements to Lead Plaintiffs or the Plan of Allocation. Any such objection must be mailed or delivered such that it is received by each of the following no later than May 27, 2011:

Clerk of the Court United States District Court For the Northern District of California 450 Golden Gate Avenue San Francisco, CA 94102	IZARD NOBEL LLP Jeffrey S. Nobel 29 South Main Street Suite 215 West Hartford, CT 06107	BERGER & MONTAGUE, P.C. Phyllis M. Parker 1622 Locust Street Philadelphia, PA 19103	COOLEY LLP Jessica Valenzuela Santamaria Five Palo Alto Square 3000 El Camino Real Palo Alto, CA 94306-2155
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19. What is the difference between objecting and excluding myself from the settlement?

Objecting is telling the Court that you do not like something about the proposed settlement, the motion for attorneys' fees or the Plan of Allocation. You can object **only** if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer applies to you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed settlement, the motion for attorneys' fees and expenses, the reimbursement of the Lead Plaintiffs and the Plan of Allocation. You may attend, but you do not have to.

20. When and where will the Court decide whether to approve the settlement?

The Court will hold a hearing at 10:00 a.m. on June 10, 2011, at the United States District Court for the Northern District of California, Courtroom 8, 450 Golden Gate Avenue, San Francisco, California. At this hearing, the

Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court will also decide whether to approve the payment of fees and expenses to Lead Counsel including the reimbursement of Lead Plaintiffs and the Plan of Allocation. We do not know how long the hearing will take or whether the Court will make its decision on the day of the hearing or sometime later.

21. Do I have to come to the hearing?

No. Lead Counsel will answer questions the Judge may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but you are not required to do so.

22. May I speak at the hearing?

You may ask the Court for permission to speak at the hearing. To do so, you must send a letter saying that it is your intention to appear in *In re Nuvelo, Inc. Securities Litigation.*, No. 07-cv-04056-CRB. Be sure to include your name, address, telephone number, your signature, and the number of Nuvelo securities purchased between January 5, 2006 to December 8, 2006. Your notice of intention to appear must be received no later than May 27, 2011 by the Clerk of the Court, Lead Counsel, and Defendants' counsel, at the addresses listed in Question 18. You cannot speak at the hearing if you exclude yourself from the Settlement Class.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will get no money from this settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the Related Parties about the same issues in this case.

GETTING MORE INFORMATION

24. Are there more details about the settlement?

This Notice summarizes the proposed settlement. More details are in the Stipulation of Settlement dated February 25, 2011, which has also been filed with the Court. You can get a copy of the Stipulation of Settlement from the Clerk's office at the United States District Court for the Northern District of California, 450 Golden Gate Avenue, 16th Floor, San Francisco, CA 94102, during regular business hours, or at www.nuvelo.hrsclaims.com.

25. How do I get more information?

You can call 1-800-528-7199 or write to a representative of Lead Plaintiffs' counsel, Jeffrey S. Nobel, IZARD Nobel LLP, 29 South Main Street, Suite 215, West Hartford, CT 06107, 1-860-493-6292, Phyllis M. Parker, BERGER & MONTAGUE, P.C., 1622 Locust Street, Philadelphia, PA 19103, 1-215-875-3000, or visit the Claims Administrator's website at www.nuvelo.hrsclaims.com. ***Please do not call the Court or the Clerk of the Court for additional information about the settlement.***

26. Special notice to nominees

If you held any publicly-traded Nuvelo common shares or call options ("Nuvelo securities") purchased between January 5, 2006 and December 8, 2006, inclusive as a nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Nuvelo Securities Litigation
Claims Administrator
Heffler, Radetich & Saitta LLP
P.O. Box 220
Philadelphia, PA 19105-0220

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: April 8, 2011

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

IF YOU HAVE ANY QUESTIONS, CONTACT THE CLAIMS ADMINISTRATOR TOLL-FREE AT 1-800-528-7199, OR VISIT WWW.NUVELO.HRSCLAIMS.COM