

CANADA  
PROVINCE OF QUÉBEC

SUPERIOR COURT  
(Commercial Division)  
(Sitting as a designated Court pursuant to  
the *Companies' Creditors Arrangement  
Act*)

DISTRICT OF MONTRÉAL  
No.: 500-11-038490-104

IN THE MATTER OF THE PLAN OF  
ARRANGEMENT AND COMPROMISE OF:

CONJUCHEM BIOTECHNOLOGIES INC.

Petitioner

-and-

RSM RICHTER INC.

Monitor

**PETITION TO ESTABLISH A CLAIMS PROCESS**  
(Sections 9, 10, 11 and 12 of the *COMPANIES' CREDITORS ARRANGEMENT ACT*  
("CCAA"))

TO THE HONOURABLE CHANTAL CORRIVEAU, SCJ OR TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:

1. On February 26, 2010, this Court issued an order (the "**Initial Order**") pursuant to Section 11.02 of the CCAA in respect of ConjuChem Biotechnologies Inc. (the "**Petitioner**") declaring and/or ordering, *inter alia*:
  - (a) that the Petitioner is a company to which the CCAA applies;
  - (b) an initial stay of proceedings in respect of the Petitioner up to and including March 19, 2010 (the "**Stay Termination Date**") (as defined in the Initial Order);
  - (c) appointing RSM Richter Inc. as monitor (the "**Monitor**");
2. The Stay Termination Date was extended by subsequent orders to May 21, 2010;
3. Petitioner is now seeking from this Court an order to establish a claims process for the determination of the claims of creditors, as set out in the conclusions hereof;
4. Petitioner respectfully requests from this Court that, *inter alia*:
  - (a) the Claims Bar Date be set to May 31, 2010;
  - (b) the Monitor be given the power to accept, reject or revise proofs of claims filed by creditors, for both voting and distribution purposes;

5. The order sought by Petitioner is necessary to ensure that the process leading to the filing and, as the case may be, to the approving by Petitioner's creditors of a plan of arrangement, be clear, efficient as well as equitable and just for all stakeholders;

**FOR THESE REASONS, MAY THE COURT RENDER THE FOLLOWING ORDERS:**

**Service**

- [1] **ORDER** that the *Petition to establish a claims process* (the "**Petition**") filed by the Petitioner is properly presentable today and that the time for service of the Petition be abridged;

**Definitions**

- [2] **ORDER** that the following terms in the present order (the "**Order**") shall, unless otherwise indicated, have the following meanings ascribed thereto:
- (a) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
  - (b) "**Business Day**" means a day, other than a Saturday, a Sunday or a non-judicial day (as defined in article 6 of the *Code of Civil Procedure*, R.S.Q., c. C-25, as amended);
  - (c) "**CBCA**" means the *Canada Business Corporations Act*, R.S.C., 1985 c. C-44, as amended;
  - (d) "**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
  - (e) "**CCAA Proceedings**" means the proceedings in respect of the Petitioner before the Court commenced pursuant to the CCAA;
  - (f) "**Claim**" means any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind of the Petitioner owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Petitioner become bankrupt on the Determination Date, and, without limitation, shall include any Restructuring Claim, provided however that that in no case shall a Claim include an Excluded Claim;
  - (g) "**Claims Bar Date**" means 5:00 p.m. (Montréal time) on May 31, 2010;
  - (h) "**Court**" means the Québec Superior Court (Commercial Division);

