



November 30, 2015

By Fedex and Email

Wells Fargo Bank, National
Association
Attn: James R. Lewis
150 East 42nd Street
40th Floor
New York, New York 10017
Thompson Hine LLP
335 Madison Avenue
12th Floor
New York, New York 10017
Attention: Irving C. Apar

Re: 3.50% Convertible Senior Notes Due 2016 – Notice of Settlement Method Election

CUSIP No. 009728AB2

Ladies and Gentlemen:

This notice is given by Akorn, Inc. (the “**Company**”) under that certain Indenture, dated as of June 1, 2011 (as amended, supplemented or otherwise modified prior to the date hereof, the “**Indenture**”), by and between the Company and Wells Fargo Bank, National Association, as Trustee (in such capacity, the “**Indenture Trustee**”), pursuant to which the above-reference debt securities (the “**Securities**”) have been issued. All capitalized terms used but not defined herein have the respective meanings given to them in the Indenture.

Pursuant to Section 14.02(a)(iii) of the Indenture, the Company hereby notifies the Holders through the Trustee that the Company has elected Physical Settlement as the Settlement Method for all Conversion Dates occurring during the period beginning on, but excluding, December 1, 2015 and ending on, and including, the Business Day immediately preceding the Maturity Date.

Please be advised that this notice is being sent to the Indenture Trustee and Holders of the Notes (with respect to Holders, by making this notice available on Company’s website) notifying them of the Company’s Settlement Method election.

Sincerely,

AKORN, INC.

A handwritten signature in blue ink that reads 'Joe Bonaccorsi'.

Joe Bonaccorsi

Senior Vice President, General Counsel and Secretary