



<b>B #:</b>	0245-14
<b>Date:</b>	02/18/2014
<b>To:</b>	All Participants
<b>Category:</b>	Dividends
<b>From:</b>	Supervisor, Stock Dividend Department
<b>Attention:</b>	Dividend Managers, Cashiers, and Reorganization Managers
<b>Subject:</b>	Rights Offering Wts Nephros Inc. 03/10/16 CUSIP: 640671111 Rights Contra CUSIP: 640671699 Record Date: 01/30/14 Expiration: 03/14/14 5:00 P.M. Eastern time Rate: 0.04622664225

\*\*\*\*\*WARNING TIME CRITICAL\*\*\*\*\*

Nephros Inc. will distribute to each warrant holder as of record date (January 30, 2014) 0.04622664225 non-transferable subscription rights for each warrant held. The rate accounts for a 1 for 20 reverse split from common CUSIP 640671103 to common CUSIP 640671301, effective 03/17/2011, by dividing 0.924532845, which is the warrant subscription rate of the 2011 warrant by 20. DTC has converted the rate of distribution to a divide code (21.632546) since the rate exceeds 6 decimal places.

The Rights Offering expires on 03/14/2014 at 5:00 P.M. Eastern time, subject to extension or early termination.

DTC will allocate rights today, February 18, 2014.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA), SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY.

IT IS IMPORTANT THAT PARTICIPANTS REFER TO THE DTC REORGANIZATION INQUIRY FOR PARTICIPANTS (RIPS), FUNCTION CODE 59, FOR INFORMATION REGARDING THE SUBSCRIPTION PRIVILEGE AND ANY EXTENSIONS TO THE EXPIRATION DATE.

If participants have any questions regarding this Important Notice, they may contact DTC's Customer Help Center at (888) 382-2721.

For questions regarding this Rights Offering, please contact the Information agent, John C. Houghton, at (201) 343-5202 Ext 101.

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**B# 0245-14**

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