- (i) **“Creditor”** means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person and includes a Known Creditor. A Creditor shall not include an Excluded Creditor in respect of that Person’s claim resulting from an Excluded Claim;
- (j) **“Creditors’ Instructions”** means the instructions for Creditors, including a Proof of Claim and an instruction letter explaining how to complete same;
- (k) **“Creditors’ List”** means a list of all Known Creditors;
- (l) **“Creditors’ Meeting”** means the meeting of the Petitioner’s Creditors to be convened for the purposes of voting on the Plan, and any adjournment thereof;
- (m) **“Debenture”** means a debenture, a note or other evidence of indebtedness issued pursuant to the Debenture Indenture, including any debentures validly issued in substitution or replacement thereof;
- (n) **“Debentureholders”** means a registered or beneficial holder of a Debenture;
- (o) **“Debenture Trustee”** means a trustee in respect of any issue of Debenture;
- (p) **“Debenture Indenture”** means the indenture dated as of December 13, 2007 between ConjuChem Biotechnologies Inc. as Issuer and Computershare Trust Company of Canada, as Debenture Trustee;
- (q) **“Designated Newspapers”** means La Presse and The Gazette;
- (r) **“Determination Date”** means February 26, 2010;
- (s) **“Excluded Claim”** means any claim which cannot be compromised under the terms of the CCAA and any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind which came into existence after the Determination Date (except for Restructuring Claims) and any interest thereon, including any obligation of the Petitioner toward creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Petitioner after the Determination Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds after the Determination Date and to the extent that such claims are not otherwise affected by the Plan;
- (t) **“Excluded Creditor”** means a Person having a Claim in respect of an Excluded Claim but only in respect of such Excluded Claim and to the extent the Plan does not otherwise affect such Claim;
- (u) **“Initial Order”** means the order of this Court made on February 26, 2010 under the CCAA;

- (v) **“Known Creditor”** means a Creditor whose Claim is included in the Petitioner’s books and records and includes, without limitation, the Debenture Trustee;
- (w) **“Monitor”** means RSM Richter Inc., in its capacity as monitor appointed pursuant to the Initial Order;
- (x) **“Newspaper Notice”** means the notice of this Order to be published in the Designated Newspapers on the Publication Date in accordance with paragraph [3], which shall set out the Claims Bar Date and the Creditors’ Instructions;
- (y) **“Notice of Revision or Disallowance”** means the notice referred to in paragraph [12] hereof, advising a Creditor that the Monitor has revised or rejected all or part of such Creditor’s Claim set out in its Proof of Claim and setting out the reasons for such revision or disallowance;
- (z) **“Person”** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;
- (aa) **“Plan”** means a plan to be filed by the Petitioner pursuant to the CCAA, as such plan may be amended or supplemented from time to time;
- (bb) **“Proof of Claim”** means the form of Proof of Claim for Creditors referred to in paragraphs [6], [12], [8], [10], [11] and [12] hereof;
- (cc) **“Proven Claim”** means the amount of any Claim of any Creditor determined in accordance with the provisions of the CCAA and this Order, and proven by delivering a Proof of Claim to the Monitor;
- (dd) **“Publication Date”** means the date on which the publication of the Newspaper Notice in all of the Designated Newspapers has been completed;
- (ee) **“Restructuring Claim”** means any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the restructuring, repudiation, termination, disclaimer or rescission on or after the Determination Date, of any contract, lease, employment agreement, collective agreement or other agreement, whether written or oral, provided that such Person receives a notice of repudiation, termination, disclaimer or rescission from the Petitioner on or before May 5, 2010, provided however that a Restructuring Claim shall not include an Excluded Claim;
- (ff) **“Restructuring Claims Bar Date”** means 5:00 p.m. (Montreal time) on June 3, 2010;
- (gg) **“Sanction Hearing”** means a hearing before the Court to seek the approval of the Plan;
- (hh) **“Voting Claim”** of a Creditor means the Proven Claim of the Creditor unless the Proven Claim of the Creditor is not finally determined at the time of

the Creditors' Meeting, in which case it means the Claim of the Creditor which is accepted for voting purposes in accordance with the provisions of this Order, the Plan and the CCAA;

