

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

PROOF OF CLAIM AND RELEASE FORM

I. GENERAL INSTRUCTIONS

(i) To recover as a member of the Class based on your claims in the action entitled *In re Nuvelo, Inc. Securities Litigation*, No. 07-cv-04056-CRB (the "Litigation"), you must complete and, on page 15 hereof, sign this Proof of Claim and Release. If you fail to file a properly addressed (as set forth in paragraph iii below) Proof of Claim and Release, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed settlement of the Litigation.

(ii) Submission of this Proof of Claim and Release, however, does not guarantee that you will share in the proceeds of the settlement of the Litigation.

(iii) YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE JULY 22, 2011 ADDRESSED AS FOLLOWS:

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

If you are NOT a member of the Class (as defined below and in the Notice of Pendency of Proposed Settlement of Class Action ("Notice")) DO NOT submit a Proof of Claim and Release form.

(iv) If you are a member of the Class and you did not timely request exclusion in connection with the proposed settlement, you are bound by the terms of any judgment entered in the Litigation, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE.

II. DEFINITIONS

(i) "Nuvelo" means Nuvelo, Inc. and its parents, subsidiaries, divisions, affiliates, predecessors, and successors.

(ii) "Settlement Class" means 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. Excluded from the Settlement Class are 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. Also excluded from the Settlement Class are those Persons who timely and validly request exclusion from the Settlement Class pursuant to the Notice of Pendency of Proposed Settlement of Class Action.

(iii) "Defendants" means Nuvelo, Ted W. Love, Gary S. Titus and Michael D. Levy.

(iv) "Related Parties" means, with respect to each Defendant, the immediate family members, heirs, executors, administrators, successors, assigns, present and former employees, officers, directors, attorneys, assigns, legal representatives, accountants, insurers, reinsurers, and agents of each of them, and any person or entity which is or was related to or affiliated with any Defendant or in which any Defendant has or had a controlling interest and the present and former parents, subsidiaries, divisions, affiliates, predecessors, successors, employees, officers, directors, attorneys, assigns, legal representatives, insurers, reinsurers, and agents of each of them.

III. CLAIMANT IDENTIFICATION

If you purchased Nuvelo common stock or call options and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased Nuvelo common stock or call options and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

Use Part I of this form entitled "Claimant Identification" to identify each purchaser of record ("nominee"), if different from the beneficial purchaser of the Nuvelo common stock or call options which form the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OF THE NUVELO SECURITIES UPON WHICH THIS CLAIM IS BASED.

All joint purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

IV. CLAIM FORM

Use Parts II and III of this form entitled “Schedule of Transactions in Publicly-Traded Nuvelo Stock” and “Schedule of Transactions in Call Options to Purchase Nuvelo Stock” to supply all required details of your transaction(s) in Nuvelo securities. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

On the schedules, provide all of the requested information with respect to **all** of your purchases of publicly-traded Nuvelo common stock or call options that took place at any time between January 5, 2006 and December 8, 2006 (the “Settlement Class Period”) and **all** of your sales of publicly-traded Nuvelo common stock or call options that took place at any time between January 5, 2006 and December 8, 2006, whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to **all** of the publicly-traded Nuvelo common stock or call options you held at the beginning of trading on January 5, 2006, and at the close of trading on December 8, 2006 and at the close of trading on December 11, 2006. Failure to report all such transactions may result in the rejection of your claim.

List each transaction in the Settlement Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

The date of covering a “short sale” is deemed to be the date of purchase of Nuvelo common stock. The date of a “short sale” is deemed to be the date of sale of Nuvelo common stock.

No Recognized Loss will be computed for any transactions in Nuvelo common shares or Nuvelo call options engaged in by market makers.

Copies of broker confirmations or other documentation of your transactions in Nuvelo securities, including the number of shares or call options held, should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

PART II: SCHEDULE OF TRANSACTIONS IN PUBLICLY-TRADED NUVELO STOCK

Separately list each of your applicable purchases or sales in Nuvelo common stock below. Attach a separate schedule if more space is needed. **Be sure to include and sign your name and the last four digits of your Social Security number or Tax ID number on any additional sheets.** The date of purchase or sale is the “trade” or “contract” date, and not the “settlement” or “payment” date.

A. Number of shares of publicly-traded Nuvelo common stock held at the beginning of trading on January 5, 2006 (must be documented): _____

B. Purchases (January 5, 2006 - December 8, 2006, inclusive) of Nuvelo common stock (must be documented):

| | Trade Date (List Chronologically) (Month / Day / Year) | Number of Shares Purchased | Purchase Price Per Share of Common Stock | Total Purchase Price (excluding commissions, taxes and fees) |
|----|--|----------------------------|--|--|
| 1. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 2. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 3. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 4. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 5. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 6. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |

Total shares of Nuvelo common stock purchased between January 5, 2006 and December 8, 2006, inclusive: □□□□□□□□.

IMPORTANT: Identify by number listed above all purchases in which you covered a “short sale”: _____.

C. Sales (January 5, 2006 – December 11, 2006, inclusive) of Nuvelo common stock (must be documented):

| | Trade Date (List Chronologically) (Month / Day / Year) | Number of Shares Sold | Sale Price Per Share of Common Stock | Total Sales Price (excluding commissions, taxes and fees) |
|----|--|-----------------------|--|---|
| 1. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 2. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 3. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 4. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 5. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |
| 6. | □/□/□ | □□□□ | □□□□.□□ | \$□□□□□□.□□ |

Total shares of Nuvelo common stock sold between January 5, 2006 and December 11, 2006, inclusive: □□□□□□□□.

