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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): July 26, 2018**

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**OREXIGEN THERAPEUTICS, INC.**  
(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-33415**  
(Commission  
File Number)

**65-1178822**  
(IRS Employer  
Identification No.)

**3344 N. Torrey Pines Ct., Suite 200, La Jolla, CA**  
(Address of Principal Executive Offices)

**92037**  
(Zip Code)

**Registrant's telephone number, including area code: (858) 875-8600**

(Former Name or Former Address, if Changed Since Last Report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01. Entry into a Material Definitive Agreement**

As previously reported, on March 12, 2018, Orexigen Therapeutics, Inc. (the “Company”) filed a voluntary petition for bankruptcy protection under Chapter 11 of Title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) (Case No. 18-10518).

As previously reported, on April 23, 2018, the Company entered into an asset purchase agreement (the “Agreement”) with Nalpropion Pharmaceuticals, Inc. (the “Purchaser”), pursuant to which the Purchaser agreed to acquire substantially all of the assets and assume certain liabilities of the Company for an aggregate purchase price of \$75,000,000 (the “Acquisition”). On June 23, 2018, the Bankruptcy Court approved an order authorizing the Acquisition with the Purchaser pursuant to the Acquisition Agreement.

On July 26, 2018, the Company and the Purchaser entered into an amendment to the Agreement (the “Amendment”). The Amendment reduces the aggregate purchase price to \$73,500,000 and creates a \$5,000,000 reserve to cover potential post-closing indemnification claims by the Purchaser. Other than as expressly modified pursuant the Amendment, the Agreement (previously filed as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on April 24, 2018) remains in full force and effect.

The foregoing description of the Amendment does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Amendment attached as Exhibit 2.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

**Item 2.01. Completion of Acquisition or Disposition of Assets.**

On July 27, 2018, the Company and the Purchaser completed the Acquisition (the “Closing”). With the Closing, the Company completed the disposition of substantially all of its assets.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Effective as of the Closing, Patrick J. Mahaffy, Michael A. Narachi, Louis C. Bock, Brian H. Dovey, David J. Endicott, Peter K. Honig and Deborah A. Jom resigned as members of the board of directors (the “Board”) of the Company. Lota Zoth is the Company’s sole director and will serve as Chair of the Board. Ms. Zoth will continue to be compensated at \$15,000 per quarter for her service (consistent with the Company’s current Board compensation) until completion of the wind-down and liquidation of the Company, with a \$15,000 retention payment to be paid to her upon completion.

Effective as of the Closing, Michael A. Narachi, Thomas Cannell, Peter Flynn, Monica Forbes and Stephen Moglia resigned as officers of the Company. In addition, effective as of the Closing, Thomas Lynch was appointed Chief Administrative Officer, General Counsel, President, Secretary and Treasurer. In connection with his service as the sole continuing officer of the Company, Mr. Lynch will remain an employee of the Company through July 31, 2018 at his current salary and will thereafter become a consultant to the Company at a rate of \$6,000 per week until completion of the wind-down and liquidation of the Company, with a \$25,000 retention payment to be paid to him upon completion.

**Item 7.01. Regulation FD Disclosure.**

On July 30, 2018, the Company filed its monthly operating report with the Bankruptcy Court for the reporting period of June 1, 2018 to June 30, 2018 (the “Monthly Operating Report”), a copy of which is attached hereto as Exhibit 99.1

***Cautionary Statements Regarding Trading in the Company’s Securities***

The Company’s securityholders are cautioned that trading in the Company’s securities during the pendency of the Chapter 11 process will be highly speculative and will pose substantial risks. Trading prices for the Company’s securities may bear little or no relationship to the actual recovery, if any, by holders thereof in the Company’s Chapter 11 process. Accordingly, the Company urges extreme caution with respect to existing and future investments in its securities.

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### ***Cautionary Statement Regarding Forward-Looking Statements***

This Current Report on Form 8-K and Exhibit 99.1 hereto may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those involving future events and future results that are based on current expectations, estimates, forecasts, and projections as well as the current beliefs and assumptions of the Company’s management. We often use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “may,” “predict,” “will,” “would,” “could,” “should,” “target” and similar expressions to identify forward-looking statements. All statements contained in this Current Report and exhibits hereto that are not statements of historical fact and other estimates, projections, future trends and the outcome of events that have not yet occurred referenced in this Current Report and exhibits hereto should be considered forward-looking statements. Actual results or events could differ materially from those indicated in forward-looking statements as a result of risks and uncertainties, including, among others, the potential adverse impact of the Chapter 11 filings on our liquidity or results of operations, changes in our ability to meet financial obligations during the Chapter 11 process or to maintain contracts that are critical to our operations, the outcome or timing of the Chapter 11 process, the effect of the Chapter 11 filings or related asset sale on our relationships with third parties, regulatory authorities and employees, proceedings that may be brought by third parties in connection with the Chapter 11 process and the timing or amount of any distributions to the Company’s stakeholders. Many of such factors relate to events and circumstances that are beyond the Company’s control. You should not place undue reliance on forward-looking statements. The Company does not assume any obligation to update the information contained in this Current Report or exhibits hereto.

### ***Additional Information regarding the Chapter 11 Case***

Additional information about the Chapter 11 process and proposed asset sale, as well as other documents related to the restructuring and reorganization proceedings, is available through the Company’s claims agent Kurtzman Carson Consultants LLC at [www.kccllc.net/orexigen](http://www.kccllc.net/orexigen). Information contained on, or that can be accessed through, such web site or the Bankruptcy Court’s web site is not part of this Current Report.

### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits:

- 2.1 [Amendment to the Asset Purchase Agreement, dated as of July 26, 2018, by and between Orexigen Therapeutics, Inc. and Nalpropion Pharmaceuticals, Inc.](#)
- 99.1 [Monthly Operating Report, dated July 30, 2018](#)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 31, 2018

OREXIGEN THERAPEUTICS, INC.