### **General Procedure**

- [3] **ORDER** that the Newspaper Notice shall be published by the Monitor in the Designated Newspapers as soon as possible following the issuance of this Order, but in any event no later than May 6, 2010;
- [4] **ORDER** that the Monitor shall publish on its website on or before May 1, 2010, a copy of this Order, of the Creditors' List and of the Creditors' Instructions;
- [5] **ORDER** that, in addition to the publication referred to in paragraph [4], the Monitor shall send a copy of this Order and of the Creditors' Instructions, by regular mail, to (i) each Known Creditor at the last known address for each Known Creditor on the Petitioner's books and records as soon as practicable and no later than May 1<sup>st</sup>, 2010, (ii) each Creditor with a Restructuring Claim that arose prior to the date of this Order as soon as practicable and in no event later than May 1<sup>st</sup>, 2010, (iii) each Creditor with a Restructuring Claim that arises after the date of this Order, as soon as practicable after any such Restructuring Claim arises, but no later than May 5, 2010, (iv) any Person claiming to be a Creditor and requesting such material, as soon as practicable following receipt of a request therefore;

### **Claims Procedure**

- [6] **ORDER** that any Person asserting a Claim, including a Restructuring Claim which arose before the date of this Order, against the Petitioner, shall file with the Monitor a Proof of Claim on/or before the Claims Bar Date;
- [7] **ORDER** that any Person asserting a Restructuring Claim which arises after the date of this Order against the Petitioner shall file with the Monitor a Proof of Claim on/or before the Restructuring Claims Bar Date;
- [8] **ORDER** that the Debenture Trustee shall be authorized to file with the Monitor a Proof of Claim on behalf of the Debentureholders on/or before the Claims Bar Date in respect of the Debentures for which the Debenture Trustee acts. In this regard, the process herein for identifying and quantifying Claims will apply to Claims pursuant to Debentures on an aggregate basis and Debentureholders are not required to (but are otherwise entitled to file) file individual Proofs of Claim in respect of Claims pursuant to their Debentures;
- [9] **ORDER** that the process for determining each individual Debentureholder's Claim for voting and/or distribution purposes will be established by further order of this Court;
- [10] **ORDER** that subject to paragraph [8] with respect to Claims pursuant to Debentures, any Person asserting a Claim shall include any and all Claims it asserts against the Petitioner in a single Proof of Claim;

- [11] **ORDER** that, subject to paragraph [8] with respect to Claims pursuant to Debentures, any Creditor who does not file a Proof of Claim as provided for in paragraphs [6],[7],[8] and [10] hereof so that such Proof of Claim is received by the Monitor on/or before the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, or such later date as the Monitor and the Petitioner may agree in writing or this Court may otherwise ordered:
- (a) shall be and is hereby forever barred from making or enforcing any Claim(s) against the Petitioner and the Claim(s) shall e forever extinguished;
  - (b) shall not be entitled to any further notice; and
  - (c) shall not be entitled to participate as a Creditor in these proceedings.
- [12] **ORDER** that the following procedure shall apply where a Creditor files a Proof of Claim on or before the Claims Bar Date or the Restructuring Claims Bar Date, as the case may be:
- (a) the Monitor, together with the Petitioner, shall review the Proof of Claim to decide whether to accept, revise or disallow the amount of the Claim for voting and distribution purposes. Together with the Petitioner, the Monitor may attempt to consensually resolve the amount of any Claim with the Creditor or, where applicable, the Monitor shall send the Creditor a Notice of Revision or Disallowance by mail, telecopier, courier or other means of electronic communication;
  - (b) the Creditor who receives a Notice of Revision or Disallowance and wishes to dispute it shall, within ten (10) days of the Notice of Revision or Disallowance, or at such later date as the Monitor and the Petitioner may agree in writing or this Court may otherwise order, file an appeal motion with the Court and serve a copy of such appeal motion to the Petitioner's counsel identified in paragraph [13] hereof and the Monitor;
  - (c) unless otherwise authorized by this Court, if the Creditor does not file an appeal motion within the delay provided for above, such Creditor shall be deemed to have accepted the value of its Claim as set out in the Notice of Revision or Disallowance;
  - (d) where the Creditor appeals from the Notice of Revision or Disallowance or its Claim has not been finally determined prior to the date of any Creditors' Meeting, the Monitor, in conjunction with the Petitioner, will determine the amount of the Voting Claim, unless the Court decides otherwise;

