

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

In re:

GRACEWAY PHARMACEUTICALS, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 11-13036 (P JW)

Jointly Administered

Related Docket Nos. 15 and 52

NOTICE OF FILING OF PROPOSED FORM OF FINAL ORDER (I) AUTHORIZING DEBTORS TO UTILIZE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363; (II) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES PURSUANT TO 11 U.S.C. §§ 361, 362, 363 AND 364 AND (III) AUTHORIZING DEBTORS TO OBTAIN POSTPETITION FINANCING PURSUANT TO 11 U.S.C. § 364

PLEASE TAKE NOTICE THAT on September 29, 2011, Graceway Pharmaceuticals, LLC and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; (II) Granting Adequate Protection to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362 and 363; (III) Authorizing Debtors to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 364 and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(B)* [Docket No. 15] (the “DIP Motion”).

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Graceway Pharma Holding Corp., a Delaware corporation (9175), Case No. 11-13037 (P JW); Graceway Holdings, LLC, a Delaware limited liability company (2502), Case No. 11-13038 (P JW); Graceway Pharmaceuticals, LLC, a Delaware limited liability company (5385), Case No. 11-13036 (P JW); Chester Valley Holdings, LLC, a Delaware limited liability company (9457), Case No. 11-13039 (P JW); Chester Valley Pharmaceuticals, LLC, a Delaware limited liability company (3713), Case No. 11-13041 (P JW); Graceway Canada Holdings, Inc., a Delaware corporation (6663), Case No. 11-13042 (P JW); and Graceway International, Inc., a Delaware corporation (2399), Case No. 11-13043 (P JW). The mailing address for Graceway Pharmaceuticals, LLC is 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620 (Attn: John Bellamy). On October 4, 2011, Graceway Canada Company filed an application in the Ontario Superior Court of Justice (Commercial List) pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C. 43.

PLEASE TAKE FURTHER NOTICE THAT on September 30, 2011, the Court entered an order [Docket No. 52] (the “Interim DIP Order”) that, among other things, approved the DIP Motion on an interim basis on the terms set forth in the Interim DIP Order and scheduled a Final Hearing (as defined in the Interim DIP Order) for October 17, 2011 at 1:30 p.m. (ET). The Final Hearing was subsequently rescheduled to November 7, 2011 at 2:00 p.m. (ET).

PLEASE TAKE FURTHER NOTICE THAT the Debtors intend to present the form of order attached hereto as Exhibit A approving the DIP Motion on a final basis (the “Proposed Final DIP Order”) at the Final Hearing. A blackline of the Proposed Final DIP Order against the Interim DIP Order is attached hereto as Exhibit B.

Dated: November 4, 2011
Wilmington, Delaware

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