By: /s/ Thomas P. Lynch

Name: Thomas P. Lynch

Title: Chief Administrative Officer, General Counsel, President,  
Secretary and Treasurer

**Nalpropion Pharmaceuticals, Inc.  
10 North Park Place  
Morristown, NJ 07960**

July 26, 2018

Orexigen Therapeutics, Inc.  
3344 North Torrey Pines Court, Suite 200  
La Jolla, CA, 92037  
Attention: Tom Lynch  
Email: tlynch@orexigen.com

Re: **Amendment to the Asset Purchase Agreement**

Ladies and Gentlemen:

Reference is made to the Asset Purchase Agreement dated as of April 23, 2018 (as may be amended from time to time, the "**Agreement**") by and between Orexigen Therapeutics, Inc., a Delaware corporation and Nalpropion Pharmaceuticals, Inc., a Delaware corporation. Capitalized terms used herein without definition herein have the respective meanings set forth in the Agreement.

In consideration of the premises and of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. *Amendments to the Agreement.*
  - a. Section 1.1 of the Agreement is hereby amended by inserting the following defined terms in appropriate alphabetical order:
    - "**Bottle Value**" has the meaning set forth in Schedule A.
    - "**Chapter 7 Trustee**" means the Chapter 7 trustee for the Seller following a Conversion Date.
    - "**Chapter 11 Plan**" means a plan of reorganization or liquidation confirmed by the Bankruptcy Court under Section 1129 of the Bankruptcy Code.
    - "**Confirmation Order**" means the order of the Bankruptcy Court confirming the Chapter 11 Plan.
    - "**Conversion Date**" means the date, if any, on which the Chapter 11 Case is converted to a case under Chapter 7 of the Bankruptcy Code.

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“Contrace Holdback Bottles” means all Contrace® in the following lots: ZCXT, ZCXV, ZCXW, ZCXX, ZCXY, ZKGB, ZKGC, ZYCY, ZY CZ, ZYDC, ZYDB, ZYDF, ZYDD, YZDN, ZNPZ, ZNSB, ZYFV, ZNSC.

“Contrace Impacted Bottles” means all Contrace® in the lots numbered ZCXM, ZCXN, ZCXP and ZCXS.

“Damages” has the meaning set forth in Section 8.2. For the avoidance of doubt, “Damages” shall include but not be limited to amounts paid or payable by Purchaser or any other Purchaser Indemnified Party to any third party, including but not limited to McKesson, Cardinal, AmerisourceBergen and their respective Affiliates in connection with actions taken to respond to any recall, withdrawal or similar action concerning the Contrace Holdback Bottles.

“Effective Date” means the date the Chapter 11 Plan is substantially consummated.

“FDA” means the U.S. Food and Drug Administration.

“Holdback Amount” means \$5,000,000.

“Holdback Release Date” has the meaning set forth in Section 2.13.

“Holdback Release Payee” shall mean (i) if neither the Effective Date nor the Conversion Date shall have occurred as of the Holdback Release Date, the Seller; (ii) if the Holdback Release Date occurs on or after the Effective Date, the Person designated to receive any portion of the Holdback Amount, on behalf of the Noteholders, in the Chapter 11 Plan or the Confirmation Order, or, if no such designation is made, the Indenture Trustee, for the benefit of the Noteholders; or (iii) if the Holdback Release Date occurs on or after the Conversion Date, the Chapter 7 Trustee.

“Indemnification Claims” has the meaning set forth in Section 2.13.

“Indenture” means that certain Indenture, dated as of March 21, 2016 (as amended, restated, supplemented, or otherwise modified), by and between, the Seller, as issuer, and U.S. Bank National Association, as Trustee and Prepetition Collateral Agent, under which the Seller issued the Secured Notes.

“Indenture Trustee” means U.S. Bank National Association, as Trustee and Prepetition Collateral Agent.

“Inspection Period” has the meaning set forth in Section 2.13.

“Noteholders” means the holders of the Secured Notes as they may be comprised from time to time.

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“Patheon” means Patheon Inc. and any successor thereto.

“Product Liability Claim” means any claim alleging (a) bodily injury or property damage arising out of any Contrave, Mysimba, naltrexone, bupropion or naltrexone hydrochloride/bupropion hydrochloride sold by Seller prior to the Closing or (b) personal or advertising injury but solely to the extent such personal or advertising injury arises out of clinical trials sponsored by Seller prior to the Closing and solely to the extent a clinical trial participant incurs such personal or advertising injury, in each case arising out of an accident, including continuous or repeated exposure to the same general harmful conditions; *provided* that Product Liability Claims shall not include claims relating to any of the following: (i) asbestos, (ii) bodily injury or property damage for which Seller is obligated to pay damages by reason of the assumption of such liability by contract, (iii) with respect to the Contrave Holdback Bottles, acts or omissions prohibited by applicable Law, including without limitation, the use of any materials prohibited by applicable Law, (iv) actual or alleged breach of contract by Seller, (v) criminal, dishonest, fraudulent or malicious conduct or acts of intentional wrongdoing by Seller, whether actual or alleged, (vi) bodily injury to any employee or any family member thereof, (vii) failure by Seller to prevent unauthorized access to information or systems, (viii) with respect to the Contrave Holdback Bottles, failure to comply with current Good Manufacturing Practices as promulgated by the FDA, including but not limited to, the presence of fungi or bacteria in a building or structure, (ix) actual or alleged breach by Seller of Intellectual Property rights, (x) exposure to lead or lead-containing products, (xi) medical services, (xii) misuse of confidential information, (xiii) bodily injury or property damage caused by nuclear material, (xiv) pollutants, (xv) exposure to silica or silica-containing products, and (xvi) the Contrave Holdback Bottles, in each case to the extent arising from or based on any act, omission or circumstance occurring, arising or existing prior to the Closing Date.

“Purchaser Indemnified Parties” has the meaning set forth in Section 8.2(a).

“Recall” means that certain potential recollection of the Contrave Impacted Bottles which may be initiated by the Seller (prior to the Closing) or the Purchaser (after the Closing), in consultation with FDA, based on the matter described in the Field Alert Report submitted to the FDA by the Seller on July 16, 2018.

“Release Condition” has the meaning set forth in Section 2.13.

“Secured Notes” means the secured notes issued by the Debtor under the Indenture.

“Third Party Claim” has the meaning set forth in Section 8.3.

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“TSA” means that certain Transition Services Agreement, dated as of \_\_\_\_\_, 2018, by and between the Seller and the Purchaser.

- b. A new Section 2.3(g) is hereby inserted into the Agreement immediately following Section 2.3(f) of the Agreement, which shall read as follows:
- (g) Product Liability Claims. All Product Liability Claims, if any, which may be asserted against the Purchased Assets or the Purchaser (or its successors and assigns) following the Closing, notwithstanding the provisions of the Sale Order and the provisions of this Agreement; *provided* that such Product Liability Claims shall not exceed \$5,000,000 in the aggregate; and *provided, further*, that the foregoing provisions of this Section 2.3(g) shall in no way abrogate, limit or otherwise diminish the provisions of the Sale Order which provide that the assignment and transfer of the Purchased Assets to the Purchaser pursuant to this Agreement is intended to be, and shall be, free and clear of all Liens and Claims (as such terms are defined in the Sale Order).
- c. A new Section 2.4(l) is hereby inserted into the Agreement immediately following Section 2.4(k) of the Agreement, which shall read as follows:
- (l) Contrave Holdback Bottles. Any Liabilities arising out of the Contrave Holdback Bottles.
- d. Section 2.5 of the Agreement is hereby amended and restated in its entirety to read as follows:
- Section 2.5 Consideration. The consideration for the Purchased Assets (the “Purchase Price”) consists of: (a) cash in the amount of \$73,500,000 (the “Cash Amount”); and (b) the assumption of the Assumed Liabilities.
- e. Section 2.9(b)(i) of the Agreement is hereby amended and restated in its entirety to read as follows:
- (i) the Purchase Price by delivery of cash to the Seller by wire transfer of immediately available funds to an account designated by the Seller prior to the Closing in an amount equal to (x) the Cash Amount minus (y) the Holdback Amount. The Holdback Amount shall be retained by the Purchaser to serve as the sole source of payment to fund indemnification payments payable to the Purchaser Indemnified Parties solely to the extent set forth in Article 8, and will otherwise be distributed or paid to the applicable Holdback Release Payee pursuant to Section 2.13 hereof.
- f. A new Section 2.13 of the Agreement is hereby inserted into the Agreement immediately following Section 2.12 of the Agreement, which shall read as follows:

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Section 2.13 Release of Holdback Amount. With respect to any lot of Contrave Holdback Bottles, the “Release Condition” means *either* (I) : (a) the Purchaser’s receipt of an inspection report evidencing completion of the inspection of such lot of Contrave Holdback Bottles by Patheon, (b) the Purchaser’s receipt of a certificate of compliance evidencing that such Contrave Holdback Bottles have met the criteria for release for distribution of such Contrave by Patheon in accordance with the release criteria under the applicable quality system and procedures in effect on the date hereof, and (c) after receipt of the items set forth in clauses (a) and (b), the Purchaser’s (x) issuance (in consultation with the Holdback Release Payee) of a certificate of disposition in accordance with the release criteria under the applicable quality system and procedures in effect on the date hereof, and (y) verification (in consultation with the Holdback Release Payee) that such Contrave Holdback Bottles have a minimum then-existing shelf life of eighteen (18) months at such time, in each case of clauses (x) and (y) not to be unreasonably withheld by the Purchaser; or (II) in respect to the three lots of Contrave Holdback Bottles located at Seller’s third party logistics provider, Cardinal 3PL, and any lots, or portions of lots, that are not in the possession and control of the Seller (or Seller’s distribution partner in Canada), that the Release Condition shall have been deemed satisfied as set forth below. Within five (5) Business Days following the satisfaction of the Release Condition with respect to any lot of Contrave Holdback Bottles, the Purchaser shall release the full portion of the Holdback Amount allocated to that lot (as set forth on Schedule A hereto) to the Holdback Release Payee without setoff or deduction. For purposes of the three lots of Contrave Holdback Bottles located at Seller’s third party logistics provider, Cardinal 3PL (which are not otherwise sent back to Patheon), the “Release Condition” shall be deemed satisfied upon written confirmation solely of completion of inspection of any such lots of Contrave Holdback Bottles stating that none of such Contrave Holdback Bottles fails to meet the Release Condition (as evidenced by the applicable inspection report prepared by Cardinal 3PL or the Seller (in consultation with the Purchaser)). If, within five (5) Business Days following receipt by the Holdback Release Payee and Purchaser of the applicable certificate of disposition respecting one or more Contrave Holdback Bottles, the Purchaser notifies the Holdback Release Payee in writing that it has determined, in good faith and in consultation with the Holdback Release Payee, that one or more Contrave Holdback Bottle in any lot does not satisfy the Release Condition, the Purchaser shall have the right to hold back the full amount of the Holdback Amount allocated to that lot as set forth on Schedule A hereto for a period not to exceed twenty-one (21) days (the “Inspection Period”) from the date of receipt of such certificate of disposition; *provided, however*, that if the Purchaser fails to timely provide the Holdback Release Payee with such written notice, the Holdback Amount allocated to that lot as set forth on Schedule A hereto shall be promptly delivered to the Holdback Release Payee without setoff or deduction. Prior to the conclusion of the Inspection

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Period, the Purchaser shall notify the Holdback Release Payee in writing of its determination, made in good faith and in consultation with the Holdback Release Payee, of the portion of the Holdback Amount allocated to that lot (as set forth on Schedule A hereto), it believes it is entitled to retain, if any, by reason of (x) the failure of any Contrave Holdback Bottles to meet the Release Condition or (y) claims for indemnification under Section 8.1 hereof whether in respect of such lot or otherwise, and any excess of the Holdback Amount allocated to that lot over the portion so identified as to be retained by Purchaser with respect to such lot shall promptly be paid to the Holdback Release Payee; *provided, however*, to the extent the Purchaser retains any portion of the Holdback Amount in accordance with this provision, it shall provide the Holdback Release Payee with a written notice not less than every thirty (30) days certifying that that it is still entitled to retain such portion of the Holdback Amount by reason of (x) the continuing failure of any Contrave Holdback Bottles to meet the Release Condition or (y) for claims for indemnification under Section 8.1; *provided, further, however*, that to the extent that at any time the amount held back under clause (y) by the Purchaser exceeds the total amount of the then-pending and unpaid indemnification claims by the Purchaser, whether in respect of such lot or otherwise, such excess shall promptly be paid to the Holdback Release Payee and provided, further, that if there are no longer any pending and unpaid indemnification claims by the Purchaser, the entire Holdback Amount, if any, remaining after Purchaser's retention of amounts which it is entitled to retain hereunder on account of Contrave Holdback Bottles that fail to meet the Release Condition and payment of any valid indemnification claims shall promptly be paid to the Holdback Release Payee. Notwithstanding anything to the contrary in this Agreement, with respect to any lots, or portion of lots, for which there are Contrave Holdback Bottles that are not in the possession and control of the Seller (or Seller's distribution partner in Canada), and thus cannot be inspected, such Contrave Holdback Bottles shall be deemed to meet the Release Condition if, on the 45th day after Closing, such Contrave Holdback Bottles are not subject to a field alert (or similar action in Canada), and are not and have not been subject to a recall, withdrawal or similar action. Without limiting any provisions of the APA or Sale Order, to the extent the Purchaser and Holdback Release Payee cannot, following good faith negotiations, resolve a dispute concerning the disposition of any portion of the Holdback Amount, such dispute shall be promptly submitted to the Bankruptcy Court for resolution. In addition, if Patheon has replaced at no cost to the Purchaser, or paid or credited the Purchaser for, or if the Purchaser is reimbursed for its Damages by insurance policies for, any Contrave Holdback Bottle, the Purchaser shall release a portion of the Holdback Amount (or, in the case where the Bottle Value for such Contrave Holdback Bottle has been retained by the Purchaser pursuant to the preceding sentence, the Purchaser shall pay to the Seller an amount) equal to (x) the amount of payment actually received by Purchaser from Patheon for such

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Contrave Holdback Bottle, (y) the amount of insurance proceeds actually received by Purchaser from insurers pursuant to Section 5.21(b) solely to the extent allocated to the value of such Contrave Holdback Bottle or lot of Contrave Holdback Bottles or (z) \$6.95 for each such Contrave Holdback Bottle in the case of replacement by Patheon, as applicable, to the Holdback Release Payee within five (5) Business Days after the date such event occurs. For the purposes of determining the “Holdback Release Payee” for payment of a distribution under this Section 2.13, the date of each such distribution of a portion of the Holdback Amount pursuant to this Section 2.13 shall be deemed a “Holdback Release Date”.

- g. Section 5.16 of the Agreement is hereby amended and restated in its entirety to read as follows:

Section 5.16 Cessation of Use of Acquired Intellectual Property. For the avoidance of doubt and notwithstanding anything in this Agreement to the contrary, (a) the Seller acknowledges and agrees that, from and after the Closing, the Seller shall not have any right, title or interest in or to any Acquired Intellectual Property (including any Seller Names and Marks) and (b) from and after the Closing, the Seller shall cease and discontinue any and all use or other exploitation of any and all Acquired Intellectual Property (including all Seller Names and Marks); *provided that*, notwithstanding the foregoing, the Seller shall have the right, at no cost to the Seller, to continue use of its corporate name “Orexigen Therapeutics, Inc.”, the name “Contrave®” and any other Acquired Intellectual Property until the date the Bankruptcy Court enters a final decree or other order dismissing the Chapter 11 Case: (i) for use in the name of the Chapter 11 Case, case caption, and continued administration of the Chapter 11 Case; (ii) (A) to formulate, solicit votes on, and confirm a Chapter 11 plan and obtain entry of a final decree, or (B) to formulate and obtain Bankruptcy Court approval of a structured dismissal or similar case dismissal; (iii) to wind down the Business and dissolve the Seller, including, without limitation, to file any necessary or desired governmental filings in connection therewith; (iv) to file all necessary final tax returns; (v) as necessary in connection with any recall, withdrawal or similar action concerning Contrave Holdback Bottles and the Recall; and (vi) for use in all activities necessary for the foregoing.

- h. A new Section 5.21 is hereby inserted into the Agreement immediately following Section 5.20 of the Agreement, which shall read as follows:

Section 5.21 Recalls.

(a) From and after the Closing, in connection with the Recall or in the event that any Governmental Authority issues, requests or recommends a recall, market withdrawal or similar action in connection with, the Contrave Holdback Bottles or Contrave Impacted Bottles, or in the event that the

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Purchaser, subject to consultation with the Holdback Release Payee and to the failure of the Release Conditions, determines that an event, incident or circumstance stemming from the Contrave Holdback Bottles or Contrave Impacted Bottles may result in the need for a recall, market withdrawal or similar action of the Contrave Holdback Bottles, then the Purchaser shall have the right and obligation, at its (solely with respect to the Contrave Impacted Bottles) sole cost and expense, to control and direct the conduct of such recall (including the Recall), market withdrawal or similar action, including interactions with Governmental Authorities and third parties, and the Seller shall provide such cooperation and assistance as reasonably requested by the Purchaser in connection therewith, subject to the provisions of the TSA and Agreement.

(b) Without limiting the scope of the Purchased Assets pursuant to Section 2.1, except to the extent required to reimburse the Seller in connection with its costs and expenses incurred before the Closing in connection with the Contrave Holdback Bottles and the Contrave Impacted Bottles, the Seller hereby assigns to the Purchaser (i) its rights to any insurance proceeds available under its policies of insurance in existence on the date hereof applicable to the Contrave Holdback Bottles and the Contrave Impacted Bottles, and (ii) any related legal claims or rights of action against such insurers of the Seller arising under or in connection with such policies. The Seller agrees, prior to the Closing, to have the Purchaser added as an "additional Named Insured" party under its current policies of insurance that are applicable to the Contrave Holdback Bottles and the Contrave Impacted Bottles.

(c) Without limiting the scope of the Purchased Assets pursuant to Section 2.1, except to the extent required to reimburse the Seller in connection with its costs and expenses incurred before the Closing in connection with the Contrave Holdback Bottles and the Contrave Impacted Bottles, the Seller hereby assigns to the Purchaser (i) its rights to recover any amounts to which it is entitled from Patheon pursuant to the Manufacturing Services Agreement dated March 12, 2010 (as amended, restated, supplemented, or otherwise modified), and (ii) any related legal claims or rights of action that the Seller is entitled to under Law, contract or otherwise against Patheon or any other third party.

- i. Article 8 of the Agreement is hereby amended and restated in its entirety to read as follows:

## **ARTICLE 8**

### **NO SURVIVAL; INDEMNIFICATION**

Section 8.1. No Survival of Representations and Warranties and Certain Covenants. Each of the representations, warranties and covenants (other than covenants

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that, by their terms, survive the Closing or termination of this Agreement, including [Section 2.13](#), [Section 5.16](#), [Section 5.21](#) and [Sections 8.2–8.4](#)) in this Agreement or any agreement or certificate to be executed or delivered in connection with the transactions contemplated by this Agreement shall terminate at the Closing or upon termination of this Agreement pursuant to [Section 7.1](#) and, following the Closing or the termination of this Agreement, as the case may be, no party shall make any claim whatsoever for any breach of any such representation, warranty or covenant hereunder except pursuant to this Article 8, subject to [Section 7.2](#).

Section 8.2. Indemnification.

(a) Effective at and after the Closing, the Seller hereby indemnifies the Purchaser, its Affiliates, and their respective agents, service providers, employees, officers, directors, successors and assignees (the “[Purchaser Indemnified Parties](#)”) against and agrees to hold each of them harmless from any and all damage, loss, liability and expense incurred from after the Closing (including reasonable expenses of investigation and reasonable attorneys’ fees and expenses) (“[Damages](#)”) incurred or suffered by a Purchaser Indemnified Party in any way arising out of, relating to or in connection with the Contrave Holdback Bottles, in each case regardless of whether such Damages arise as a result of the negligence of the Seller, strict liability or any other liability under any theory of law or equity of, or violation of any law by the Seller; provided, however, that no Purchaser Indemnified Party shall be entitled to indemnity under this [Section 8.2\(a\)](#) (x) to the extent that on a dollar-for-dollar basis, the Purchaser has received an amount equal to such Damages for the Contrave Holdback Bottles from Patheon (without duplication of any such amount released to the Seller pursuant to [Section 2.13](#)) or the Purchaser has received an amount equal to such Damages and allocated to such Damages from insurance proceeds under [Section 5.21\(b\)](#) (without duplication of any such amount released to the Seller pursuant to [Section 2.13](#)), or (y) Damages to the extent arising out of the gross negligence, willful misconduct or fraud of the Purchaser or a breach by the Purchaser of this letter agreement, the Agreement, the TSA, the Sale Order, or any order of the Bankruptcy Court approving any of the foregoing.

(b) Any payment to any Purchaser Indemnified Party in respect of any claim for indemnification by any of the Purchaser Indemnified Parties under [Section 8.2\(a\)](#) shall be taken by the Purchaser solely out of the Holdback Amount. The Holdback Amount shall be the sole security available to the Purchaser for the payment of the Seller’s indemnification obligations hereunder.

Section 8.3. Third Party Claim Procedures.

(a) The Purchaser agrees to give prompt notice in writing to the Seller of the assertion of any claim or the commencement of any suit, action or proceeding by any third party (“[Third Party Claim](#)”) in respect of which indemnity may be sought under [Section 8.2](#). Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Purchaser). The failure to so notify the Seller shall not relieve the Seller of its obligations

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hereunder, except to the extent such failure shall have materially and adversely prejudiced the Seller.

(b) The Seller shall be entitled to participate in the defense of any Third Party Claim. The Purchaser shall control and appoint lead counsel for the defense of any Third Party Claim

(c) Each party shall cooperate, and cause their respective affiliates to cooperate, in the defense or prosecution of any Third Party Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith; provided, however, that nothing in this Section 8.3 shall require the Seller to continue its Chapter 11 Case or corporate existence for more than 90 days after the Closing.

Section 8.4. Direct Claim Procedures. In the event the Purchaser has a claim for indemnity under Section 8.2 against the Seller that does not involve a Third Party Claim, the Purchaser agrees to give prompt notice in writing of such claim to the Seller. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Purchaser). The failure to so notify the Seller shall not relieve the Seller of its obligations hereunder, except to the extent such failure shall have materially and adversely prejudiced the Seller. If the Seller does not notify the Purchaser within 30 days following the receipt of a notice with respect to any such claim that the Seller disputes its indemnity obligation to the Purchaser for any Damages with respect to such claim, such Damages shall be conclusively deemed a liability of the Seller and the Purchaser shall take and apply on a dollar-for-dollar basis the amount equal to all Damages arising out of such claim from the Holdback Amount. If the Seller has timely disputed its indemnity obligation for any Damages with respect to such claim, the parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute shall be resolved by litigation in an appropriate court of jurisdiction determined pursuant to Section 10.12.

2. *Miscellaneous.* Except as expressly provided in this letter agreement, the Agreement remains unchanged, and the Agreement as modified hereby remains in full force and effect. The provisions of Article 10 of the Agreement shall apply *mutatis mutandis* to this letter agreement.
3. *Effectiveness.* This letter agreement shall become effective immediately upon approval by the Bankruptcy Court.

*[Remainder of page intentionally left blank; signature pages follow]*

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By signing this letter agreement, the parties hereto have confirmed their agreement with the foregoing.

Sincerely yours,

**NALPROION PHARMACEUTICALS, INC.**

By: /s/ John A. Sedor

Name: John A. Sedor

Title: Chief Executive Officer

*[Signature Page to APA Amendment]*

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**Accepted and agreed:**

**OREXIGEN THERAPEUTICS, INC.**

By: /s/ Thomas P. Lynch

Name: Thomas P. Lynch

Title: Executive Vice President,  
Chief Administrative Officer,  
General Counsel & Secretary

cc:

Hogan Lovells US LLP  
875 Third Avenue  
New York, NY 10022

Attention:

Christopher R. Donoho, III

Christopher R. Bryant

Email:

chris.donoho@hoganlovells.com

chris.bryant@hoganlovells.com

*[Signature Page to APA Amendment]*

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

In re: Orexigen Therapeutics, Inc.  
Debtor

Case No. 18-10518 (KG)  
Reporting Period: June 1, 2018 - June 30, 2018

**MONTHLY OPERATING REPORT**

**File with Court and submit copy to United States Trustee within 20 days after end of month.**

Submit copy of report to any official committee appointed in the case.

<u>REQUIRED DOCUMENTS</u>	<u>Form No.</u>	<u>Document Attached</u>	<u>Explanation Attached</u>	<u>Affidavit/Supplement Attached</u>
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Schedule of Disbursements by Debtor Entity	MOR-1a	X		
Schedule of Debtor Bank Account Balances	MOR-1b	X		
Schedule of Professional Fees and Expenses Paid	MOR-1c	X		
Copies of bank statements				Certification Attached
Cash disbursements journals				Certification Attached
Bank reconciliation				Certification Attached
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes				Certification Attached
Copies of IRS Form 6123 or payment receipt				Certification Attached
Copies of tax returns filed during reporting period				Certification Attached
Summary of Unpaid Postpetition Debts				
Summary of Unpaid Post Petition Accounts Payables	MOR-4	X		
Accounts Receivable Aging	MOR-5	X		
Debtor Questionnaire	MOR-5	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

/s/ Thomas P. Lynch  
Signature of Authorized Individual\*

30 July 2018  
Date

Thomas P. Lynch  
Printed Name of Authorized Individual

Chief Administrative Officer & General Counsel  
Title of Authorized Individual

\* Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**Notes:**

The last four digits of Debtor's federal tax identification number are (8822). The Debtor's mailing address for purposes of this chapter 11 case is 3344 North Torrey Pines Court, Suite 200, La Jolla, CA, 92037.

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

In re: Orexigen Therapeutics, Inc.  
Debtor

Case No. 18-10518 (KG)  
Reporting Period: June 1, 2018 - June 30, 2018

**CERTIFICATION REGARDING POST-PETITION BANK ACCOUNT  
RECONCILIATIONS, CASH DISBURSEMENT JOURNALS AND  
COMPLIANCE AND PAYMENT OF POST-PETITION TAXES**

I, Thomas Lynch, Chief Administrative Officer & General Counsel, of Orexigen Therapeutics, Inc. (the "Debtor") hereby certify the following:

1. Attached to MOR-1 is a listing of the Debtor's bank accounts, by account number, and the opening and closing balances. These accounts are reconciled monthly in accordance with the Debtor's ordinary course accounting practices and are available to the United States Trustee upon request.
2. Cash disbursement journals are maintained in accordance with the Debtor's ordinary course accounting practices and are available to the United States Trustee upon request.
3. To the best of my knowledge and belief, the Debtor is current on all post-petition taxes, and no post-petition tax amounts are past due.

/s/ Thomas Lynch  
Thomas Lynch  
Chief Administrative Officer & General Counsel

30 July 2018  
Date

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

In re: Orexigen Therapeutics, Inc.  
Debtor

Case No. 18-10518 (KG)  
Reporting Period: June 1, 2018 - June 30, 2018

**Notes to Monthly Operating Report**

**Debtor in Possession Financial Statements**

The financial statements and supplemental information presented in this Monthly Operating Report (“MOR”) have been prepared using the Debtor’s books and records solely to comply with the requirements of the monthly reporting requirements under the United States Bankruptcy Code and those of the United States Trustee for Region Three.

The financial statements and supplemental information presented herein are unaudited, preliminary in nature, and may not comply with generally accepted accounting principles in the United States of America (“U.S. GAAP”) in all material respects. These preliminary unaudited financial statements and other information represent the Debtor’s good faith attempt to comply with the requirements of the United States Bankruptcy Code and those of the United States Trustee using the resources available. This information is limited in scope to the requirements of this report.

These preliminary unaudited financial statements have not been subject to procedures that would typically be applied to financial information presented in accordance with U.S. GAAP, and upon application of such procedures, the Debtor believes that the financial information could be subject to changes, which could be material. Certain totals may not sum due to rounding.

All related tax implications are not currently reflected in the preliminary unaudited financial statements herein. The financial impact of potential tax and other adjustments on the accompanying preliminary unaudited financial statements cannot be determined at this time.

There may be adjustments to the opening balance sheet as of March 12, 2018 that will impact these accompanying preliminary unaudited financial statements. ASC 805 permits a one-year measurement period in which the opening balance sheet can be adjusted if additional information becomes available.

**Liabilities Subject to Compromise**

As a result of the commencement of the Debtor’s chapter 11 case, the payment of certain prepetition indebtedness of the Debtor is subject to compromise or other treatment under a plan of reorganization.

**Reorganization Items**

ASC 852 requires expenses and income directly associated with the Debtor’s chapter 11 cases to be reported separately in the income statement as reorganization items. Reorganization items include expenses related to legal advisory and representation services, and other professional consulting and advisory services. Reorganization costs also include adjustment to record debt at the estimated amount of the claim.

**Litigation**

The Debtor is subject to lawsuits and claims that arise out of its operations in the normal course of business. Prior to the petition date, the Debtor was the defendant to various legal proceedings, described in detail in the most recent publicly filed financial statements, which are stayed during the course of the chapter 11 bankruptcy proceedings.

There are uncertainties inherent in any litigation and appeal and the Debtor cannot predict the outcome. At this time the Debtor is unable to estimate possible losses or ranges of losses that may result from such legal proceedings described in detail in the most recent publicly filed financial statements, and it has not accrued any amounts in connection with such legal proceedings in the financial statements herein, other than attorney’s fees accrued prior to the petition date.

**Sale Transaction**

On April 23, 2018, the Debtor entered into an asset purchase agreement with Nalpropion Pharmaceuticals, Inc. (the “Buyer”) for the sale of substantially all of its assets through section 363 of the Bankruptcy Code. This transaction was subsequently approved by the Bankruptcy Court on June 28, 2018. On July 27, 2018, the Debtor closed the sale and transferred substantially all of its assets to the Buyer. As part of the sale, the Debtor entered into a transition services agreement for the post-closing period through the effective date of a Plan of Liquidation. The Debtors are currently in discussions with their stakeholders to develop and file a Plan of Liquidation in the near term.

**MOR - 1**  
*Consolidated Schedule of Cash Receipts and Disbursements (1)*  
*For the Period: June 1, 2018 - June 30, 2018*  
*(Unaudited)*

<i>\$ USD '000s</i>	<b>June 1, 2018 - June 30, 2018</b>	<b>Cumulative Since Filing</b>
<b>Beginning Cash Balance (Book)</b>	<b>\$ 17,109</b>	<b>\$ 21,372</b>
<b>Receipts</b>		
Operating Receipts	14,773	48,732
Miscellaneous Receipts	24	254
<b>Total Receipts</b>	<b>14,796</b>	<b>48,985</b>
<b>Operating Disbursements</b>		
Payroll & Benefits / Contractors	(2,419)	(8,888)
Inventory	(1,146)	(3,412)
Manufacturing and Logistics	(43)	(120)
Gross to Net Disbursements	(9,590)	(29,531)
Marketing / Commercial Operations	(1,102)	(15,471)
Ordinary Course Professionals	(212)	(498)
Rent / Facilities / Equipment	(138)	(417)
Insurance	(76)	(228)
IT / Utilities	(68)	(242)
Regulatory and Compliance	(99)	(385)
Other G&A	(253)	(657)
<b>Total Operating Disbursements</b>	<b>(15,144)</b>	<b>(59,849)</b>
<b>Operating Cash Flow</b>	<b>(347)</b>	<b>(10,864)</b>
<b>Reorganization Costs</b>		
DIP Loan Interest and Fees	(440)	(726)
US Trustee Fees	—	(121)
Restructuring Professional Fees	(659)	(1,099)
<b>Total Reorganization Costs</b>	<b>(1,100)</b>	<b>(1,946)</b>
<b>Total Disbursements</b>	<b>\$ (16,244)</b>	<b>\$ (61,795)</b>
Lender Professional Fees	(44)	(545)
<b>Net Cash Flow</b>	<b>\$ (1,492)</b>	<b>\$ (13,354)</b>
<b>DIP Draw - Cash</b>	<b>—</b>	<b>7,600</b>
<b>Ending Cash Balance (Book)</b>	<b>\$ 15,618</b>	<b>\$ 15,618</b>

**Notes:**

(1) The Schedule of Cash Receipts and Disbursements is presented on a book basis.

**MOR - 1a**  
**Schedule of Disbursements by Debtor Entity (1)**  
**For the Period: June 1, 2018 - June 30, 2018**  
**(Unaudited)**

<i>\$ USD '000s</i>		<b>June 1, 2018 - June 30, 2018</b>	<b>Cumulative</b>
<b>Debtor</b>			<b>Since Filing</b>
Orexigen Therapeutics, Inc.		\$ 16,288	\$ 62,340
<b>Total</b>		\$ 16,288	\$ 62,340

**Notes:**

(1) The Schedule of Disbursements is presented on a book basis.

**MOR - 1b**  
**Schedule of Debtor Bank Account Balances (1)**  
**For the Period: June 1, 2018 - June 30, 2018**  
**(Unaudited)**

<i>\$ USD '000s</i>				Beginning Balance	Ending Balance
Debtor	Bank	Last Four Digits Account No.	Account Description	6/1/2018	6/30/2018
Orexigen Therapeutics, Inc.	Silicon Valley Bank	6813	General checking	\$ 2	\$ 190
Orexigen Therapeutics, Inc.	Silicon Valley Bank	1180	Zero-balance lockbox	—	—
Orexigen Therapeutics, Inc.	Silicon Valley Bank	3036	Sweep account	17,301	15,434
Orexigen Therapeutics, Inc.	Silicon Valley Bank	7307	Utility adequate assurance	10	10
Orexigen Therapeutics, Inc.	Silicon Valley Bank	5177	Collateral	100	100
Orexigen Therapeutics, Inc.	U.S. Bank	4219	Investment account(2)	—	—
Orexigen Therapeutics, Inc.	State Street Bank & Trust	2355	Investment account(2)	—	—
Orexigen Therapeutics, Inc.	Wells Fargo	3348	Foreign wire transfer account(2)	—	—
Orexigen Therapeutics, Inc.	JMP Securities LLC	0041	Investment account(2)	—	—
<b>Total Bank Account Balances</b>				<b><u>\$ 17,413</u></b>	<b><u>\$ 15,734</u></b>

**Notes:**

- (1) The Consolidated Schedule of Cash Receipts and Disbursements (MOR-1) and Schedule of Disbursements by Debtor Entity (MOR-1a) represent book balances while MOR-1b represents bank balances. The balances differ primarily due to the bank's delayed recording of intrabank activity between the general checking and sweep accounts.
- (2) Account was closed in April 2018.

MOR - 1c  
Schedule of Professional Fees and Expenses Paid  
For the Period: June 1, 2018 - June 30, 2018  
(Unaudited)

Payee	Category	Payor	Date	Period Covered	Month Ended 6/30/18		Cumulative Since Filing	
					Fees	Expenses	Fees	Expenses
<b>Retained Professionals</b>								
Hogan Lovells US LLP	Debtor Counsel	Orexigen Therapeutics, Inc.	6/1/2018	3/12/2018 - 3/31/2018	\$262,805	\$ 106	\$ 262,805	\$ 106
Morris, Nichols, Arsht & Tunnell LLP	Debtor Local Counsel	Orexigen Therapeutics, Inc.	6/1/2018	3/12/2018 - 3/31/2018	92,663	5,009	92,663	5,009
Perella Weinberg Partners <sup>1</sup>	Debtor Investment Banker	Orexigen Therapeutics, Inc.					437,500	1,738
Kurtzman Carson Consultants LLC	Claims Agent	Orexigen Therapeutics, Inc.	6/20/2018	3/12/2018 - 5/31/2018	143,705	155,188	143,705	155,188
<b>Other Restructuring Professionals</b>								
Wilmington Trust, National Association	DIP Administrative Agent	Orexigen Therapeutics, Inc.					\$ 50,000	\$ —
Arnold & Porter Kaye Scholer LLP	DIP Administrative Agent Counsel	Orexigen Therapeutics, Inc.	6/28/2018	3/1/2018 - 3/31/2018	6,567	99	67,217	99
Quinn Emanuel Urquhart & Sullivan, LLP	DIP Lenders Counsel	Orexigen Therapeutics, Inc.					172,846	236
Brown Rudnick LLP	DIP Lender Counsel	Orexigen Therapeutics, Inc.					134,881	1,497
Whiteford Taylor Preston	DIP Lenders Local Counsel	Orexigen Therapeutics, Inc.					129,090	1,383
U.S. Bank, N.A.	Indenture Trustee	Orexigen Therapeutics, Inc.	6/28/2018	4/1/2018 - 4/31/2018	37,213	443	37,213	443
<b>Total</b>					<b>\$542,952</b>	<b>\$160,845</b>	<b>\$1,527,918</b>	<b>\$165,699</b>

**Notes:**

- (1) The 4/18/2018 Perella Weinberg Partners payment was a clerical error and paid prior to the filing of a fee application. The amount paid will be offset against future fee applications filed.

MOR - 2  
Statement of Operations  
For the Period: June 1, 2018 - June 30, 2018  
(Unaudited)

<i>\$ USD '000s</i>	<u>June 1, 2018 - June 30, 2018</u>	<u>March 12 - June 30, 2018</u>
Net product sales	\$ 4,815	\$ 24,977
Cost of product sales	(1,142)	(5,607)
Operating expenses:		
Research and development	(554)	(2,367)
Selling, general and administrative	(4,177)	(28,822)
Amortization expense of intangible assets	(661)	(2,411)
Total operating expenses	(5,392)	(33,600)
<b>Loss from operations</b>	<b>(1,719)</b>	<b>(14,230)</b>
Other income/(expense):		
Interest income	148	542
Refundable tax credit <sup>(2)</sup>	—	1,300
Interest expense	(147)	(600)
Total other income (expenses)	0	1,242
<b>Net loss</b>	<b>(1,719)</b>	<b>(12,988)</b>
Reorganization expenses <sup>(1)</sup>	(3,751)	(178,290)
<b>Net loss</b>	<b>\$ (5,470)</b>	<b>\$ (191,278)</b>

**Notes:**

- (1) Reorganization expenses includes the write up of the notes to the principle balance and the elimination of the debt discount and debt costs related to the 2013 debt.
- (2) Refundable tax credit includes refundable alternative minimum tax as created by the Tax Cuts and Jobs Act.

**MOR - 3**  
**Balance Sheet**  
**(Unaudited)**

<i>\$ USD '000s</i>	Orexigen Therapeutics, Inc.	
	<i>As of March 11, 2018</i>	<i>As of June 30, 2018</i>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 21,372	\$ 15,618
Accounts receivable, net	19,203	28,575
Inventory	8,857	7,663
Prepaid expenses and other current assets	6,868	10,044
Intercompany receivable <sup>(1)</sup>	93,353	94,444
<b>Total current assets</b>	<b>149,653</b>	<b>156,344</b>
Non-current assets:		
Property and equipment, net	543	444
Investment in Subsidiary <sup>(1)</sup>	19,000	19,000
Intangible assets	66,566	64,156
Other long-term assets	588	1,643
Restricted cash	100	110
<b>Total assets</b>	<b>\$ 236,450</b>	<b>\$ 241,697</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable <sup>(2)</sup>	925	3,039
DIP loan <sup>(3)</sup>	—	8,043
Accrued expenses	3,921	21,710
<b>Total current liabilities:</b>	<b>4,846</b>	<b>32,792</b>
<b>Total liabilities not subject to compromise</b>	<b>4,846</b>	<b>32,792</b>
Total liabilities subject to compromise	110,381	280,064
Series Z preferred stock	3,343	—
<b>Stockholders' equity (deficit)</b>	<b>117,880</b>	<b>(71,159)</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 236,450</b>	<b>\$ 241,697</b>

**Notes:**

- (1) Investment in Subsidiary \$19m reclassified from Intercompany Receivable at March 11, 2018 to properly align for reporting.
- (2) Accounts payable includes pre-petition amounts approved by the Court and paid post-petition.
- (3) DIP loan includes accrued interest.

MOR-4  
*Summary of Unpaid Post Petition Accounts Payables*  
*As of June 30, 2018*  
*(Unaudited)*

\$ USD '000s

Post Petition Accounts Payable Aging	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Post-Petition Accounts Payable (1)	\$2,976	\$63	\$—	\$—	\$—	\$3,039
	\$2,976	\$63	\$—	\$—	\$—	\$3,039

Notes:

(1) The above figures represent post petition trade payables recorded in the Debtors' subledger.

**MOR-5**  
**Accounts Receivable Aging**  
**As of June 30, 2018**  
**(Unaudited)**

\$ USD '000s

Accounts Receivable Aging	Current	0-30 Days	31-60 Days	61-90 Days	91 Days +	Total
Accounts Receivable, net	\$22,488	\$ 2,539	\$ 6	\$ 3,500	\$ 42	\$28,575
	\$22,488	\$ 2,539	\$ 6	\$ 3,500	\$ 42	\$28,575

**Debtor Questionnaire**

**Must be completed each month**

	<u>Yes</u>	<u>No</u>
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all post petition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

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**CERTIFICATE OF SERVICE**

I, Andrew R. Remming, certify that I am not less than 18 years of age, and that service of the foregoing **Monthly Operating Report for the reporting period June 1, 2018 – June 30, 2018**, was caused to be made on July 30, 2018, in the manner indicated upon the party identified below.

**VIA HAND DELIVERY**

Attn: Timothy Fox, Esq.  
Office of the United States Trustee  
J. Caleb Boggs Federal Building  
844 North King Street, Suite 2207  
Wilmington, DE 19801

Dated: July 30, 2018

/s/ Andrew R. Remming

Andrew R. Remming (No. 5120)