**Notices and Communications**

- [13] **ORDER** that any notice or other communication to be given under this Order by a Creditor to the Monitor or the Petitioner shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by mail, telecopier, courier or other means of electronic communication addressed to:

Monitor :	RSM Richter Inc.
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	Attention : Gilles Robillard
	E-mail : <a href="mailto:grobillard@rsmrichter.com">grobillard@rsmrichter.com</a>
	Ariella Yedid
	E-mail : <a href="mailto:ayedid@rsmrichter.com">ayedid@rsmrichter.com</a>
Monitor's counsel	Gowling Lafleur Henderson LLP Attention : Denis St-Onge and Louise Lalonde E-mail: <a href="mailto:denis.st-onge@gowlings.com">denis.st-onge@gowlings.com</a> E-mail : <a href="mailto:louise.lalonde@gowlings.com">louise.lalonde@gowlings.com</a>

Petitioner's counsel	McCarthy Tétrault LLP
	Attention: Sylvain Vauclair E-mail : <a href="mailto:savaclair@mccarthy.ca">savaclair@mccarthy.ca</a>

- [14] **ORDER** that any document sent by the Monitor pursuant to this Order may be sent by e-mail, ordinary mail, registered mail, courier or facsimile transmission. A Creditor shall be deemed to have received any document sent pursuant to this Order two (2) Business Days after the document is sent by mail, one (1) Business Day after the document is sent by courier, by e-mail or facsimile transmission. Documents shall not be sent by ordinary or registered mail during a postal strike or work stoppage of general application;

#### General Provisions

- [15] **ORDER** that for the purposes of this Order, all Claims that are denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the Determination Date;
- [16] **ORDER** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Order and, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents;
- [17] **ORDER** that references in this Order to the singular include the plural, to the plural include the singular and to any gender include the other gender;
- [18] **ORDER** that all references to the word "including" shall mean "including without limitation";
- [19] **ORDER** that notwithstanding any other provision of this Order, the solicitation by the Monitor or the Petitioner of Proofs of Claim, and the filing by any Person of any Proof of Claim shall not, for that reason only, grant any Person any standing or rights under any proposed Plan;
- [20] **ORDER** that nothing in this Order shall constitute or be deemed to constitute an allocation or assignment of Claims or Excluded Claims by the Petitioner into particular affected or unaffected classes for the purpose of a Plan and, for

greater certainty, the treatment of Claims, Excluded Claims or any other Claims is to be subject to a Plan and the classes of creditors for voting and distribution purposes shall be subject to terms of any proposed Plan or further order of this Court;

- [21] **ORDER** that the Monitor may apply to this Court for advice and direction in connection with the discharge or variation of its powers and duties under this Order;
- [22] **ORDER** the provisional execution of this Order notwithstanding appeal;
- [23] **THE WHOLE** without costs.

MONTREAL, April 28, 2010

*McCarthy Tétraut LLP*

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McCarthy Tétraut LLP  
Attorneys for the Petitioner  
ConjuChem Biotechnologies Inc.



**AFFIDAVIT**

I, the undersigned, Chantale Lapointe, Vice President Finance of ConjuChem Biotechnologies Inc., doing business at 225 President-Kennedy Ave, suite 3950, in the city and district of Montréal, Province of Québec, do solemnly declare as follows:

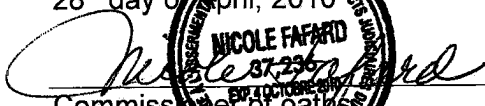
1. I am a duly authorized representative of ConjuChem Biotechnologies Inc. to sign the present affidavit;
2. All the facts contained in the attached *Petition to establish a claims process* dated April 28, 2010, are true.

**AND I HAVE SIGNED:**



\_\_\_\_\_  
Chantale Lapointe

SOLEMNLY ~~DECLARED~~ before me, this  
28<sup>th</sup> day of April, 2010

  
\_\_\_\_\_  
Nicole Fafard  
Commissioner of oaths  
for the District of Montréal

**NOTICE OF PRESENTATION**

**TO:**

**Mr. Gilles Robillard**  
**RSM Richter Inc.**  
2 Place Alexis Nihon  
Montréal (Québec) H3Z 3C2  
GRobillard@rsmrichter.com

**Me Denis St-Onge**  
**Gowling Lafleur Henderson**  
1 Place Ville Marie  
17<sup>th</sup> Floor  
Montréal (Québec) H3B 3P4  
denis.st-onge@gowlings.com

**Me Richard Proulx**  
**Direction du contentieux**  
**Autorité des marchés financiers**  
800 square Victoria, 22<sup>th</sup> floor  
C.P. 246, Tour de la Bourse  
Montréal (Québec) H4Z 1G3  
richard.proulx@lautorite.qc.ca

**Me Hubert Sibre**  
**Davis LLP**  
1501 avenue McGill College  
Montreal (Québec) H3A 3M8  
Counsel to: Novozymes, Biopharma DK A/S  
Novozyms, Biopharma UK Ltd  
hsibre@davis.ca

**Me Jean C. Fontaine**  
**Stikeman Elliott LLP**  
1155 René-Lévesque Blvd. West  
Montréal, Québec H3B 3V2  
Counsel to Athyrium Capital Management  
jfontaine@stikeman.com

**Ahab Capital Management, Inc.**  
**Attention: Mark Fischer**  
**Attention: Jonathan Gallen**  
299 Park Ave.,  
New York, NY 10171  
mf@ahabcap.com  
jg@ahabcap.com

**Franklin Templeton Investments**

**Attention: Evan McCulloch**

One Franklin Parkway 920/4

San Mateo, CA 94403

evan.mcculloch@frk.com

**Athyrium Capital Management**

**Attention: Laurent D. Hermouet, CFA**

**Attention: Jeffrey A. Ferrell**

126 East 56<sup>th</sup> Street, 4<sup>th</sup> Floor

New York, NY 10022

lhermouet@athyriumcap.com

jferrell@athyriumcap.com

**Baker Brothers Investments**

**Attention: Felix J. Baker, PhD**

667 Madison Avenue, 21<sup>st</sup> Floor

New York, NY 10065

fbaker@bbinvestments.com

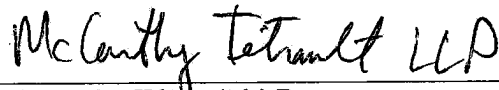
**Neil Gilligan**

neilgilligan@gmail.com

**TAKE NOTICE** that the foregoing *Petition To Establish A Claims Process* shall be presented before one of the Honorable Judges of the Superior Court for the District of Montreal, on **April 29<sup>th</sup>, 2010 at 9:00 a.m., in room 15.12** of the Montreal Courthouse, located at 1 Notre-Dame Street East, in the City of Montreal, Province of Quebec, or so soon thereafter as counsel may be heard.

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montreal, this 28<sup>th</sup> day of April, 2010



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McCarthy Tétrault LLP

Attorneys for the Petitioner

ConjuChem Biotechnologies Inc.

No. 500-11-038490-104  
SUPERIOR COURT - COMMERCIAL DIVISION  
(IN BANKRUPTCY AND INSOLVENCY)  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

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IN THE MATTER OF THE PLAN OF  
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**PETITION TO ESTABLISH A CLAIMS  
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**ORIGINAL**

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Mtre Sylvain A. Vauclair/nf / 199797-420164

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BC0847

**McCarthy Tétrault LLP**

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