D. Number of shares of Nuvelo common stock held at the close of trading on December 8, 2006 (must be documented): _____.

E. Number of shares of Nuvelo common stock held at the close of trading on December 11, 2006 (must be documented): _____.

PART III: SCHEDULE OF TRANSACTIONS IN CALL OPTIONS TO PURCHASE NUVELO STOCK

Separately list each of your applicable purchases or sales in Nuvelo call options below. Attach a separate schedule if more space is needed. **Be sure to include and sign your name and the last four digits of your Social Security number or Tax ID number on any additional sheets.** The date of purchase or sale is the "trade" or "contract" date, and not the "settlement" or "payment" date.

A. **BEGINNING POSITION:** At the end of the day on January 5, 2006, I owned the following call options of Nuvelo securities (must be documented):

| Strike Price | Expiration Date (Month Year) (e.g. March 2007) | Number of Contracts | Insert an "E" if Exercised or an "X" if Expired | Exercise Date (Month/Day/Year) |
|--------------------------------|--|------------------------|---|-----------------------------------|
| \$ [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] |
| \$ [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] |
| \$ [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] |

B. **PURCHASES:** I made the following purchases of call options of Nuvelo securities between **January 5, 2006 and December 8, 2006**, inclusive (must be documented):

| Date of Purchase (List Chronologically) (Month/Day/Year) | Strike Price | Expiration Date (Month Year) (e.g. March 2007) | Number of Contracts | Purchase Price per Contract | Amount Paid (excluding commissions, taxes, and fees) | Insert an "E" if Exercised or an "X" if Expired | Exercise Date (Month/Day/Year) |
|--|--------------------------------|--|------------------------|--------------------------------|--|---|-----------------------------------|
| [][]/[][]/[][] | \$ [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] [][] | [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] |
| [][]/[][]/[][] | \$ [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] [][] | [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] |
| [][]/[][]/[][] | \$ [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] [][] | [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] |

C. **SALES:** I made the following sales (including short sales) of call options of Nuvelo securities between January 5, 2006 and December 8, 2006, inclusive (must be documented):

| Date of Sale (List Chronologically) (Month/Day/Year) | Strike Price | Expiration Date (Month Year) (e.g. March 2007) | Number of Contracts | Sale Price per Contract | Amount Received (excluding commissions, taxes, and fees) |
|--|--------------------------------|--|------------------------|-----------------------------|--|
| [][]/[][]/[][] | \$ [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] [][] | [][] [][] [][] [][] |
| [][]/[][]/[][] | \$ [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] [][] | [][] [][] [][] [][] |
| [][]/[][]/[][] | \$ [][] [][] [][] [][] | [][] [][] [][] | [][] [][] [][] | [][] [][] [][] [][] | [][] [][] [][] [][] |

D. **ENDING HOLDINGS:** Number of Nuvelo call options contracts still open/not expired at close of trading on December 8, 2006 (must be documented):

| Number of Call Option Contracts | Strike Price of Options | Expiration Date (List Chronologically) (Month/Day/Year) |
|------------------------------------|--------------------------------|---|
| [][] [][] [][] [][] | \$ [][] [][] [][] [][] | [][]/[][]/[][] |
| [][] [][] [][] [][] | \$ [][] [][] [][] [][] | [][]/[][]/[][] |
| [][] [][] [][] [][] | \$ [][] [][] [][] [][] | [][]/[][]/[][] |

YOU MUST READ THE RELEASE. YOUR SIGNATURE ON PAGE 15 WILL CONSTITUTE YOUR ACKNOWLEDGMENT OF THE RELEASE.

V. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Proof of Claim and Release under the terms of the Stipulation of Settlement described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Northern District of California, San Francisco Division, with respect to my claim as a Settlement Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I (we) am bound by and subject to the terms of any judgment that may be entered in the Litigation. I (We) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so. I (We) have not submitted any other claim covering the same purchases or sales of Nuvelo securities during the Settlement Class Period and know of no other person having done so on my (our) behalf.

VI. RELEASE

(i) I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release and discharge from the Released Claims each and all of the “Released Persons,” defined as each and all of Defendants and each and all of their Related Parties.

(ii) “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 Settlement Class Member 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.

(iii) “Unknown Claims” means all claims, demands, rights, liabilities, and causes of action of every nature and description which any Lead Plaintiff or any Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Lead Plaintiffs shall expressly waive, and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment shall have waived, the provisions, rights and benefits of California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Lead Plaintiffs shall expressly waive and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. The Lead Plaintiffs and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but the Lead Plaintiffs shall expressly fully, finally and forever settle and release, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Lead Plaintiffs acknowledge, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part.

(iv) This release shall be of no force or effect unless and until the Court approves the Stipulation of Settlement and the Stipulation becomes effective on the Effective Date (as defined in the Stipulation).

(v) I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

(vi) I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in Nuvelo securities which occurred during the Settlement Class Period as well as the number of shares of Nuvelo securities held by me (us) at the beginning of trading on January 5, 2006, at the close of trading on December 8, 2006, and at the close of trading on December 11, 2006.

(vii) I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.

Note: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above and check here .

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____
(Month/Year)

in _____
(City) (State/Country)

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Sign your name here)

(Type or print your name here)

(Joint Owner—Sign your name here)

(Joint Owner—Type or print your name here)

(Capacity of person(s) signing,
e.g., Beneficial Purchaser or Acquirer,
Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and declaration.
2. Remember to attach copies of supporting documentation.
3. Do not send original stock certificates.
4. Keep a copy of your claim form for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send us your new address.

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PLEASE FORWARD

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE