

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT
TO RULE 13d-2(a)
(Amendment No. 1)*

HYBRIDON, INC.
(Name of Issuer)

COMMON STOCK
(Title of Class of Securities)

44860M108
(CUSIP Number)

Youssef El-Zein
28, rue de Lubeck
75016 Paris, France
33-(01) 56-28-08-75
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 27, 2004
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

(Continued on following pages)

(Page 1 of 14 Pages)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP NO. 44860M108

Page 2 of 14 Pages

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Youssef El-Zein

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A

GROUP
(a) []
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC, OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
France

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		1,868,085
	8	SHARED VOTING POWER
		11,492,444

	9	SOLE DISPOSITIVE POWER
		1,868,085

	10	SHARED DISPOSITIVE POWER
		11,492,444

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
13,360,529

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES []
Not applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
11.7%

14 TYPE OF REPORTING PERSON
IN

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Pillar Investment Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)]
(b)]

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e)]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Isle of Man

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER	1,020,229
	8	SHARED VOTING POWER	10,472,215
	9	SOLE DISPOSITIVE POWER	1,020,229
	10	SHARED DISPOSITIVE POWER	10,472,215

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11,492,444

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES]

Not applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

10.1%

14 TYPE OF REPORTING PERSON

SCHEDULE 13D

CUSIP NO. 44860M108

Page 4 of 14 Pages

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Optima Life Sciences Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Isle of Man

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		10,472,215
	8	SHARED VOTING POWER
		0
	9	SOLE DISPOSITIVE POWER
		10,472,215
	10	SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,472,215

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN

SHARES

[]

Not applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

9.3%

14 TYPE OF REPORTING PERSON

OO

SCHEDULE 13D

CUSIP NO. 44860M108

Page 5 of 14 Pages

This Amendment No. 1 ("Amendment") to the original Schedule 13D filed September 8, 2003, is being filed on behalf of Youssef El-Zein, Pillar Investment Limited, a limited company incorporated under the laws of the Isle of Man ("Pillar"), and Optima Life Sciences Limited, a limited company incorporated under the laws of the Isle of Man ("Optima" and, together with Youssef El-Zein and Pillar, the "Reporting Parties"). Mr. El-Zein is a director of Pillar and of Optima. Pillar is the manager and investment advisor of Optima and holds all of the voting shares of Optima.

Item 1. Security and Issuer.

This Amendment relates to the Common Stock, \$0.001 par value per share (the "Common Stock"), of Hybridon, Inc., a Delaware corporation (the "Company"). The address of the principal executive office of the Company is 345 Vassar Street, Cambridge, Massachusetts 02139-4818.

Item 2. Identity and Background.

- (a) This statement is being filed by the Reporting Parties: Youssef El-Zein, Pillar and Optima.
- (b) The business address of Mr. El-Zein is St. James's Chambers, 64A Athol Street, Isle of Man IM1 1JE.
- (c) Mr. El-Zein's principal occupation is serving as a director of Pillar.

The principal business of Pillar is providing managerial investment advisory services to Optima. The address of Pillar is St. James's Chambers, 64A Athol Street, Isle of Man IM1 1JE.

The principal business of Optima is investing in and holding securities of the Company. The address of Optima is St. James's Chambers, 64A Athol Street, Isle of Man IM1 1JE.

- (d) None of the Reporting Parties and, to the knowledge of the Reporting Parties, none of the Listed Directors (as defined below), has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- (e) None of the Reporting Parties and, to the knowledge of the Reporting Parties, none of the Listed Directors, has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a

SCHEDULE 13D

CUSIP NO. 44860M108

Page 6 of 14 Pages

result or such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

- (f) Mr. El-Zein is a citizen of France. Pillar and Optima were organized under the laws of the Isle of Man.

In accordance with the provisions of General Instruction C to Schedule 13D, information required by Item 2 of Schedule 13D with respect to the directors of Pillar and Optima is listed on Schedule 1 hereto and is incorporated by reference herein. Pillar and Optima have no executive officers. Mr. Bilal Sidani serves with Mr. El-Zein as a director of Pillar, and Mr. Sidani and Mr. David Burge serve with Mr. El-Zein as directors of Optima. Messrs. Sidani and Burge are referred to herein as the "Listed Directors."

Item 3. Source and Amount of Funds or Other Consideration.

On August 28, 2003, Optima purchased 5,500,381 shares of Common Stock and warrants to purchase 1,650,114 shares of Common Stock (the "2003 Optima Warrants") for a total purchase price of \$4,015,278.38 in a private financing consummated by the Company on August 28, 2003 and August 29, 2003 (collectively, the "2003 Private Financing"). The 2003 Optima Warrants have an exercise price of \$1.00 per share of Common Stock and are exercisable on or prior to August 28, 2008. Optima purchased these securities pursuant to a Subscription Agreement, dated as of August 28, 2003 between the Company and Optima (the "2003 Subscription Agreement"). Optima used its working capital to purchase these securities. The Company also issued warrants to purchase 587,709 shares of Common Stock to Pillar on August 28, 2003 (the "2003 Pillar Warrants"). The 2003 Pillar Warrants have an exercise price of \$1.00 per share and are exercisable on or prior to August 28, 2008. The 2003 Pillar Warrants were issued to Pillar as part of Pillar's placement agent fees in connection with the participation of certain non-U.S. investors in the 2003 Private Financing, including Optima, pursuant to an engagement letter dated as of April 18, 2003 (the "2003 Engagement Letter"), by and among the Company, Pillar and PrimeCorp Finance S.A.

This Amendment relates to the additional purchase on August 27, 2004, by Optima of 2,768,100 shares of Common Stock and warrants to purchase 553,620 shares of Common Stock (the "2004 Optima Warrants" and together with the 2003 Optima Warrants, the "Optima Warrants") for a total purchase price of \$1,600,000 in a private financing consummated by the Company on August 27, 2004 (the "2004 Private Financing"). The amount paid was based on a market price for the Common Stock of \$.553 per share. The 2004 Optima Warrants have an exercise price of \$0.67 per share of Common Stock and are exercisable on or prior to August 27, 2009. Optima purchased these securities pursuant to a Subscription Agreement, dated as of

SCHEDULE 13D

CUSIP NO. 44860M108

Page 7 of 14 Pages

August 27, 2004 between the Company and Optima (the "2004 Subscription Agreement"). Optima used its working capital to purchase these securities.

In connection with the 2004 Private Financing, the Company issued warrants to purchase 432,520 shares of Common Stock to Pillar on August 27, 2004 (the "2004 Pillar Warrants" and together with the 2003 Pillar Warrants, the "Pillar Warrants"). The 2004 Pillar Warrants have an exercise price of \$0.67 per share and are exercisable on or prior to August 27, 2009. The 2004 Pillar

Warrants were issued to Pillar as part of Pillar's placement agent fees in connection with the participation of certain non-U.S. investors in the 2004 Private Financing, including Optima, pursuant to an engagement letter dated as of August 27, 2004 (the "2004 Engagement Letter"), by and between the Company and Pillar.

Prior to the transactions on August 27, 2004, Mr. El-Zein beneficially owned 1,868,085 shares of Common Stock. These shares include 40,250 shares of Common Stock issuable upon exercise of stock options granted to Mr. El-Zein as a director of the Company and currently exercisable (or exercisable within 60 days after this amendment) and 1,827,835 shares of Common Stock held by Mr. El-Zein directly. Mr. El-Zein acquired these securities primarily from certain stockholders of the Company and from distributions from Pillar and certain affiliates of Pillar. The securities distributed by Pillar and its affiliates to Mr. El-Zein include securities issued to Pillar and its affiliates as payment for consulting advisory services, including fees in connection with the Company's financings in 1998, 1999 and 2000.

Item 4. Purpose of the Transaction.

The acquisition by Optima of the shares of Common Stock and warrants beneficially owned by the Reporting Parties was effected because of the Reporting Parties' belief that the Common Stock represents an attractive investment. Mr. El-Zein and Pillar also accepted securities of the Company as payment for consulting advisory services because of the Reporting Parties' belief that the Common Stock represents an attractive investment. The Reporting Parties may from time to time acquire additional shares of Common Stock or warrants or engage in discussions with the Company concerning further acquisitions of shares of Common Stock or warrants, or further investments in the Company.

In particular, as a director of the Company, Mr. El-Zein is entitled to receive stock options pursuant to the Company's director stock option plan. In addition, Pillar may acquire additional warrants from the Company under the terms of the 2004 Engagement Letter if the Company conducts additional closings under the 2004 Private Financing with investors identified by Pillar.

The Reporting Parties intend to review their investments in the Company on a continuing basis and, depending upon the price and availability of shares of Common Stock, subsequent

SCHEDULE 13D

CUSIP NO. 44860M108

Page 8 of 14 Pages

developments affecting the Company, the Company's business and prospects, other investment and business opportunities available to the Reporting Parties, general stock market and economic conditions, tax considerations and other factors considered relevant, may decide at any time to increase, or to decrease, the size of their investments in the Company.

Except as set forth above in this Amendment, none of the Reporting Parties and, to the knowledge of the Reporting Parties, none of the Listed Directors, has any current plans or proposals that relate to or would result in: (a) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (d) any change in the present Board of Directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Company; (f) any other material change in the Company's business or corporate structure; (g) changes in the Company's charter, by-laws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person; (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to

Section 12(g)(4) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); or (j) any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer.

- (a) Youssef El-Zein beneficially owns 13,360,529 shares of Common Stock. These shares represent approximately 11.7% of the Common Stock outstanding. These shares include (i) 1,827,835 shares of Common Stock held directly by Mr. El-Zein, (ii) 40,250 shares of Common Stock which Mr. El-Zein has the right to acquire upon the exercise of stock options during the 60-day period commencing August 27, 2004, (iii) 1,020,229 shares of Common Stock issuable upon exercise of the Pillar Warrants, (iv) 8,268,481 shares of Common Stock held by Optima and (v) 2,203,734 shares of Common Stock issuable upon exercise of the Optima Warrants. Because of his relationship with Pillar and Optima, Mr. El-Zein may be deemed to beneficially own all of the shares of Common Stock that Pillar and Optima beneficially own.

Pillar beneficially owns 11,492,444 shares of Common Stock. These shares represent approximately 10.1% of the Common Stock outstanding. These shares include (i) 1,020,229 shares of Common Stock issuable upon exercise of the Pillar

SCHEDULE 13D

CUSIP NO. 44860M108

Page 9 of 14 Pages

Warrants, (ii) 8,268,481 shares of Common Stock held by Optima and (iii) 2,203,734 shares of Common Stock issuable upon exercise of the Optima Warrants. As the holder of all of the voting shares of Optima, Pillar has the ability to elect and remove the directors of Optima, and, as a result, may be deemed to beneficially own all of the shares of Common Stock that Optima beneficially owns.

Optima beneficially owns 10,472,215 shares of Common Stock. These shares represent approximately 9.3% of the Common Stock outstanding. These shares include (i) 8,268,481 shares of Common Stock held by Optima and (ii) 2,203,734 shares of Common Stock issuable upon exercise of the Optima Warrants.

Neither of the Listed Directors owns any shares of Common Stock.

- (b) Number of shares as to which each of the Reporting Parties has:

Sole power to vote or to direct the vote of shares of Common Stock:

Mr. El-Zein:	1,868,085
Pillar:	1,020,229
Optima:	10,472,215

Shared power to vote or to direct the vote of shares of Common Stock:

Mr. El-Zein:	11,492,444
Pillar:	10,472,215
Optima:	0

Sole power to dispose of or direct the disposition of shares of Common Stock:

Mr. El-Zein:	1,868,085
Pillar:	1,020,229
Optima:	10,472,215

Shared power to dispose or to direct the disposition of shares of Common Stock:

Mr. El-Zein:	11,492,444
Pillar:	10,472,215
Optima:	0

SCHEDULE 13D

CUSIP NO. 44860M108

Page 10 of 14 Pages

- (c) Except as described below, none of the Reporting Parties and, to the knowledge of the Reporting Parties, none of the Listed Directors has effected any transactions in the Common Stock during the past 60 days:
- (i) Optima purchased 2,768,100 shares of Common Stock and warrants to purchase 553,620 shares of Common Stock in the 2004 Private Financing on August 27, 2004. The description of this transaction is included in the second paragraph of Item 3 to this Amendment and is incorporated herein by reference.
 - (ii) Pillar acquired warrants to purchase 432,520 shares of Common Stock on August 27, 2004. The description of this transaction is included in the third paragraph of Item 3 of this Amendment and is incorporated herein by reference.
- (d) The Reporting Parties do not know of any other person who has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock reported in this Amendment as beneficially owned by the Reporting Parties.
- (e) N/A

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The Reporting Parties and the Listed Directors are parties to the following contracts, arrangements, understandings or relationships (legal or otherwise) with respect to any securities of the Company:

- (a) Pursuant to Rule 13d-1(k) promulgated under the Exchange Act, the Reporting Parties have entered into an agreement, attached hereto, with respect to the joint filing of this Amendment. This joint filing agreement is incorporated by reference to Exhibit 99.1 hereto.
- (b) The 2003 Optima Warrant to purchase 1,650,114 shares of Common Stock issued to Optima on August 28, 2003 pursuant to the 2003 Subscription Agreement is described in the first paragraph of Item 3 of this Amendment, which description is incorporated herein by reference. The summary of the 2003 Optima Warrant in this Amendment is qualified in its entirety by reference to the 2003 Optima Warrant, which is incorporated by reference to Exhibit 99.2 hereto.

- (c) The 2003 Pillar Warrant to purchase 587,709 shares of Common Stock issued to Pillar on August 28, 2003 pursuant to the 2003 Engagement Letter is described in the first paragraph of Item 3 of this Amendment, which description is incorporated herein by reference. The summary of the 2003 Pillar Warrant in this Amendment is qualified in its entirety by reference to the 2003 Pillar Warrant, which is incorporated by reference to Exhibit 99.3 hereto.
- (d) In connection with its purchase of shares of Common Stock and the 2004 Optima Warrants, Optima entered into the 2004 Subscription Agreement. The 2004 Subscription Agreement provides for the purchase by Optima, and the sale by the Company, of securities in the 2004 Private Financing. This transaction is described in the second paragraph of Item 3 of this Amendment, which description is incorporated herein by reference. The summary of the 2004 Subscription Agreement in this Amendment is qualified in its entirety by reference to the 2004 Subscription Agreement, which is attached as Exhibit 99.4 hereto.
- (e) The 2004 Optima Warrant to purchase 553,620 shares of Common Stock issued to Optima on August 27, 2004 pursuant to the 2004 Subscription Agreement is described in the second paragraph of Item 3 of this Amendment, which description is incorporated herein by reference. The summary of the 2004 Optima Warrant in this Amendment is qualified in its entirety by reference to the form of 2004 Optima Warrant, which is attached as Exhibit 99.5 hereto.
- (f) Pursuant to the 2004 Engagement Letter referenced in Item 3 of this Amendment, the Company engaged Pillar as a non-exclusive financial advisor to the Company in connection with the private placement of securities of the Company outside the United States. In consideration for these services, the Company agreed to pay Pillar cash fees and warrants to purchase shares of Common Stock as placement fees. The 2004 Engagement Letter may be terminated at any time upon written notice by the Company or by Pillar. The summary of the 2004 Engagement Letter in this Amendment is qualified in its entirety by reference to the 2004 Engagement Letter, which is attached as Exhibit 99.6 hereto.
- (g) The 2004 Pillar Warrant to purchase 432,520 shares of Common Stock issued to Pillar on August 27, 2004 pursuant to the 2004 Engagement Letter is described in the third paragraph of Item 3 of this Amendment, which description is incorporated herein by reference. The summary of the 2004 Pillar Warrant in this Amendment is qualified in its entirety by reference to the form of 2004 Pillar Warrant, which is attached as Exhibit 99.7 hereto.

SCHEDULE 13D

- (h) In connection with the 2004 Private Financing, the Company entered into a registration rights agreement dated as of August 27, 2004 with the investors in the 2004 Private Financing and Pillar (the "2004 Registration Rights Agreement") under which the Company agreed to register the resale of the shares of Common Stock issued in the 2004 Private Financing, the shares of Common Stock issuable upon exercise of the warrants issued in the 2004 Private Financing

and the shares of Common Stock issuable upon exercise of the warrants issued to Pillar in connection with the 2004 Private Financing. The summary of the 2004 Registration Rights Agreement in this Amendment is qualified in its entirety by reference to the 2004 Registration Rights Agreement, which is attached as Exhibit 99.8 hereto.

- (i) Optima is subject to the Memorandum and Articles of Association of Optima, as amended (the "Memorandum and Articles"), which were adopted by Optima on August 19, 2004, and the Management Agreement dated August 20, 2003 between Optima and Pillar (the "Management Agreement"). The Memorandum and Articles establish the rights, preferences and privileges of the different classes of capital in Optima, including the management shares held by Pillar. These rights, preferences and privileges include voting rights, redemption rights and rights upon the windup of Optima. The Management Agreement provides that Pillar will serve as the Manager and Investment Advisor of Optima and will administer Optima's day-to-day activities. Optima has agreed to pay Pillar's fees and expenses for these services in shares of Common Stock. Such payment of shares of Common Stock will generally occur upon the exercise by shareholders of Optima of their redemption rights. The summary of the Memorandum and Articles and the Management Agreement in this Amendment is qualified in its entirety by reference to the Memorandum and Articles and the Management Letter, which are attached as Exhibit 99.9 and incorporated by reference to Exhibit 99.10, respectively.

Except as described above, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Persons or, to the knowledge of the Reporting Parties, the Listed Directors, or between such persons and any other person with respect to any securities of the Company

Item 7. Material to be Filed as Exhibits.

The following documents are filed as exhibits to this statement:

SCHEDULE 13D

CUSIP NO. 44860M108

Page 13 of 14 Pages

- 99.1 Joint Filing Agreement, dated as of September 8, 2003, by and among the Reporting Parties (incorporated by reference to Exhibit 1 to the filing on Schedule 13D by the Reporting Parties dated September 8, 2003).
- 99.2 Warrant to purchase 1,650,114 shares of Common Stock issued to Optima on August 28, 2003 (incorporated by reference to Exhibit 3 to the filing on Schedule 13D by the Reporting Parties dated September 8, 2003).
- 99.3 Warrant to purchase 587,709 shares of Common Stock issued to Pillar on August 28, 2003 (incorporated by reference to Exhibit 5 to the filing on Schedule 13D by the Reporting Parties dated September 8, 2003).
- 99.4 Subscription Agreement, dated as of August 27, 2004, by and between the Company and Optima (filed herewith).
- 99.5 Form of Warrant to purchase 553,620 shares of Common Stock issued to Optima on August 27, 2004 (filed herewith).
- 99.6 Engagement letter dated as of August 27, 2004, by and between the Company and Pillar (filed herewith).
- 99.7 Form of Warrant to purchase 432,520 shares of Common Stock issued to Pillar on August 27, 2004 (filed herewith).

- 99.8 Registration Rights Agreement, dated as of August 27, 2004, by and among the Company, the investors in the 2004 Private Financing and Pillar (filed herewith).
- 99.9 Memorandum and Articles of Association of Optima, as amended, adopted by Optima on August 19, 2004 (filed herewith).
- 99.10 Management Agreement, dated August 20, 2003, by and between Optima and Pillar (incorporated by reference to Exhibit 8 to the filing on Schedule 13D by the Reporting Parties dated September 8, 2003).

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

October 8, 2004

By: /s/ Youseff El-Zein
Youssef El-Zein

Pillar Investment Limited

By: /s/ Youseff El-Zein
Youssef El-Zein
Director

Optima Life Sciences Limited

By: /s/ Bilal Sidani
Bilal Sidani
Director

SCHEDULE I

Set forth below is the name, position, present principal occupation and business address of each of the directors Pillar and Optima.

Pillar				
Name	Position with Pillar	Present Principal Occupation	Business Address	Citizenship
Youssef El-Zein	Director	Director of Pillar Investment Limited	St. James's Chambers, 64A Athol Street, Douglas, Isle of Man IM 1JE	France
Bilal Sidani	Director	Director of Pillar Investment Limited	St. James's Chambers, 64A Athol Street, Douglas, Isle of Man IM 1JE	France
Optima				
Name	Position with Optima	Present Principal Occupation	Business Address	Citizenship

Youssef El-Zein	Director	Director of Pillar Investment Limited	St. James's Chambers, 64A Athol Street, Douglas, Isle of Man IM 1JE	France
Bilal Sidani	Director	Director of Pillar Investment Limited	St. James's Chambers, 64A Athol Street, Douglas, Isle of Man IM 1JE	France
David Burge	Director	Managing Director of Caledonian Trust (IOM) Limited, a licensed Corporate Service Provider under the laws of the Isle of Man	St. James's Chambers, 64A Athol Street, Douglas, Isle of Man IM 1JE	United Kingdom

SUBSCRIPTION AGREEMENT
(Non-U.S. Investor)

Hybridon, Inc.
345 Vassar Street
Cambridge, MA 02139

Gentlemen:

1. Subscription. The undersigned (the "Purchaser"), intending to be legally bound, hereby irrevocably agrees to purchase from Hybridon, Inc. (the "Company") units of the Company (the "Units") for the total purchase price set forth on the signature page hereto. Each Unit shall consist of 100 shares of the Company's common stock, par value U.S. \$.001 per share ("Common Stock"), and warrants ("Warrants") to purchase 20 shares of Common Stock. Each Unit is being offered at a price per Unit determined by multiplying 100 by the sum of:

(a) the highest of the following prices (the highest being referred to as the "Market Price"):

(i) the volume weighted average of the closing sales prices of the Common Stock on the American Stock Exchange for the five consecutive trading days immediately preceding the date of the closing of the sale of Units to the Purchaser under this Subscription Agreement (the "Closing Date"),

(ii) the volume weighted average of the closing sales prices of the Common Stock on the American Stock Exchange for the 10 consecutive trading days immediately preceding the Closing Date,

(iii) the volume weighted average of the closing sales prices of the Common Stock on the American Stock Exchange for the 15 consecutive trading days immediately preceding the Closing Date,

(iv) the volume weighted average of the closing sales prices of the Common Stock on the American Stock Exchange for the 20 consecutive trading days immediately preceding the Closing Date, and

(v) the closing sales price of the Common Stock on the American Stock Exchange on the trading day immediately preceding the Closing Date, and

(b) \$0.025.

This subscription is submitted to you in accordance with and subject to the terms and conditions described in this Subscription Agreement and the Confidential Private Placement Memorandum of the Company dated August 25, 2004, as amended or supplemented from time to time, including all attachments, annexes, schedules and exhibits thereto (the "Memorandum"), relating to the offering (the "Offering") by the Company of a minimum of \$5,000,000 of Units (the "Minimum Amount") and a maximum of \$6,500,000 of Units (the "Maximum Amount").

1

The terms of the Offering are more completely described in the Memorandum and such terms are incorporated herein in their entirety. Certain capitalized terms used but not otherwise defined herein shall have the respective meanings provided in the Memorandum.

2. Payment. The Purchaser agrees to make payment of the full amount of the purchase price of the Units being subscribed for by wire transfer payment at the time and in accordance with the directions specified by the Company. Such funds will be held for the Purchaser's benefit, and will be returned promptly, without interest, penalty, expense or deduction if (a) this Subscription Agreement is not accepted by the Company, (b) the closing of the sale of Units to the Purchaser under this Subscription Agreement (the "Closing") does not occur within two weeks of the date of this Subscription Agreement as set forth under the Purchaser's signature on the signature page hereto, or (c) the Offering expires or is terminated pursuant to its terms or by the Company prior

to the Closing. Together with the check for, or wire transfer of, the full purchase price, the Purchaser is delivering two completed and executed Omnibus Signature Pages to this Subscription Agreement and the Registration Rights Agreement.

3. Acceptance of Subscription. The Purchaser understands and agrees that the Company may, in its sole discretion and for any reason whatsoever, withdraw the Offering, accept or reject in whole or in part this or any other subscription for Units or allot the Purchaser less than the number of Units that the Purchaser desires to purchase. The Company shall have no liability whatsoever to the Purchaser in the event that any of the foregoing shall occur. The Company shall have no obligation hereunder until the Company shall execute and deliver to the Purchaser an executed copy of this Subscription Agreement and until the closing conditions provided in Section 4(b) have been fulfilled. If (a) this Subscription Agreement is not accepted by the Company, (b) the Closing does not occur within two weeks of the date of this Subscription Agreement as set forth under the Purchaser's signature on the signature page hereto, or (c) the Offering expires or is terminated pursuant to its terms or by the Company prior to the Closing, this Subscription Agreement shall thereafter be of no further force or effect.

4. Closing.

(a) The Closing of the sale of the Units to the Purchaser under this Subscription Agreement shall occur as soon as practicable following the acceptance by the Company of this Subscription Agreement and the fulfillment of the conditions set forth in paragraph (b) below.

(b) The obligations of the Purchaser to purchase, and of the Company to sell, the Units under this Subscription Agreement shall be subject to the fulfillment of the following conditions:

(i) the Minimum Amount of Units shall have been sold or shall concurrently be sold to all purchasers of Units in the Offering, including the Units sold to the Purchaser under this Subscription Agreement;

(ii) each representation and warranty contained in Section 5 shall be true on and as of the Closing Date with the same effect as though such representation and warranty had been made on and as of that date; and

(iii) the shares of Common Stock issued as part of the Units sold under this Subscription Agreement and the shares of Common Stock issuable upon exercise of the Warrants issued as part of the Units sold under this Subscription Agreement shall have been

2

approved for listing on the American Stock Exchange, subject only to notice of issuance at the time of purchase.

(c) Following the Closing, the Company shall deliver to the Purchaser, against payment to the Company at the Closing of the purchase price therefor in accordance with Section 2, a certificate for the number of shares of Common Stock issued as part of the Units sold under this Subscription Agreement and executed Warrants to purchase the number of shares of Common Stock issued as part of the Units sold under this Subscription Agreement.

(d) The Company and its agents may continue to offer and sell Units and conduct additional closings for the sale of additional Units after the Closing and until the expiration or termination of the Offering.

5. Representations and Warranties. The Purchaser hereby acknowledges, represents, warrants and agrees as follows:

(a) The Purchaser understands that the offering and sale of the Units is intended to be exempt from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), by virtue of Section 4(2) thereof and the provisions of Regulation D promulgated thereunder, and outside the United States in accordance with Regulation S under the Securities Act ("Regulation S"), based, in part, upon the representations, warranties and agreements of the Purchaser contained in this Subscription Agreement;

(b) The Purchaser and the Purchaser's attorney, accountant, purchaser representative and/or tax advisor, if any (collectively, the

"Advisors"), have received the Memorandum and all other documents requested by the Purchaser and the Advisors, if any, have carefully reviewed them and understand the information contained therein prior to the execution of this Subscription Agreement;

(c) None of the U.S. Securities and Exchange Commission, any state securities commission or any other regulatory authority (foreign or otherwise) has approved the Units or any of the shares of Common Stock, the Warrants or the shares of Common Stock issuable upon exercise of the Warrants, or passed upon or endorsed the merits of the Offering or confirmed the accuracy or determined the adequacy of the Memorandum. The Memorandum has not been reviewed by any U.S. Federal, state or other regulatory authority (foreign or otherwise);

(d) The Purchaser and the Advisors, if any, have had a reasonable opportunity to ask questions of and receive answers from a person or persons acting on behalf of the Company concerning the Offering and the business, financial condition, results of operations and prospects of the Company, and all such questions have been answered to the full satisfaction of the Purchaser and the Advisors, if any;

(e) In evaluating the suitability of an investment in the Company, the Purchaser has not relied upon any representation or other information (oral or written) other than as stated in the Memorandum;

(f) The Purchaser has taken no action which would give rise to any claim by any person against the Company for brokerage commissions, finders' fees or the like relating to this Subscription Agreement or the transactions contemplated hereby;

3

(g) The Purchaser, either alone or together with its Advisor(s), if any, have such knowledge and experience in financial, tax, and business matters, and, in particular, investments in securities, so as to enable them to utilize the information made available to them in connection with the Offering to evaluate the merits and risks of an investment in the Units and the Company and to make an informed investment decision with respect thereto;

(h) The Purchaser is not relying on the Company, or any of its agents or any of their respective employees or agents with respect to the legal, tax, economic and related considerations of an investment in the Units, and the Purchaser has relied on the advice of, or has consulted with, only his or its own Advisors;

(i) The Purchaser is acquiring the Units solely for such Purchaser's own account for investment and not with a view to resale or distribution thereof, in whole or in part. Except for arrangements with shareholders of the Purchaser as provided in the organizational documents of the Purchaser, the Purchaser has no agreement or arrangement, formal or informal, with any person to sell or transfer all or any part of the Units, the shares of Common Stock, the Warrants or the shares of Common Stock issuable upon exercise of the Warrants, and the Purchaser has no plans to enter into any such agreement or arrangement;

(j) The purchase of Units represents high risk capital and the Purchaser is able to afford an investment in a speculative venture having the risks and objectives of the Company. The Purchaser must bear the substantial economic risks of the investment in the Units indefinitely because none of the securities included in the Units may be sold, hypothecated or otherwise disposed of unless (i) such securities are subsequently registered under the Securities Act, (ii) an exemption from such registration is available in a transaction not subject to the registration requirements of the Securities Act or (iii) in accordance with Regulation S. The Company has agreed that purchasers of the Units will have, with respect to the shares of Common Stock and the shares of Common Stock issuable upon exercise of the Warrants, the registration rights described in the Registration Rights Agreement the form of which is included in the subscription documents;

(k) The Purchaser has adequate means of providing for such Purchaser's current financial needs and foreseeable contingencies and has no need for liquidity of the investment in the Units for an indefinite period of time;

(l) The Purchaser is aware that an investment in the Units

involves a number of very significant risks and has carefully read and considered the matters set forth under the caption "Risks Related to this Offering" and other risk factors of the Company that are referenced in the Memorandum;

(m) The Purchaser is not a U.S. person (as defined in Securities Act Rule 902(k)) and is not acquiring the Units, the shares of Common Stock, the Warrant or the shares of Common Stock issuable upon exercise of the Warrant for the account or benefit of any U.S. person.

(n) The Purchaser: (i) if a natural person, represents that the Purchaser has reached the age of 21 and has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Units, such entity is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, the consummation of the transactions contemplated hereby is authorized by, and will

4

not result in a violation of any applicable law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the securities constituting the Units, the execution and delivery of this Subscription Agreement has been duly authorized by all necessary action, this Subscription Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Subscription Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Subscription Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Purchaser is executing this Subscription Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Subscription Agreement and make an investment in the Company, and represents that this Subscription Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Subscription Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Purchaser is a party or by which it is bound;

(o) The Purchaser represents to the Company that any information which the Purchaser has heretofore furnished or is furnishing herewith to the Company is complete and accurate and may be relied upon by the Company in determining the availability of an exemption from registration under U.S. Federal securities laws and applicable laws of states and foreign jurisdictions in connection with the offering of securities as described in the Memorandum. The Purchaser further represents and warrants that it will notify and supply corrective information to the Company immediately upon the occurrence of any change therein occurring prior to the Company's issuance of the Units hereunder;

(p) Within five days after receipt of a request from the Company, the Purchaser will provide such information and deliver such documents as may reasonably be necessary to comply with any and all laws and ordinances to which the Company is subject, including all information regarding the Purchaser that the Company requests in connection with the registration statement to be filed pursuant to the Registration Rights Agreement described in the Memorandum;

(q) No oral or written representations have been made, or oral or written information furnished, to the Purchaser or the Advisors, if any, in connection with the Offering which are in any way inconsistent with the information contained in the Memorandum;

(r) NONE OF THE SHARES OF COMMON STOCK, THE WARRANTS TO PURCHASE SHARES OF COMMON STOCK OR THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THE WARRANTS OFFERED PURSUANT TO THE MEMORANDUM HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT

BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY (FOREIGN OR

5

OTHERWISE), NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL;

(s) Each certificate representing shares of Common Stock issued hereunder or upon exercise of the Warrants and each Warrant shall bear a legend substantially in the following form:

"These shares have not been registered under the Securities Act of 1933. They may not be offered or transferred by sale, assignment, pledge or otherwise unless (i) a registration statement for the shares under the Securities Act of 1933 is in effect or (ii) the corporation has received an opinion of counsel, which opinion is satisfactory to the corporation, to the effect that such registration is not required under the Securities Act of 1933 or (iii) such offer or transfer is made in accordance with the provisions of Regulation S under the Securities Act of 1933. Hedging transactions involving these shares may not be conducted unless in compliance with the Securities Act of 1933."

(t) The foregoing representations and warranties are true as of the date of this Subscription Agreement and shall be true as of the Closing Date. If such representations and warranties shall not be true in any respect prior to the Closing Date the Purchaser will give prompt written notice of such fact to the Company.

6. Irrevocability; Binding Effect. The Purchaser hereby acknowledges and agrees that the subscription hereunder is irrevocable by the Purchaser, except as required by applicable law, and that this Subscription Agreement shall survive the death or disability of the Purchaser and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives, and permitted assigns. If the Purchaser is more than one person, the obligations of the Purchaser hereunder shall be joint and several and the agreements, representations, warranties, and acknowledgments herein shall be deemed to be made by and be binding upon each such person and such person's heirs, executors, administrators, successors, legal representatives, and permitted assigns.

7. Modification. Except as expressly permitted herein, this Subscription Agreement shall not be modified or waived except by an instrument in writing signed by the party against whom any such modification or waiver is sought.

8. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be mailed by certified mail, return receipt requested, or by a reputable overnight delivery service or shall be delivered against receipt to the party to whom it is to be given (a) if to the Company, at the address set forth above, or (b) if to the Purchaser, at the address set forth on the signature page hereof (or, in either case, to such other address as the party shall have furnished in writing in accordance with the provisions of this Section 8). Any notice or other communication given by certified mail shall be deemed given at the time of certification thereof and any notice or other communication given by overnight delivery service shall be deemed given two business days after deposit with the courier; provided, however, that a notice changing a party's address shall be deemed given at the time of receipt thereof.

9. Assignability. This Subscription Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the Purchaser.

6

10. Applicable Law. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts in the United States without reference to the principles thereof relating to the conflict of laws.

11. Blue Sky Qualification. The purchase of Units under this Subscription Agreement is expressly conditioned upon the exemption from qualification of the offer and sale of the Units from applicable U.S. Federal securities laws and the applicable laws of states and foreign jurisdictions. The Company shall not be required to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction and, should qualification or execution of a general consent be necessary, the Company shall be released from any and all obligations to maintain its offer, and may rescind any sale contracted, in the jurisdiction.

12. Use of Pronouns. All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require.

13. Confidentiality. The Purchaser acknowledges and agrees that any information or data the Purchaser has acquired from or about the Company, not otherwise properly in the public domain, was received in confidence. The Purchaser agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Agreement, or use to the detriment of the Company or for the benefit of any other person or persons, or misuse in any way, any confidential information of the Company, including any scientific, technical, trade or business secrets of the Company and any scientific, technical, trade or business materials that are treated by the Company as confidential or proprietary, including, but not limited to, ideas, discoveries, inventions, developments and improvements belonging to the Company and confidential information obtained by or given to the Company about or belonging to third parties.

14. Miscellaneous.

(a) This Agreement, together with the Registration Rights Agreement, constitute the entire agreement between the Purchaser and the Company with respect to the subject matter hereof, except for any confidential disclosure agreement between the Purchaser and the Company, and supersede all prior oral or written agreements and understandings, if any, between the parties relating to the subject matter hereof, except for any confidential disclosure agreement between the Purchaser and the Company.

(b) The Purchaser's representations and warranties made in this Agreement shall survive the execution and delivery hereof and delivery of the shares of Common Stock and Warrants contained in the Units.

(c) Each of the parties hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

(d) This Agreement may be executed in one or more counterparts each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

(e) Each provision of this Subscription Agreement shall be considered separable and, if for any reason any provision or provisions hereof are determined to be invalid or

7

contrary to applicable law, such invalidity or illegality shall not impair the operation of or affect the remaining portions of this Subscription Agreement.

(f) Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Subscription Agreement as set forth in the text.

15. Omnibus Signature Page. This Subscription Agreement is intended to be read and construed in conjunction with the Registration Rights Agreement pertaining to the issuance by the Company of the shares of Common Stock and Warrants to subscribers pursuant to the Memorandum. Accordingly, pursuant to the terms and conditions of this Subscription Agreement and such related agreements it is hereby agreed that the execution by Purchaser of this Subscription Agreement, in the place set forth herein, shall constitute agreement to be bound by the terms and conditions hereof and the terms and conditions of the Registration Rights Agreement, with the same effect as if each of such separate

but related agreement were separately signed.

HYBRIDON, INC.
OMNIBUS SIGNATURE PAGE TO
SUBSCRIPTION AGREEMENT AND REGISTRATION RIGHTS AGREEMENT

Subscriber hereby elects to subscribe under the Subscription Agreement for a total of \$1,600,000 of Units (NOTE: to be completed by subscriber) or such lesser amount as shall purchase a whole number of Units and executes the Subscription Agreement and the Registration Rights Agreement, agrees to be bound by the terms and conditions thereof and authorizes this signature page to be attached thereto.

Date (NOTE: To be completed by subscriber): 27 August, 2004

If the Purchaser is an INDIVIDUAL (if purchased as JOINT TENANTS, as TENANTS IN COMMON, or as COMMUNITY PROPERTY, each owner must complete separate signature page):

----- Print Name	----- Social Security Number (if applicable)
----- Signature of Subscriber	----- Address Line 1
----- Date	----- Address Line 2

If the Purchaser is a PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY or TRUST:

Optima Life Sciences Limited ----- Name of Partnership, Corporation, Limited Liability Company or Trust	----- Federal Taxpayer Identification Number (if applicable)
By: /s/ Youssef El Zein ----- Name: Youssef El Zein Title: Director	Isle of Man ----- Jurisdiction of Organization
August 27, 2004 ----- Date	St James's Chambers, 64A Athol Street ----- Address Line 1 Isle of Man IM1 1JE ----- Address Line 2

ACCEPTED AS OF THE 27TH DAY OF AUGUST, 2004:

HYBRIDON, INC.

By: /s/ Robert G. Andersen

Name: Robert G. Andersen
Title: CFO

FORM OF WARRANT

THIS WARRANT AND THE WARRANT SHARES SHALL NOT BE SOLD OR TRANSFERRED EXCEPT (A) IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT OF 1933, (B) PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OF 1933 OR (C) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933. HEDGING TRANSACTIONS INVOLVING THIS WARRANT AND THE WARRANT SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT OF 1933.

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUED UPON ITS EXERCISE ARE SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH IN SECTION 5 OF THIS WARRANT

Warrant No. _____ Number of Shares: 553,620
(subject to adjustment)

Date of Issuance: August 27, 2004

HYBRIDON, INC.

Common Stock Purchase Warrant

(Void after August 27, 2009)

Hybridon, Inc., a Delaware corporation (the "Company"), for value received, hereby certifies that Optima Life Sciences Limited, or his or its registered assigns (the "Registered Holder"), is entitled, subject to the terms and conditions set forth below, to purchase from the Company, at any time, or from time to time, on or after August 27, 2004 and on or before 5:00 p.m. (Boston time) on August 27, 2009, 553,620 shares of Common Stock, \$0.001 par value per share, of the Company ("Common Stock"), at a purchase price of \$0.67 per share. The shares purchasable upon exercise of this Warrant, and the purchase price per share, each as adjusted from time to time pursuant to the provisions of this Warrant, are hereinafter referred to as the "Warrant Shares" and the "Purchase Price," respectively.

1. Exercise.

(a) Exercise Process. The Registered Holder may, at its option, elect to exercise this Warrant, in whole or in part and at any time, or from time to time, by surrendering this Warrant, with the purchase form appended hereto as Exhibit I duly executed by or on behalf of the Registered Holder, at the principal office of the Company, or at such other office or agency as the Company may designate, accompanied by payment in full, in lawful money of the United States, of the Purchase Price payable in respect of the number of Warrant Shares purchased upon such exercise.

(b) Exercise Date. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in subsection 1(a) above (the "Exercise Date"). At such time, the person or persons in whose name or names any certificates for Warrant Shares shall be issuable upon such exercise as provided in subsection 1(c) below shall be deemed to have become the holder or holders of record of the Warrant Shares represented by such certificates.

(c) Issuance of Common Stock Certificates. As soon as practicable after the exercise of this Warrant in whole or in part, and in any event within 10 days thereafter, the Company, at its expense, will cause to be issued in the name of, and delivered to, the Registered Holder, or as the Registered Holder (upon payment by the Registered Holder of any applicable transfer or withholding taxes) may direct:

(i) a certificate or certificates for the number of full Warrant Shares to which the Registered Holder shall be entitled upon such exercise plus, in lieu of any fractional share to which the Registered Holder would otherwise be entitled, cash in an amount determined pursuant to Section 3 hereof; and

(ii) in case such exercise is in part only, a new

warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Warrant Shares equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of Warrant Shares for which this Warrant was so exercised.

(d) Exercise by Non-U.S. Person. It shall be a condition to the exercise of this Warrant by a Registered Holder that is not a U.S. Person (as defined under the Securities Act of 1933, as amended (the "Securities Act")) that such Registered Holder certify in writing to the Company that it is not a U.S. Person and that this Warrant is not being exercised on behalf of a U.S. Person.

2. Adjustments.

(a) Adjustment for Stock Splits and Combinations. If the Company shall at any time, or from time to time after the date on which this Warrant was first issued (or, if this Warrant was issued upon partial exercise of, or in replacement of, another warrant of like tenor, then the date on which such original warrant was first issued) (either such date being referred to as the "Original Issue Date") effect a subdivision of the outstanding Common Stock, the Purchase Price then in effect immediately before that subdivision shall be proportionately decreased. If the Company shall at any time, or from time to time, after the Original Issue Date combine the outstanding shares of Common Stock, the Purchase Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(b) Adjustment for Certain Dividends and Distributions. In the event the Company at any time, or from time to time after the Original Issue Date shall make or issue, or

-2-

fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Purchase Price then in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Purchase Price then in effect by a fraction:

(i) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(ii) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution;

provided, however, that if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Purchase Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Purchase Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions.

(c) Adjustment in Number of Warrant Shares. When any adjustment is required to be made in the Purchase Price pursuant to subsections 2(a) or 2(b) above, the number of Warrant Shares purchasable upon the exercise of this Warrant shall be changed to the number determined by dividing (i) an amount equal to the number of shares issuable upon the exercise of this Warrant immediately prior to such adjustment, multiplied by the Purchase Price in effect immediately prior to such adjustment, by (ii) the Purchase Price in effect immediately after such adjustment.

(d) Adjustments for Other Dividends and Distributions. In the event the Company at any time, or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company (other than shares of Common Stock) or in cash or

other property (other than regular cash dividends paid out of earnings or earned surplus, determined in accordance with generally accepted accounting principles), then and in each such event provision shall be made so that the Registered Holder shall receive upon exercise hereof, in addition to the number of shares of Common Stock issuable hereunder, the kind and amount of securities of the Company, cash or other property which the Registered Holder would have been entitled to receive had this Warrant been exercised on the date of such event and had the Registered Holder thereafter, during the period from the date of such event to and including the Exercise Date, retained any such securities receivable during such period, giving application to all adjustments called for during such period under this Section 2 with respect to the rights of the Registered Holder.

(e) Adjustment for Reorganization. If there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Company in which the

-3-

Common Stock is converted into or exchanged for securities, cash or other property (other than a transaction covered by subsections 2(a), 2(b) or 2(d)) (collectively, a "Reorganization"), then, following such Reorganization, the Registered Holder shall receive upon exercise hereof the kind and amount of securities, cash or other property which the Registered Holder would have been entitled to receive pursuant to such Reorganization if such exercise had taken place immediately prior to such Reorganization. In any such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Company (the "Board")) shall be made in the application of the provisions set forth herein with respect to the rights and interests thereafter of the Registered Holder, to the end that the provisions set forth in this Section 2 (including provisions with respect to changes in and other adjustments of the Purchase Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities, cash or other property thereafter deliverable upon the exercise of this Warrant.

(f) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Purchase Price pursuant to this Section 2, the Company at its expense shall, as promptly as reasonably practicable but in any event not later than 30 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Registered Holder a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property for which this Warrant shall be exercisable and the Purchase Price) and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, as promptly as reasonably practicable after the written request at any time of the Registered Holder (but in any event not later than 30 days thereafter), furnish or cause to be furnished to the Registered Holder a certificate setting forth (i) the Purchase Price then in effect and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the exercise of this Warrant.

3. Fractional Shares. The Company shall not be required upon the exercise of this Warrant to issue any fractional shares, but shall pay the value thereof to the Registered Holder in cash on the basis of the Fair Market Value per share of Common Stock. The "Fair Market Value" per share of Common Stock shall be determined as follows:

(a) If the Common Stock is listed on a national securities exchange, the Nasdaq National Market, the Nasdaq SmallCap Market, the OTC Bulletin Board or another nationally recognized trading system as of the Exercise Date, the Fair Market Value per share of Common Stock shall be deemed to be the average of the high and low reported sale prices per share of Common Stock thereon for the five consecutive trading day period immediately preceding the Exercise Date; provided that if the Common Stock is not so listed during such period, the Fair Market Value per share of Common Stock shall be determined pursuant to clause 3(b).

(b) If the Common Stock is not listed on a national securities exchange, the Nasdaq National Market, the Nasdaq SmallCap Market, the OTC Bulletin Board or another nationally recognized trading system as of the Exercise Date, the Fair Market Value per share of Common Stock shall be deemed to be the amount most recently determined by the Board or an authorized committee of the Board to represent the fair market value per share of the Common Stock (including without limitation a determination for purposes of

options or issuing Common Stock under any plan, agreement or arrangement with employees of the Company).

4. Redemption of Warrants.

(a) Subject to the terms of this Section 4, the Company shall have the right to redeem this Warrant for a redemption price (the "Redemption Price") equal to the result obtained by multiplying (i) \$0.01 by (ii) the number of Warrant Shares that the Registered Holder is entitled to purchase upon exercise of this Warrant immediately prior to the termination of this Warrant under Section 4(d) below (such Redemption Price being subject to adjustment for stock splits, stock dividends, combinations, recapitalizations, reclassifications, and similar transactions affecting the Common Stock).

(b) The Company shall exercise this redemption right by providing at least 30 days' prior written notice to the Registered Holder of such redemption (the "Redemption Notice"). Such Redemption Notice shall be provided to the Registered Holder in accordance with Section 10 of this Warrant. The Redemption Notice shall specify the time, manner and place of redemption, including without limitation the date on which this Warrant shall be redeemed (the "Redemption Date") and the Redemption Price payable to the Registered Holder (assuming that this Warrant is not exercised on or prior to the Redemption Date).

(c) Notwithstanding the foregoing, the Company may not redeem this Warrant or provide the Redemption Notice to the Registered Holder unless the closing sales price of the Common Stock on each day of a 20 consecutive trading day period ending within 30 days prior to the date the Company provides the Redemption Notice to the Registered Holder is greater than or equal to \$1.34 (subject to adjustment for stock splits, stock dividends, combinations, recapitalizations, reclassifications, and similar transactions affecting the Common Stock); provided, however, that the Company may not redeem this Warrant or provide the Redemption Notice on or before February 27, 2005.

(d) This Warrant shall cease to be exercisable and shall be terminated and of no further force or effect effective at 5:00 p.m. (Boston Time) on the Redemption Date. If the Registered Holder does not exercise this Warrant on or prior to the Redemption Date, the Registered Holder shall surrender this Warrant to the Company on the Redemption Date for cancellation. From and after the Redemption Date, the Registered Holder's sole right hereunder shall be to receive the Redemption Price, without interest, upon presentation and surrender of this Warrant for cancellation.

5. Transfers, etc.

(a) Neither this Warrant nor the Warrant Shares shall be sold or transferred unless either (i) they first shall have been registered under the Securities Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Securities Act. Notwithstanding the foregoing, no registration or opinion of counsel shall be required for a transfer made in accordance with Rule 144 under the Securities Act.

(b) Each certificate representing Warrant Shares shall bear a legend substantially in the following form:

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be offered, sold or otherwise transferred, pledged or hypothecated unless and until such securities are registered under such Act or an opinion of counsel satisfactory to the Company is obtained to the effect that such registration is not required."

The foregoing legend shall be removed from the certificates representing any

Warrant Shares, at the request of the holder thereof, at such time as they become eligible for resale pursuant to Rule 144(k) under the Securities Act.

(c) In the case of a Registered Holder that is a non-U.S. Person:

(i) THIS WARRANT AND THE WARRANT SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON UNLESS REGISTERED UNDER THE SECURITIES ACT OF 1933 OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

(ii) This Warrant and the Warrant Shares shall not be sold or transferred except (A) in accordance with the provisions of Regulation S under the Securities Act, (B) pursuant to registration under the Securities Act or (C) pursuant to an available exemption from registration under the Securities Act. Hedging transactions involving this Warrant and the Warrant Shares may not be conducted unless in compliance with the Securities Act.

(iii) Notwithstanding Section 5(b) to the contrary, each certificate representing Warrant Shares issued to a Registered Holder that is a non-U.S. Person shall bear a legend substantially in the following form:

"These shares have not been registered under the Securities Act of 1933. They may not be offered or transferred by sale, assignment, pledge or otherwise unless (i) a registration statement for the shares under the Securities Act of 1933 is in effect or (ii) the corporation has received an opinion of counsel, which opinion is satisfactory to the corporation, to the effect that such registration is not required under the Securities Act of 1933 or (iii) such offer or transfer is made in accordance with the provisions of Regulation S under the Securities Act of 1933. Hedging transactions involving these shares may not be conducted unless in compliance with the Securities Act of 1933."

(d) The Company will maintain a register containing the name and address of the Registered Holder of this Warrant. The Registered Holder may change its address as shown on the warrant register by written notice to the Company requesting such change.

-6-

(e) Notwithstanding Section 5(a) above, a Registered Holder which is an entity may transfer this Warrant, in whole, to a wholly owned subsidiary of such entity, a Registered Holder which is a partnership may transfer this Warrant, in whole, to a partner of such partnership or a retired partner of such partnership or to the estate of any such partner or retired partner, a Registered Holder which is a limited liability company may transfer this Warrant, in whole, to a member of such limited liability company or a retired member or to the estate of any such member or retired member and a Registered Holder who is an individual may transfer this Warrant, in whole, to such individual's spouse, children, parents, siblings, grandchildren or any trust established exclusively for the benefit of one or more of the foregoing individuals, or by will or the laws of descent and distribution (in each case, a "Permitted Transferee"). This Warrant and all rights hereunder are transferable to a Permitted Transferee, in whole, upon surrender of this Warrant with a properly executed assignment (in the form of Exhibit II hereto) at the principal office of the Company (or, if another office or agency has been designated by the Company for such purpose, then at such other office or agency).

6. No Impairment. The Company will not, by amendment of its charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Registered Holder against impairment.

7. Notices of Record Date, etc. In the event:

(a) the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right; or

(b) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity and its Common Stock is not converted into or exchanged for any other securities or property), or any transfer of all or substantially all of the assets of the Company; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will send or cause to be sent to the Registered Holder a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other stock or securities at the time deliverable upon the exercise of this Warrant) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such

-7-

reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be sent at least 10 days prior to the record date or effective date for the event specified in such notice.

8. Reservation of Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the exercise of this Warrant, such number of Warrant Shares and other securities, cash and/or property, as from time to time shall be issuable upon the exercise of this Warrant.

9. Exchange or Replacement of Warrants.

(a) Upon the surrender by the Registered Holder, properly endorsed, to the Company at the principal office of the Company, the Company will, subject to the provisions of Section 5 hereof, issue and deliver to or upon the order of the Registered Holder, at the Company's expense, a new Warrant or Warrants of like tenor, in the name of the Registered Holder or as the Registered Holder (upon payment by the Registered Holder of any applicable transfer taxes) may direct, calling in the aggregate on the face or faces thereof for the number of shares of Common Stock (or other securities, cash and/or property) then issuable upon exercise of this Warrant.

(b) Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of like tenor.

10. Notices. All notices and other communications from the Company to the Registered Holder in connection herewith shall be mailed by certified or registered mail, postage prepaid, or sent via a reputable overnight courier service to the address last furnished to the Company in writing by the Registered Holder. All notices and other communications from the Registered Holder to the Company in connection herewith shall be mailed by certified or registered mail, postage prepaid, or sent via a reputable overnight courier service to the Company at its principal office set forth below. If the Company should at any time change the location of its principal office to a place other than as set forth below, it shall give prompt written notice to the Registered Holder and thereafter all references in this Warrant to the location of its principal office at the particular time shall be as so specified in such notice. All such notices and communications shall be deemed delivered (i) two business days after being sent by certified or registered mail, return receipt requested, postage prepaid, or (ii) two business days after being sent via a reputable overnight courier service.

11. No Rights as Stockholder. Until the exercise of this Warrant, the Registered Holder shall not have or exercise any rights by virtue hereof as a stockholder of the Company. Notwithstanding the foregoing, in the event (i) the Company effects a split of the Common Stock by means of a stock dividend and the Purchase Price of and the number of Warrant Shares are adjusted as of the date

of the distribution of the dividend (rather than as of the record date for such dividend), and (ii) the Registered Holder exercises this Warrant between the record date and the distribution date for such stock dividend, the Registered Holder shall be entitled to receive,

-8-

on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

12. Amendment or Waiver. Any term of this Warrant may be amended or waived only by an instrument in writing signed by the party against which enforcement of the change or waiver is sought. No waivers of any term, condition or provision of this Warrant, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

13. Section Headings. The section headings in this Warrant are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties.

14. Governing Law. This Warrant will be governed by and construed in accordance with the internal laws of the State of Delaware (without reference to the conflicts of law provisions thereof).

15. Facsimile Signatures. This Warrant may be executed by facsimile signature.

16. Acceptance by Registered Holder. By acquiring and accepting this Warrant, the Registered Holder shall be deemed to have agreed and accepted the terms and conditions of this Warrant.

EXECUTED as of the Date of Issuance indicated above.

HYBRIDON, INC.

By: _____

Title: _____

-9-

EXHIBIT I

PURCHASE FORM

To: Hybridon, Inc.

Dated: _____

The undersigned, pursuant to the provisions set forth in the attached Warrant (No. _____), hereby elects to purchase _____ shares of the Common Stock of Hybridon, Inc. covered by such Warrant.

The undersigned herewith makes a payment of \$_____ representing the full purchase price for such shares at the price per share provided for in such Warrant.

Signature: _____

Address: _____

EXHIBIT II

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____ hereby
sells, assigns and transfers all of the rights of the undersigned under the
attached Warrant (No. _____) with respect to all of the shares of Common Stock of
Hybridon, Inc. covered thereby set forth below, unto:

Name of Assignee	Address	No. of Shares
------------------	---------	---------------

Dated: _____ Signature: _____

Signature Guaranteed:

By: _____

The signature should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.

Hybridon, Inc.
345 Vassar Street
Cambridge, Massachusetts 02139

August 27, 2004

Pillar Investments Limited
St. James' Chambers
Douglas
Isle of Man

Gentlemen:

This letter sets forth the terms and conditions of the engagement of Pillar Investments Limited (the "Advisor") as a non-exclusive financial advisor to Hybridon, Inc. (the "Company") in connection with the arrangement and negotiation of a private placement of the Company's securities outside of the United States (the "Transaction"). The Advisor, in its capacity as financial advisor to the Company, has identified and will identify potential non-U.S. investors and, subject to the Company's prior written approval, has contacted or will contact such potential investors on behalf of the Company and has provided and will provide such other services in connection with the Transaction as the Company may from time to time reasonably request.

The Advisor has not contacted or initiated and shall not contact or initiate any discussions with any party or prospective investor without first identifying such party or prospective investor to the Company and obtaining the Company's prior written approval to make such contact or initiate such discussions (such parties and prospective investors that are approved by the Company are referred to herein as the "Approved Investors"). The Advisor shall not have authority under this letter to bind the Company in any way to any party, and nothing contained in this letter shall require the Company to accept the terms of any proposal or undertake any other action that would result in the receipt by the Advisor of a fee hereunder.

The Advisor represents, warrants and covenants to the Company that:

(a) It has not offered, offered to sell or sold and shall not offer, offer to sell or sell any securities of the Company on the basis of any written communications or documents relating to the Company or its business other than written materials furnished by the Company or previously approved by the Company in writing, including without limitation the Company's filings under the Securities Exchange Act of 1934, as amended (the "Offering Materials"). No communications (whether oral or written) or documents relating to the Company or its business made or delivered by the Advisor have been or shall be inconsistent with the Offering Materials.

(b) It has not offered, offered to sell or sold and shall not offer, offer to sell or sell any securities of the Company to any investor in the United States or to any United States person outside the United States.

(c) It has not engaged and shall not engage in any form of general solicitation or general advertising which is prohibited by Regulation D ("Regulation D") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Transaction or any directed selling efforts in the United States (as such term is defined in Regulation S ("Regulation S") promulgated under the Securities Act). In addition, such Advisor has not taken and shall not take any action that might reasonably be expected to jeopardize the availability for the Transaction of the exemption from registration provided by Regulation S or the qualification of securities of the Company for offer and sale under any applicable foreign securities laws.

(d) It shall make reasonable inquiry to determine that each investor is acquiring the securities of the Company for his or its own account for investment.

(e) In the performance of its services hereunder, it has complied and shall comply with the U.S. securities laws and the securities laws in effect in any jurisdiction in which securities of the Company are offered by it and the rules, regulations and orders of any securities administrator existing or adopted thereunder.

(f) It shall not receive, directly or indirectly, any remuneration in respect of any issuance and sale by the Company of its securities in the United States or to any U.S. person.

In the event a Transaction with Approved Investors is completed during the term of this letter, the Company will (i) pay the Advisor a fee in an amount equal to 7% of the Aggregate Value (as defined below) of the Transaction received from Approved Investors less \$6,000 and (ii) issue to the Advisor a warrant or warrants (in the form issued to Approved Investors in the Transaction, if applicable, and in any event including antidilution protection for stock splits and other similar events and other customary provisions as agreed by the Company and the Advisor; provided that the term of the warrant or warrants shall not exceed five years) to purchase such number of shares of common stock of the Company (the "Warrant Shares") as is equal to 10% of the Issued Shares (as defined below) at an exercise price per share equal to the exercise price of the warrants issued to Approved Investors in the Transaction, if applicable.

For the purposes of this letter, (i) the term "Aggregate Value" shall mean the total amount of cash and the fair market value of all other property paid by Approved Investors to the Company in consideration for the securities of the Company to be issued in the Transaction (excluding, however, any payment made in connection with the exercise of any warrants issued to the investors in the Transaction), and (ii) the term "Issued Shares" shall mean the total number of shares of common stock of the Company issued to the Approved Investors, who were introduced to the Company by the Advisor, in the Transaction (excluding any shares issued upon exercise of any warrants issued to the investors in the Transaction and excluding any shares issued to any affiliate of the Advisor or Youssef El-Zein, including without limitation Optima Life Sciences Limited).

-2-

The Advisor recognizes that the Company is subject to the rules of the American Stock Exchange, including Section 711 of the American Stock Exchange Company Guide. Accordingly, the Advisor agrees that notwithstanding the foregoing the Company shall have no obligation hereunder to pay any fees or issue any Warrants to the Advisor that would not comply with the rules of the American Stock Exchange or that would require the Company to obtain stockholder approval. In the event of such a conflict, the Company and the Advisor agree to negotiate in good faith new compensation terms for the Advisor.

In addition to any fees payable to the Advisor under the terms of this letter, the Company agrees to reimburse the Advisor for its reasonable out-of-pocket expenses incurred in connection with the Advisor's activities under this letter, which shall not exceed \$35,000, in the aggregate, without the Company's prior approval.

The Company agrees to indemnify the Advisor and its affiliates, directors, officers, employees, agents and controlling persons (each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject under any applicable federal or state law, or otherwise, related to or arising out of the engagement of the Advisor pursuant to, and the performance by the Advisor of the services contemplated by, this letter and will, subject to the limitation set forth below, reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses, whether incurred in connection with third party claims or direct claims against the Company) as they are incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party. The Company will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense is found in a final judgment by a court of competent jurisdiction to have resulted from an Indemnified Party's breach of this letter, bad faith, willful misfeasance, gross negligence or reckless disregard of its obligations or duties. No Indemnified Party shall settle any claim for which indemnification may be sought by him or it hereunder without the prior written consent of the Company. The Company's obligations to indemnify pursuant hereto shall be limited to the Indemnified Party's actual liabilities, losses, damages or expenses incurred and shall not

include any consequential damages or damages for loss of business or reputation.

The Company will have the right, at its option, to assume the defense of any litigation or proceeding in respect of which indemnity may be sought hereunder, including the employment of counsel reasonably satisfactory to the Advisor (the Advisor hereby agrees that Wilmer Cutler Pickering Hale and Dorr LLP is satisfactory to the Advisor) and the payment of the fees and expenses of such counsel, in which event, except as provided below, the Company shall not be liable for the fees and expenses of any other counsel retained by any Indemnified Person in connection with such litigation or proceeding. In any such litigation or proceeding the defense of which the Company shall have so assumed, any Indemnified Person shall have the right to participate in such litigation or proceeding and to retain its own counsel.

Upon receipt by an Indemnified Person of actual notice of a claim, action or proceeding against such Indemnified Person in respect of which indemnity may be sought hereunder, such Indemnified Person shall promptly notify the Company with respect thereto. In addition, an

-3-

Indemnified Person shall promptly notify the Company after any action is commenced (by the way of service with a summons or other legal process giving information as to the nature and basis of the claim) against such Indemnified Person in respect of which indemnity may be sought hereunder. In any event, failure to notify the Company shall not relieve the Company from any liability which the Company may have on account of this indemnity or otherwise, except to the extent the Company shall have been prejudiced by such failure.

In the course of its services, the Advisor has had and will have access to Confidential Information (as defined below) concerning the Company. The Advisor agrees that all Confidential Information has been and will be treated by the Advisor as confidential in all respects. The term "Confidential Information" shall mean all information, whether written or oral, which is disclosed by the Company or its affiliates, agents or representatives to the Advisor or is otherwise learned of by the Advisor in connection with its role as financial advisor to the Company which information is not in the public domain, but shall not include: (i) information which, prior to disclosure to the Advisor, was already in the Advisor's possession and was not otherwise subject to an obligation of confidentiality; (ii) information which is publicly disclosed other than by the Advisor in violation of this letter; (iii) information which is obtained by the Advisor from a third party that (x) the Advisor does not know to have violated, or to have obtained such information in violation of, any obligation to the Company or its affiliates with respect to such information, and (y) does not require the Advisor to refrain from disclosing such information; and (iv) information which is required to be disclosed by the Advisor or its outside counsel under compulsion of law (whether by oral question, interrogatory, subpoena, civil investigative demand or otherwise) or by order of any court or governmental or regulatory body to whose supervisory authority the Advisor is subject; provided that, in such circumstance, the Advisor will give the Company prior written notice of such disclosure and cooperate with the Company to minimize the scope of any such disclosure. Each Advisor's obligation under this paragraph shall survive the expiration, termination or completion of this letter or the Advisor's engagement hereunder.

The Advisor's engagement hereunder and this letter shall terminate on the earlier of (i) December 31, 2004 or (ii) written notice of termination by the Company to the Advisor or by the Advisor to the Company, it being understood that the provisions relating to confidentiality and indemnification will survive any such termination.

This letter shall be construed and interpreted in accordance with the laws of the Commonwealth of Massachusetts. This letter constitutes the entire agreement of the parties with respect to the subject matter hereof.

-4-

If the foregoing is in accordance with your understanding, please confirm acceptance by signing and returning to us the duplicate of this letter attached herewith.

Sincerely,

HYBRIDON, INC.

By: /s/ Robert G. Andersen

Name: Robert G. Andersen
Title: CFO

Agreed and Accepted as of
the date set forth above by:

PILLAR INVESTMENTS LIMITED

By /s/ Youssef El-Zein

Title: Director

FORM OF WARRANT

THIS WARRANT AND THE WARRANT SHARES SHALL NOT BE SOLD OR TRANSFERRED EXCEPT (A) IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT OF 1933, (B) PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OF 1933 OR (C) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933. HEDGING TRANSACTIONS INVOLVING THIS WARRANT AND THE WARRANT SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT OF 1933.

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUED UPON ITS EXERCISE ARE SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH IN SECTION 5 OF THIS WARRANT

Warrant No. _____

Number of Shares: 432,520
(subject to adjustment)

Date of Issuance: August 27, 2004

HYBRIDON, INC.

Common Stock Purchase Warrant

(Void after August 27, 2009)

Hybridon, Inc., a Delaware corporation (the "Company"), for value received, hereby certifies that Pillar Investment Limited, or his or its registered assigns (the "Registered Holder"), is entitled, subject to the terms and conditions set forth below, to purchase from the Company, at any time, or from time to time, on or after August 27, 2004 and on or before 5:00 p.m. (Boston time) on August 27, 2009, 432,520 shares of Common Stock, \$0.001 par value per share, of the Company ("Common Stock"), at a purchase price of \$0.67 per share. The shares purchasable upon exercise of this Warrant, and the purchase price per share, each as adjusted from time to time pursuant to the provisions of this Warrant, are hereinafter referred to as the "Warrant Shares" and the "Purchase Price," respectively.

1. Exercise.

(a) Exercise Process. The Registered Holder may, at its option, elect to exercise this Warrant, in whole or in part and at any time, or from time to time, by surrendering this Warrant, with the purchase form appended hereto as Exhibit I duly executed by or on behalf of the Registered Holder, at the principal office of the Company, or at such other office or agency as the Company may designate, accompanied by payment in full, in lawful money of the United States, of the Purchase Price payable in respect of the number of Warrant Shares purchased upon such exercise.

(b) Exercise Date. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in subsection 1(a) above (the "Exercise Date"). At such time, the person or persons in whose name or names any certificates for Warrant Shares shall be issuable upon such exercise as provided in subsection 1(c) below shall be deemed to have become the holder or holders of record of the Warrant Shares represented by such certificates.

(c) Issuance of Common Stock Certificates. As soon as practicable after the exercise of this Warrant in whole or in part, and in any event within 10 days thereafter, the Company, at its expense, will cause to be issued in the name of, and delivered to, the Registered Holder, or as the Registered Holder (upon payment by the Registered Holder of any applicable transfer or withholding taxes) may direct:

(i) a certificate or certificates for the number of full Warrant Shares to which the Registered Holder shall be entitled upon such exercise plus, in lieu of any fractional share to which the Registered Holder would otherwise be entitled, cash in an amount determined pursuant to Section 3 hereof; and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Warrant Shares equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of Warrant Shares for which this Warrant was so exercised.

(d) Exercise by Non-U.S. Person. It shall be a condition to the exercise of this Warrant by a Registered Holder that is not a U.S. Person (as defined under the Securities Act of 1933, as amended (the "Securities Act")) that such Registered Holder certify in writing to the Company that it is not a U.S. Person and that this Warrant is not being exercised on behalf of a U.S. Person.

2. Adjustments.

(a) Adjustment for Stock Splits and Combinations. If the Company shall at any time, or from time to time after the date on which this Warrant was first issued (or, if this Warrant was issued upon partial exercise of, or in replacement of, another warrant of like tenor, then the date on which such original warrant was first issued) (either such date being referred to as the "Original Issue Date") effect a subdivision of the outstanding Common Stock, the Purchase Price then in effect immediately before that subdivision shall be proportionately decreased. If the Company shall at any time, or from time to time, after the Original Issue Date combine the outstanding shares of Common Stock, the Purchase Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(b) Adjustment for Certain Dividends and Distributions. In the event the Company at any time, or from time to time after the Original Issue Date shall make or issue, or

-2-

fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Purchase Price then in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Purchase Price then in effect by a fraction:

(i) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(ii) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution;

provided, however, that if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Purchase Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Purchase Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions.

(c) Adjustment in Number of Warrant Shares. When any adjustment is required to be made in the Purchase Price pursuant to subsections 2(a) or 2(b) above, the number of Warrant Shares purchasable upon the exercise of this Warrant shall be changed to the number determined by dividing (i) an amount equal to the number of shares issuable upon the exercise of this Warrant immediately prior to such adjustment, multiplied by the Purchase Price in effect immediately prior to such adjustment, by (ii) the Purchase Price in effect immediately after such adjustment.

(d) Adjustments for Other Dividends and Distributions. In the event the Company at any time, or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders

of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company (other than shares of Common Stock) or in cash or other property (other than regular cash dividends paid out of earnings or earned surplus, determined in accordance with generally accepted accounting principles), then and in each such event provision shall be made so that the Registered Holder shall receive upon exercise hereof, in addition to the number of shares of Common Stock issuable hereunder, the kind and amount of securities of the Company, cash or other property which the Registered Holder would have been entitled to receive had this Warrant been exercised on the date of such event and had the Registered Holder thereafter, during the period from the date of such event to and including the Exercise Date, retained any such securities receivable during such period, giving application to all adjustments called for during such period under this Section 2 with respect to the rights of the Registered Holder.

(e) Adjustment for Reorganization. If there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Company in which the

-3-

Common Stock is converted into or exchanged for securities, cash or other property (other than a transaction covered by subsections 2(a), 2(b) or 2(d)) (collectively, a "Reorganization"), then, following such Reorganization, the Registered Holder shall receive upon exercise hereof the kind and amount of securities, cash or other property which the Registered Holder would have been entitled to receive pursuant to such Reorganization if such exercise had taken place immediately prior to such Reorganization. In any such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Company (the "Board")) shall be made in the application of the provisions set forth herein with respect to the rights and interests thereafter of the Registered Holder, to the end that the provisions set forth in this Section 2 (including provisions with respect to changes in and other adjustments of the Purchase Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities, cash or other property thereafter deliverable upon the exercise of this Warrant.

(f) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Purchase Price pursuant to this Section 2, the Company at its expense shall, as promptly as reasonably practicable but in any event not later than 30 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Registered Holder a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property for which this Warrant shall be exercisable and the Purchase Price) and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, as promptly as reasonably practicable after the written request at any time of the Registered Holder (but in any event not later than 30 days thereafter), furnish or cause to be furnished to the Registered Holder a certificate setting forth (i) the Purchase Price then in effect and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the exercise of this Warrant.

3. Fractional Shares. The Company shall not be required upon the exercise of this Warrant to issue any fractional shares, but shall pay the value thereof to the Registered Holder in cash on the basis of the Fair Market Value per share of Common Stock. The "Fair Market Value" per share of Common Stock shall be determined as follows:

(a) If the Common Stock is listed on a national securities exchange, the Nasdaq National Market, the Nasdaq SmallCap Market, the OTC Bulletin Board or another nationally recognized trading system as of the Exercise Date, the Fair Market Value per share of Common Stock shall be deemed to be the average of the high and low reported sale prices per share of Common Stock thereon for the five consecutive trading day period immediately preceding the Exercise Date; provided that if the Common Stock is not so listed during such period, the Fair Market Value per share of Common Stock shall be determined pursuant to clause 3(b).

(b) If the Common Stock is not listed on a national securities exchange, the Nasdaq National Market, the Nasdaq SmallCap Market, the OTC Bulletin Board or another nationally recognized trading system as of the Exercise Date, the Fair Market Value per share of Common Stock shall be deemed to be the amount most recently determined by the Board or an authorized

committee of the Board to represent the fair market value per share of the Common Stock (including without limitation a determination for purposes of granting Common Stock

-4-

options or issuing Common Stock under any plan, agreement or arrangement with employees of the Company).

4. Redemption of Warrants.

(a) Subject to the terms of this Section 4, the Company shall have the right to redeem this Warrant for a redemption price (the "Redemption Price") equal to the result obtained by multiplying (i) \$0.01 by (ii) the number of Warrant Shares that the Registered Holder is entitled to purchase upon exercise of this Warrant immediately prior to the termination of this Warrant under Section 4(d) below (such Redemption Price being subject to adjustment for stock splits, stock dividends, combinations, recapitalizations, reclassifications, and similar transactions affecting the Common Stock).

(b) The Company shall exercise this redemption right by providing at least 30 days' prior written notice to the Registered Holder of such redemption (the "Redemption Notice"). Such Redemption Notice shall be provided to the Registered Holder in accordance with Section 10 of this Warrant. The Redemption Notice shall specify the time, manner and place of redemption, including without limitation the date on which this Warrant shall be redeemed (the "Redemption Date") and the Redemption Price payable to the Registered Holder (assuming that this Warrant is not exercised on or prior to the Redemption Date).

(c) Notwithstanding the foregoing, the Company may not redeem this Warrant or provide the Redemption Notice to the Registered Holder unless the closing sales price of the Common Stock on each day of a 20 consecutive trading day period ending within 30 days prior to the date the Company provides the Redemption Notice to the Registered Holder is greater than or equal to \$1.34 (subject to adjustment for stock splits, stock dividends, combinations, recapitalizations, reclassifications, and similar transactions affecting the Common Stock); provided, however, that the Company may not redeem this Warrant or provide the Redemption Notice on or before February 27, 2005.

(d) This Warrant shall cease to be exercisable and shall be terminated and of no further force or effect effective at 5:00 p.m. (Boston Time) on the Redemption Date. If the Registered Holder does not exercise this Warrant on or prior to the Redemption Date, the Registered Holder shall surrender this Warrant to the Company on the Redemption Date for cancellation. From and after the Redemption Date, the Registered Holder's sole right hereunder shall be to receive the Redemption Price, without interest, upon presentation and surrender of this Warrant for cancellation.

5. Transfers, etc.

(a) Neither this Warrant nor the Warrant Shares shall be sold or transferred unless either (i) they first shall have been registered under the Securities Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Securities Act. Notwithstanding the foregoing, no registration or opinion of counsel shall be required for a transfer made in accordance with Rule 144 under the Securities Act.

-5-

(b) Each certificate representing Warrant Shares shall bear a legend substantially in the following form:

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be offered, sold or otherwise transferred, pledged or hypothecated unless and until such securities are registered under such Act or an opinion of counsel satisfactory to the Company is obtained to the effect that such registration is not required."

The foregoing legend shall be removed from the certificates representing any Warrant Shares, at the request of the holder thereof, at such time as they become eligible for resale pursuant to Rule 144(k) under the Securities Act.

(c) In the case of a Registered Holder that is a non-U.S.

Person:

(i) THIS WARRANT AND THE WARRANT SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON UNLESS REGISTERED UNDER THE SECURITIES ACT OF 1933 OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

(ii) This Warrant and the Warrant Shares shall not be sold or transferred except (A) in accordance with the provisions of Regulation S under the Securities Act, (B) pursuant to registration under the Securities Act or (C) pursuant to an available exemption from registration under the Securities Act. Hedging transactions involving this Warrant and the Warrant Shares may not be conducted unless in compliance with the Securities Act.

(iii) Notwithstanding Section 5(b) to the contrary, each certificate representing Warrant Shares issued to a Registered Holder that is a non-U.S. Person shall bear a legend substantially in the following form:

"These shares have not been registered under the Securities Act of 1933. They may not be offered or transferred by sale, assignment, pledge or otherwise unless (i) a registration statement for the shares under the Securities Act of 1933 is in effect or (ii) the corporation has received an opinion of counsel, which opinion is satisfactory to the corporation, to the effect that such registration is not required under the Securities Act of 1933 or (iii) such offer or transfer is made in accordance with the provisions of Regulation S under the Securities Act of 1933. Hedging transactions involving these shares may not be conducted unless in compliance with the Securities Act of 1933."

(d) The Company will maintain a register containing the name and address of the Registered Holder of this Warrant. The Registered Holder may change its address as shown on the warrant register by written notice to the Company requesting such change.

-6-

(e) Notwithstanding Section 5(a) above, a Registered Holder which is an entity may transfer this Warrant, in whole, to a wholly owned subsidiary of such entity, a Registered Holder which is a partnership may transfer this Warrant, in whole, to a partner of such partnership or a retired partner of such partnership or to the estate of any such partner or retired partner, a Registered Holder which is a limited liability company may transfer this Warrant, in whole, to a member of such limited liability company or a retired member or to the estate of any such member or retired member and a Registered Holder who is an individual may transfer this Warrant, in whole, to such individual's spouse, children, parents, siblings, grandchildren or any trust established exclusively for the benefit of one or more of the foregoing individuals, or by will or the laws of descent and distribution (in each case, a "Permitted Transferee"). This Warrant and all rights hereunder are transferable to a Permitted Transferee, in whole, upon surrender of this Warrant with a properly executed assignment (in the form of Exhibit II hereto) at the principal office of the Company (or, if another office or agency has been designated by the Company for such purpose, then at such other office or agency).

6. No Impairment. The Company will not, by amendment of its charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Registered Holder against impairment.

7. Notices of Record Date, etc. In the event:

(a) the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe

for or purchase any shares of stock of any class or any other securities, or to receive any other right; or

(b) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity and its Common Stock is not converted into or exchanged for any other securities or property), or any transfer of all or substantially all of the assets of the Company; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will send or cause to be sent to the Registered Holder a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other stock or securities at the time deliverable upon the exercise of this Warrant) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such

-7-

reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be sent at least 10 days prior to the record date or effective date for the event specified in such notice.

8. Reservation of Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the exercise of this Warrant, such number of Warrant Shares and other securities, cash and/or property, as from time to time shall be issuable upon the exercise of this Warrant.

9. Exchange or Replacement of Warrants.

(a) Upon the surrender by the Registered Holder, properly endorsed, to the Company at the principal office of the Company, the Company will, subject to the provisions of Section 5 hereof, issue and deliver to or upon the order of the Registered Holder, at the Company's expense, a new Warrant or Warrants of like tenor, in the name of the Registered Holder or as the Registered Holder (upon payment by the Registered Holder of any applicable transfer taxes) may direct, calling in the aggregate on the face or faces thereof for the number of shares of Common Stock (or other securities, cash and/or property) then issuable upon exercise of this Warrant.

(b) Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of like tenor.

10. Notices. All notices and other communications from the Company to the Registered Holder in connection herewith shall be mailed by certified or registered mail, postage prepaid, or sent via a reputable overnight courier service to the address last furnished to the Company in writing by the Registered Holder. All notices and other communications from the Registered Holder to the Company in connection herewith shall be mailed by certified or registered mail, postage prepaid, or sent via a reputable overnight courier service to the Company at its principal office set forth below. If the Company should at any time change the location of its principal office to a place other than as set forth below, it shall give prompt written notice to the Registered Holder and thereafter all references in this Warrant to the location of its principal office at the particular time shall be as so specified in such notice. All such notices and communications shall be deemed delivered (i) two business days after being sent by certified or registered mail, return receipt requested, postage prepaid, or (ii) two business days after being sent via a reputable overnight courier service.

11. No Rights as Stockholder. Until the exercise of this Warrant, the Registered Holder shall not have or exercise any rights by virtue hereof as a stockholder of the Company. Notwithstanding the foregoing, in the event (i) the

Company effects a split of the Common Stock by means of a stock dividend and the Purchase Price of and the number of Warrant Shares are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), and (ii) the Registered Holder exercises this Warrant between the record date and the distribution date for such stock dividend, the Registered Holder shall be entitled to receive,

-8-

on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

12. Amendment or Waiver. Any term of this Warrant may be amended or waived only by an instrument in writing signed by the party against which enforcement of the change or waiver is sought. No waivers of any term, condition or provision of this Warrant, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

13. Section Headings. The section headings in this Warrant are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties.

14. Governing Law. This Warrant will be governed by and construed in accordance with the internal laws of the State of Delaware (without reference to the conflicts of law provisions thereof).

15. Facsimile Signatures. This Warrant may be executed by facsimile signature.

16. Acceptance by Registered Holder. By acquiring and accepting this Warrant, the Registered Holder shall be deemed to have agreed and accepted the terms and conditions of this Warrant.

EXECUTED as of the Date of Issuance indicated above.

HYBRIDON, INC.

By: _____

Title: _____

-9-

EXHIBIT I

PURCHASE FORM

To: Hybridon, Inc.

Dated: _____

The undersigned, pursuant to the provisions set forth in the attached Warrant (No. _____), hereby elects to purchase _____ shares of the Common Stock of Hybridon, Inc. covered by such Warrant.

The undersigned herewith makes a payment of \$_____ representing the full purchase price for such shares at the price per share provided for in such Warrant.

Signature: _____

Address: _____

EXHIBIT II

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____ hereby
sells, assigns and transfers all of the rights of the undersigned under the
attached Warrant (No. _____) with respect to all of the shares of Common Stock of
Hybridon, Inc. covered thereby set forth below, unto:

Name of Assignee	Address	No. of Shares
------------------	---------	---------------

Dated: _____ Signature: _____

Signature Guaranteed:

By: _____

The signature should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.

HYBRIDON, INC.

REGISTRATION RIGHTS AGREEMENT

dated as of August 27, 2004

HYBRIDON, INC.

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is entered into as of August 27, 2004 by and among Hybridon, Inc., a Delaware corporation (the "Company"), the persons and entities listed on the Schedule of Purchasers attached hereto as Exhibit A (the "Purchasers") and the entities listed on the Schedule of Agents attached hereto as Exhibit B (the "Agents"). The Purchasers and the Agents shall become parties to this Agreement by the execution and delivery of counterpart signature pages hereto in a form reasonably satisfactory to the Company.

WHEREAS, the Company is conducting an offering of Units (the "Unit Offering"), with each Unit consisting of 100 shares of the Company's common stock, \$.001 par value per share ("Common Stock"), and warrants to purchase 20 shares of Common Stock (the "Purchaser Warrants"), as described in the Confidential Private Placement Memorandum dated August 25, 2004;

WHEREAS, in connection with the Unit Offering, the Company has engaged the Agents and has agreed to issue to the Agents warrants to purchase Common Stock (the "Agent Warrants"); and

WHEREAS, to induce the Purchasers to purchase Units in the Unit Offering and the Agents to assist the Company in the Unit Offering, the Company has agreed to provide certain registration rights under the Securities Act (as defined below) and applicable state securities laws;

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Purchasers and the Agents hereby agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

- (a) "Business Day" means any day other than Saturday, Sunday or any other day on which commercial banks in The City of New York or in Boston, Massachusetts are required by law to remain closed.
- (b) "Commission" means the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.
- (c) "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.
- (d) "Indemnified Party" means a party entitled to indemnification pursuant to Section 7.

- (e) "Indemnifying Party" means a party obligated to provide indemnification pursuant to Section 7.

(f) "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or association and governmental or any department or agency thereof.

(g) "Registrable Securities" means (i) the shares of Common Stock issued as part of the Units issued pursuant to the Unit Offering, (ii) the shares of Common Stock issued or issuable upon exercise of the Purchaser Warrants and the Agent Warrants and (iii) any other shares of Common Stock issued in respect of such shares (as a result of a stock split, stock dividend, reclassification, recapitalization or other similar transaction affecting the Common Stock); provided, however, that shares of Common Stock that are Registrable Securities shall cease to be Registrable Securities upon the earliest of (A) the date that such shares are eligible to be sold under Rule 144 of the Securities Act, (B) the date that such shares are sold (I) pursuant to a registration statement, (II) to or through a broker, dealer or underwriter in a public securities transaction and/or (III) in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act such that all transfer restrictions and restrictive legends with respect thereto, if any, are removed upon the consummation of such sale, or (C) any sale or transfer to any Person which by virtue of Section 9 of this Agreement is not entitled to the rights provided by this Agreement. Wherever reference is made in this Agreement to a request or consent of holders of a certain percentage of Registrable Securities, the determination of such percentage shall include shares of Common Stock issuable upon exercise of the Purchaser Warrants and the Agent Warrants even if such exercise has not been effected.

(h) "Registration Statement" means a registration statement of the Company filed under the Securities Act and covering the Registrable Securities.

(i) "Rightsholders" means the Purchasers, the Agents and any persons or entities to whom the rights granted under this Agreement are transferred by any Purchaser, Agent or his or its successors or assigns pursuant to Section 9 of this Agreement.

(j) "Securities Act" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

2. Registration

(a) The Company shall use its best efforts to prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities and such other shares of Common Stock as the Company may be required to include pursuant to registration rights agreements with other Persons within 60 days of the date hereof. The Company shall use its best efforts to have the Registration Statement declared effective by the Commission within 90 days after the date the Registration Statement is filed or as soon as possible thereafter.

2

(b) The Company shall use its best efforts to cause the Registration Statement to remain effective until the earlier of (i) the first anniversary of the date hereof and (ii) the date on which the Rightsholders do not hold any Registrable Securities.

3. Registration Procedures.

(a) In connection with the effectiveness of the Registration Statement, the Company shall furnish to each Rightsholder such reasonable numbers of copies of the prospectus and such documents incident thereto, including any amendment of or supplement to the prospectus, as a Rightsholder from time to time may reasonably request in order to facilitate the disposition of such Rightsholder's Registrable Securities under the Registration Statement in conformity with the requirements of the Securities Act.

(b) The Company shall use its best efforts to register or qualify the Registrable Securities covered by the Registration Statement under the securities laws of such states of the United States as the Rightsholders may reasonably request; provided, however, that the Company shall not be required in connection with this paragraph (b) to qualify as a foreign corporation or

execute a general consent to service of process in any jurisdiction.

(c) If the Company has delivered preliminary or final prospectuses to the Rightsholders and if after having done so the Company determines that the prospectus and/or the Registration Statement needs to be amended or supplemented to comply with the requirements of the Securities Act, the Company shall promptly notify the Rightsholders and, if requested by the Company, the Rightsholders shall immediately cease making offers or sales of shares under the Registration Statement and shall return all prospectuses to the Company. The Company shall as promptly as reasonably practicable prepare and file with the Commission any required amendment or supplement and following such filing, and, if applicable, the effectiveness of such filing, shall provide the Rightsholders with revised or supplemented prospectuses. Following receipt of the revised or supplemented prospectuses, the Rightsholders shall be free to resume making offers and sales under the Registration Statement.

(d) The Company shall use its best efforts to cause all such Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange on which similar securities issued by the Company are then listed.

4. Limitations on Registration Rights.

(a) The Company may, by written notice to the Rightsholders, (i) delay the filing of, or effectiveness of, the Registration Statement or (ii) suspend the Registration Statement after effectiveness and require that the Rightsholders immediately cease sales of shares pursuant to the Registration Statement, in the event that the Company is engaged in any activity or transaction or preparations or negotiations for any activity or transaction that the Company desires to keep confidential for business reasons, if the Company determines in good faith that the public disclosure requirements imposed on the Company under the Securities Act in connection with the Registration Statement would require disclosure of such activity, transaction, preparations or negotiations.

3

(b) If the Company requires the Rightsholders to cease sales of shares pursuant to paragraph (a) above, the Company shall, as promptly as practicable following the termination of the circumstance which entitled the Company to do so, take such actions as may be necessary to reinstate the effectiveness of the Registration Statement and/or give written notice to all Rightsholders authorizing them to resume sales pursuant to the Registration Statement. If as a result thereof the prospectus included in the Registration Statement has been amended to comply with the requirements of the Securities Act, the Company shall enclose such revised prospectus with the notice to Rightsholders given pursuant to this paragraph (b), and the Rightsholders shall make no offers or sales of shares pursuant to the Registration Statement other than by means of such revised prospectus.

(c) Notwithstanding the foregoing, the Company may not (i) delay the filing of, or the effectiveness of, the Registration Statement or (ii) suspend the Registration Statement, pursuant to paragraph (a) above on more than two occasions during any 12-month period or for more than 60 days per such occasion.

5. Obligations of the Rightsholders.

(a) The Company shall not be required to include any Registrable Securities in the Registration Statement unless such Rightsholder shall have furnished to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as shall be reasonably required by the Company to effect the effectiveness of the Registration Statement and unless such Rightsholder shall have executed such documents in connection with the Registration Statement as the Company may reasonably request. Each Rightsholder shall promptly notify the Company of any material change with respect to such information previously provided to the Company by such Rightsholder, including without limitation notice of the sale by the Rightsholder of any Registrable Securities.

(b) Each Rightsholder agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of the Registration Statement hereunder.

6. Expenses of Registration. The Company shall pay the expenses incurred by it in complying with its obligations under this Agreement, including all registration and filing fees, exchange listing fees, fees and expenses of counsel for the Company, and fees and expenses of accountants for the Company, but excluding (a) any brokerage fees, selling commissions or underwriting discounts incurred by the Rightsholders in connection with sales under the Registration Statement and (b) the fees and expenses of any counsel retained by Rightsholders.

7. Indemnification and Contribution.

(a) In the event of any registration of any of the Registrable Securities under the Securities Act pursuant to this Agreement, the Company will indemnify and hold harmless each Rightsholder, each of its officers, directors and partners, and each underwriter of such Registrable Securities, if any, and each other person, if any, who controls such Rightsholder or underwriter within the meaning of the Securities Act or the Exchange Act against any and all

4

losses, claims, damages or liabilities, joint or several, to which such Rightsholder, underwriter or controlling person may become subject under the Securities Act, the Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to such Registration Statement or (ii) the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and the Company will reimburse such Rightsholder, underwriter and each such controlling person for any legal or any other expenses reasonably incurred by such Rightsholder, underwriter or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon any untrue statement or omission made in such Registration Statement, preliminary prospectus or final prospectus, or any such amendment or supplement, in reliance upon and in conformity with information furnished to the Company by or on behalf of such Rightsholder, underwriter or controlling person and stated to be specifically for use in connection with the Registration Statement; and provided further that the foregoing indemnity agreement is subject to the condition that, insofar as it relates to any untrue statement, alleged untrue statement, omission or alleged omission made in any Registration Statement, prospectus or amendment or supplement that was eliminated, remedied or cured by the Company, such indemnity agreement shall not inure to the benefit of any Rightsholder from whom the Person asserting any loss, claim, damage or liability purchased the Registrable Securities if a copy of the Registration Statement, prospectus, amendment or supplement was provided by the Company to the Rightsholder but was not given or sent to such Person by the Rightsholder prior to written confirmation of such sale.

(b) Each Rightsholder, severally and not jointly, will indemnify and hold harmless the Company, each of its directors and officers and each underwriter (if any) and each person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities, joint or several, to which the Company, such directors and officers, underwriter or controlling person may become subject under the Securities Act, Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to the Registration Statement, or (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, if and to the extent (and only to the extent) that the statement or omission was made in reliance upon and in conformity with written information relating to such Rightsholder furnished to the Company by such Rightsholder and stated to be specifically for use in connection with such Registration Statement, prospectus, amendment or supplement; provided, however, that the obligations of a Rightsholder hereunder shall be limited to an amount equal to the net proceeds to such Rightsholder of Registrable Securities sold in

connection with such registration.

5

(c) Each Indemnified Party shall give notice to the Indemnifying Party promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld, conditioned or delayed); and, provided, further, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 7 except to the extent that the Indemnifying Party is adversely affected by such failure. The Indemnified Party may participate in such defense at such party's expense; provided, however, that the Indemnifying Party shall pay such expense if the Indemnified Party reasonably concludes based upon written advice of its counsel that representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests between the Indemnified Party and any other party represented by such counsel in such proceeding; provided further that in no event shall the Indemnifying Party be required to pay the expenses of more than one law firm per jurisdiction as counsel for the Indemnified Party. The Indemnifying Party also shall be responsible for the expenses of such defense if the Indemnifying Party does not elect to assume such defense. No Indemnifying Party, in the defense of any such claim or litigation shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation, and no Indemnified Party shall consent to entry of any judgment or settle such claim or litigation without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 7 is due in accordance with its terms but for any reason is held to be unavailable to an Indemnified Party in respect to any losses, claims, damages and liabilities referred to herein, then the Indemnifying Party shall, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities to which such party may be subject in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Rightsholders on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Rightsholders shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of material fact related to information supplied by the Company or the Rightsholders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Rightsholders agree that it would not be just and equitable if contribution pursuant to this Section 7(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this Section 7(d), (i) in no case shall any one Rightsholder be liable or responsible for any amount in excess of the gross proceeds received by such Rightsholder from the offering of Registrable Securities and (ii) the Company shall be liable and responsible for any amount in excess of such proceeds; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such

6

fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section 7(d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties from whom contribution may be sought shall not relieve such party from any other obligation it or they may have thereunder or otherwise under this Section 7(d) except to the extent that the party or parties from whom contribution may be sought are adversely affected. No party shall be liable for

contribution with respect to any action, suit, proceeding or claim settled without its prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

8. Reporting. With a view to making available to the Rightsholders the benefits of Rule 144 promulgated under the Securities Act or any other similar rule or regulation of the Commission that may at any time permit the Rightsholders to sell securities of the Company to the public without registration ("Rule 144"), for so long as Rightsholders continue to own Registrable Securities, the Company shall use its reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, and file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(b) furnish to each Rightsholder, for so long as such Rightsholder owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the applicable reporting requirements of Rule 144, the Securities Act and the Exchange Act, (ii) a copy of the most recent annual or quarterly report of the Company and (iii) such other information as may be reasonably requested to permit the Rightsholders to sell such securities pursuant to Rule 144 without registration.

9. Assignment of Registration Rights. The rights under this Agreement shall not be assigned by any Rightsholder except in connection with the transfer of Registrable Securities by such Rightsholder to an affiliate of such Rightsholder, provided that (i) the Rightsholder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company; (ii) the Company is furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such rights are being transferred or assigned; (iii) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence, the transferee or assignee agrees in writing with the Company to be bound by all of the obligations of an Rightsholder under this Agreement; and (iv) such transfer shall have been conducted in accordance with all applicable federal and state securities laws.

10. Amendment of Registration Rights.

(a) Any provision of this Agreement may be amended and the observance of any provision of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and Rightsholders who then hold at least a majority of the Registrable Securities. Any amendment or waiver effected in accordance with this Section 10 shall be binding upon each Rightsholder and

7

the Company. No such amendment shall be effective to the extent that it applies to less than all of the holders of the Registrable Securities. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

(b) In the event that the Company issues and sells Units as part of the Unit Offering after the date hereof, the Company shall have the right to amend this Agreement without the consent of the Rightsholders to include the purchasers of such Units in this Agreement as Purchasers and Rightsholders and any placement agent or selected dealer that receives warrants in connection with the sale of such Units as an Agent and Rightsholder and in connection therewith to modify the Schedule of Purchasers to include such Purchaser and the Schedule of Agents to include such Agent.

11. Miscellaneous.

(a) A Person is deemed to be a holder of Registrable Securities whenever such Person owns or is deemed to own of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from the record owner of such Registrable Securities.

(b) Any notices, consents, waivers or other communications

required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile; or (iii) two (2) Business Days after deposit with a reputable overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Hybridon, Inc.
345 Vassar Street
Cambridge, MA 02139-4818
Telephone: 617-679-5500
Facsimile: 617-679-5592
Attention: Chief Financial Officer

with a copy to:

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109
Telephone: 617-526-6000
Facsimile: 617-526-5000
Attention: David E. Redlick, Esq.

8

If to a Rightsholder, to its address and facsimile number set forth on the Schedule of Purchasers or on the Schedule of Agents, as the case may be,

or to such other address and/or facsimile number and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change.

Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission, or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a reputable overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(d) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware.

(e) This Agreement and the documents referenced herein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement and the documents referenced herein supersede all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

(f) Subject to the requirements of Section 9 of this Agreement, this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

(g) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) This Agreement may be executed in identical counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. This Agreement, once executed by a party, may be delivered

to the other parties hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

(i) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the

9

intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(j) All consents and other determinations required to be made by the Rightsholders pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by Rightsholders holding at least a majority of the Registrable Securities.

(k) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

(l) This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed as of the day and year first above written.

COMPANY:

HYBRIDON, INC.

By: /s/ Robert G. Andersen

Name: Robert G. Andersen
Title: CFO, VP Operations

PURCHASERS:

Counterpart signature pages attached.

AGENTS:

Counterpart signature pages attached.

10

Exhibit A

Schedule of Purchasers

Name and Address

Registrable Securities

Optima Life Sciences Limited
St James's Chambers
64A, Athol Street
Douglas, Isle of Man, IM1 1JE

By: /s/ Youssef El Zein

Name: Youssef El Zein
Title: Director

Exhibit B

Schedule of Agents

Name and Address

Registrable Securities

Pillar Investment Limited
St James's Chambers
64A, Athol Street
Douglas, Isle of Man, IM1 1JE

By: /s/ Youssef El Zein

Name: Youssef El Zein
Title: Director

Company Number: 108584C

THE COMPANIES ACTS 1931 to 1993

ISLE OF MAN

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

OPTIMA LIFE SCIENCES LIMITED

(adopted by Special Resolution dated 19 August 2004)

DOUGHERTY & ASSOCIATES
Atlantic House
4-8 Circular Road
Douglas
Isle of Man
IM1 1AG

1

THE COMPANIES ACTS 1931 to 1993

ISLE OF MAN

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

OPTIMA LIFE SCIENCES LIMITED

1. The name of the Company is Opitima Life Sciences Limited.
2. The Company is a private company.
3. The liability of the members is limited.
4. Restrictions, if any, on the exercise of the rights, powers and privileges of the Company: none, unless and until decided on by special resolution of the Company.

5. The share capital of the Company is US \$20,323,300 divided into 33 Management Shares of US \$100.00 each and 10,000 Redeemable Preference A Shares of US \$797.00 each and 3,000 Redeemable Preference B Shares of US \$10.00 each and 15,400 Redeemable Preference C Shares of \$797.00 each and 4620 Redeemable Preference D Shares of US\$10.00 each.

We the subscribers to this memorandum of association:

- a. wish to be formed into a company pursuant to this memorandum;
 b. agree to take the number of shares shown opposite our names; and
 c. declare that all the requirements of the Companies Acts 1931 to 1993 in respect of matters relating to registration and of matters precedent and incidental thereto have been complied with.

2

No.	Names, Addresses and Description of Subscribers	Number of Shares taken by each Subscriber
	PILLAR INVESTMENT Limited St James's Chambers 64a Athol Street Douglas Isle of Man	1
	Youssef Mohamad Talaat El Zein Director	
TOTAL NUMBER OF SHARES TAKEN.		1

Dated this 10th day of June 2003

Witness to the above Signatures;-
 Bialal Sidani
 131 Avenue de Malakoff
 75116-Paris
 France

3

INDEX TO ARTICLES OF ASSOCIATION

	PAGE
INTERPRETATION	5
EXPENSES	9
SITUATION OF OFFICE OF COMPANY	9
SHARE CAPITAL	9
ISSUE OF SHARES	10
QUALIFIED HOLDERS	13
VARIATION OF RIGHTS	14
SHARE CERTIFICATES	15
LIEN	16
CALLS ON SHARES	17
REGISTER OF SHAREHOLDERS	17
TRANSFER OF SHARES	18
FORFEITURE OF SHARES	19

DETERMINATION OF NET ASSET VALUE	21
REDEMPTION OF SHARES	24
ALTERATION OF SHARE CAPITAL	27
GENERAL MEETINGS	28
NOTICE OF GENERAL MEETINGS	28
PROCEEDINGS AT GENERAL MEETINGS	29
VOTES OF MEMBERS	30
DIRECTORS	33
POWERS OF DIRECTORS	37
INVESTMENT OF THE COMPANY'S ASSETS	38
PROCEEDINGS OF DIRECTORS	39
BORROWING POWERS	41
SECRETARY	41
THE CUSTODIAN	41
THE SEAL	42
DIVIDENDS	42
SHARE PREMIUM AND RESERVE	
ACCOUNTS AND EQUALISATION ACCOUNT	43
ACCOUNTS	44
AUDIT	45
NOTICES	46
WINDING UP	48
INDEMNITY	48

THE COMPANIES ACTS 1931 to 1993

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

OPTIMA LIFE SCIENCES LIMITED

INTERPRETATION

- 1A. It is intended that the Company be an exempt international collective investment scheme as defined by section 11(7) of the Financial Supervision Act 1988 of the Isle of Man and, accordingly, the Company shall have fewer than 50 members.
- 1B. The provisions of Table A contained in the Schedule to the Companies (Memorandum and Articles of Association) Regulations 1988 shall not apply to the Company. In these articles the following words and expressions shall, where not inconsistent with the context, have the following meanings respectively:
- "Acts" means the Companies Acts 1931 to 1993 of the Isle of Man and every statutory modification or re-enactment thereof for the time being in force;
- "Auditors" means the auditor or auditors for the time being of the Company appointed pursuant to article 116 hereof;
- "business day" means any day on which banks are normally open for business in the Island and in London;
- "Collective Investment Scheme" means a collective investment scheme as defined by the law of the Island;
- "Directors" means the directors of the Company;
- "Dollars" and "cents" and the abbreviations "US\$" and "c" mean dollars and cents respectively in the currency of the United States;
- "Equalisation Account" means an account maintained in accordance with article 111 (4) hereof and to which shall be credited all Equalisation Payments;

"Equalisation Payment" means that part of the Issue Price credited to the Equalisation Account upon subscription for Participating Shares in accordance with article 9(4) hereof,

5

"fiscal charges" includes stamp duty and any other governmental taxes duties or charges;

"Hybridon" means Hybridon Inc. a publicly traded United States incorporated Company whose registered office is situate at 345 Vassar Street Cambridge, MA 02139 and trading under the OTC Stock Exchange;

"Initial Offer Hybridon Shares" means common shares or such other shares as are held by the Company in Hybridon prior to the Secondary Offer Period and after the Initial Offer Period;

"Initial Offer Period" means the period commencing from 1 July 2003 and ending on the Secondary Offer Period;

"Investment" means any investment made by the Company which is authorised by the memorandum of association of the Company;

"Island" means the Isle of Man;

"Issue Price" means the price at which a Participating Share is issued or transferred as provided in article 9(2), 9(3) or 9(5) hereof which price together with any initial charge and rounding-up charge made by the Company pursuant to article 9(6) hereof constitutes the price at which such share is issued or transferred to any applicant therefor;

"in writing" and "written" includes printing, lithography, photography, facsimile and telex transmission and other modes of representing or reproducing words in permanent visible form;

"Management Shares" means a share in the capital of the Company having a nominal value of US\$1.00 designated as a Management Share and having the rights specified in these articles with respect to such shares;

"Manager" means any person firm or corporation appointed to carry out management and administrative duties pursuant to article 87(1) hereof,

"may" shall be construed as permissive;

"Net Asset Value" means the value of the net assets of the Company as determined pursuant to article 34(1) hereof;

"notice" means written notice unless otherwise specifically stated;

"Participating Shares" means the participating redeemable preference A shares, the participating redeemable preference B shares the participating redeemable

6

Preference C Shares and the participating redeemable preference D Shares in the capital of the Company issued subject to and in accordance with section 46A of the Principal Act and these articles and having the rights specified in these articles with respect to such shares;

"Redeemable A Shares" means the non-voting redeemable preference A shares of par value US \$797.00 each in the capital of the Company;

"Redeemable B Shares" means the non-voting redeemable preference shares of par value US \$10.00 each in the capital of the Company;

"Redeemable C Shares" means the non-voting redeemable preference C shares of par value US \$797.00 each in the capital of the Company;

"Redeemable D Shares" means the non-voting redeemable preference D shares of par value US \$10.00 each within the capital of the Company;

"Principal Act" means the Companies Act 1931;

"Initial Redemption Charge" means a carried interest of 15% on the difference between the Net Asset Value of the Participating Shares at the time of Redemption and the Net Asset Value at the time of the Initial Offer Period when the Initial Offer Hybridon Shares were purchased;

"Redemption Day" means any day which the Directors shall from time to time in their absolute discretion appoint as a Redemption Day being not less than one day in every month;

"Register" means the register maintained in accordance with article 24(1);

"Registrar" means any person appointed to perform the duties of registrar and transfer agent (and includes and sub-agent) and, if no such person shall be appointed, means the Secretary;

"Seal" means the common seal of the Company;

"Secondary Offer Hybridon Shares" means the common shares or such other shares purchased by the Company in Hybridon after the Secondary Offer Period;

"Secondary Offer Period" means the period commencing from the 15th July 2004;

"Secondary Offer Redemption Charge" means a carried interest of 15% on the difference between the Net Asset Value of the Participating Shares at the time of Redemption and the Net Asset Value at the time of the Secondary Offer Period when the Secondary Offer Hybridon Shares were purchased;

7

"Secretary" shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary and in the event of two or more persons being appointed as joint Secretaries means any one or more of the persons so appointed;

"Securities Market" means any recognised stock exchange or other securities market including in relation to any particular Investment one or more responsible firms corporations or associations in any part of the world so dealing in the Investment to be expected generally to provide in the opinion of the Company a satisfactory market for the Investment;

"shall" shall be construed as imperative;

"Shareholder" means any person registered in the Register as the holder of shares in the Company, and, when two or more persons are so registered as joint holders 'of shares, means the person whose name stands first in the Register as one of such joint holders;

"Share Premium Account" means the account established pursuant to article 111(1);

"B Warrants" means warrants held by the Company in Hybridon as from the Initial Offer Period prior to the Secondary Offer Period. The value of the B Warrants at any point in time will be determined by the difference in the strike price and current market value as well as the remaining validity of the B Warrants. Before the B Warrants are traded the B Warrants will have no value and will not carry a Net Asset Value;

"D Warrants" means the D Warrant acquired by the Company in Hybridon after the Secondary Offer Period given to the Company on the purchase of the Secondary Offer Hybridon Shares by Hybridon. The value of the D Warrants at any point in time will be determined by the difference in the strike price and the current market value as well as the remaining validity of the D Warrants. Before the D Warrants are traded the D Warrants have no value and will not carry a Net Asset Value;

"Subscription Day" means any day which the Directors shall from time to

time in their absolute discretion appoint as a Subscription Day being not less than one day in every month;

"Undistributed Income of the Company" means the aggregate as at any Valuation Day of (a) the undistributed income of the Company after the deduction of all liabilities payable therefrom and (b) any Equalisation Payment then held by or due

8

to the Company no part of which is returnable to a holder of Participating Shares as at that date;

"United Kingdom" means the United Kingdom of Great Britain and Northern Ireland;

"United States" means the United States of America (including the District of Columbia) its territories and possessions and all areas subject to its jurisdiction;

"U.S. Person" means any person who is a citizen of the United States or a corporation, partnership or other entity created or organised in or under the laws of the United States or a political sub-division thereof or an estate or trust the income of which is subject to United States federal income taxation, regardless of its source of income;

"Valuation Day" means such day or days and such time thereon as the Directors shall in their absolute discretion determine for the purposes of valuing the net assets of the Company.

2. (1) In these articles, unless there be something in the subject of context inconsistent with such construction:
 - (a) words importing the singular include the plural, and vice versa;
 - (b) words importing any gender include every gender, and vice versa;
 - (c) words importing persons include bodies corporate and unincorporate, and vice versa; and
 - (d) words or expressions contained in these articles shall bear the same meaning as in the Acts and the Interpretation Act 1976 of the Isle of Man.

(2) The Company is a private company and accordingly no invitation may be made to the public or any section of it in any part of the world to subscribe for or purchase shares in or debentures of the Company.

EXPENSES

3. (1) The expenses (if any) borne by the Company in connection with the formation of the Company the initial issue of Participating Shares shall be amortised over such period and in such manner as the Directors may determine and the amount so paid shall in the accounts of the Company be charged against income or capital as determined by the Directors.

9

(2) The business of the Company shall be commenced as soon after the incorporation of the Company as the Directors think fit, notwithstanding that any initial offer of shares may have been only partially subscribed.

SITUATION OF OFFICE OF COMPANY

4. (1) The registered office of the Company shall be at such address in the Island as the Directors shall from time to time determine.
 - (2) The Company, in addition to its registered office, may establish and maintain such other offices and places of business and agencies in

any part of the world outside the United Kingdom as the Directors may from time to time determine.

SHARE CAPITAL

5. (1) The share capital of the Company is US \$20,373,300.00 divided into 33 Management Shares of US \$100.00 each, 10,000 Redeemable A Shares of \$797.00 each, 3,000 Redeemable B Shares of \$10.00 each, 15,400 Redeemable C Shares of \$797.00 each and 4620 Redeemable D Shares of \$10.00 each.
6. Management Shares shall only be issued at par and to such person or persons as the Directors may determine. The Management Shares shall confer upon the holders thereof the right in a winding-up or repayment of capital, subject to the prior repayment of the nominal amount paid up on the Participating Shares to the repayment of the nominal amount paid upon the Management Shares but shall confer no further or other right to participate in the profits or assets of the Company.
7. (1) The Redeemable A Shares and the Redeemable C Shares shall confer upon the holders thereof in a winding up (a) the right to redemption as herein set out in priority to any payment to the holders of shares of any other class, of the nominal amount paid up thereon, and (b) the further right, after the repayment of the nominal amounts paid up on the Management Shares, to be paid an amount equal to that proportion of the Company's total net assets (after paying or providing for all expenses of liquidation and other liabilities and the said repayments) which their respective holdings of Participating Shares represent at the commencement of winding-up.
8. The Redeemable B Shares and the Redeemable D Shares shall confer on the holders thereof in a winding-up the right, subject to the prior redemption of the Redeemable A Shares and the Redeemable C Shares, to the redemption of the Redeemable B Shares and the Redeemable D Shares, but shall confer no further or other right to participate in the profits or assets of the Company unless and until

10

the Directors have exercised the Warrants as outlined in these articles. Redeemable B Shares and Redeemable D Shares may be redeemed at par.

ISSUE OF SHARES

9. (1) Subject to the provisions of this article, the Company on receipt by it or its authorised agent or agents of an application in writing or in such other form as the Directors may from time to time determine, may allot and issue Participating Shares at the price hereinafter determined or, at the option of the Directors, procure the transfer to the applicant of fully paid Participating Shares (as the case may be) at not more than such price.

Provided that:

- (a) subject to proviso (d) below, the issue or the transfer of Participating Shares pursuant to this article shall be made on the Subscription Day following the receipt of such application or in the absolute discretion of the Directors on the day of such receipt provided that such day is a Subscription Day;
- (b) except as the Directors may otherwise determine from time to time, an application for Participating Shares shall be deemed not to be received until the moneys in respect of the issue (or, as the case may be, transfer) of the Participating Shares shall have been received by or on behalf of the Company;
- (c) the Directors shall in their absolute discretion be entitled to reject any application in whole or in part;
- (d) no Participating Shares shall be issued or transferred (except those for which applications have been previously received and accepted by the Company) during any period when the determination of the Net Asset Value is suspended pursuant to

article 34(3) hereof;

(e) subject to receipt of any necessary exchange control or other governmental consent payment shall be made in such currency, at such time and place and to such person on behalf of the Company as the Directors may from time to time determine.

(2) The price per share at which the initial issue of Participating Shares shall be made shall be determined by the Directors.

(3) Subject as hereinafter provided, any issue (or, as the case may be, transfer procured pursuant to paragraph (1) of this article) of Participating Shares

11

subsequent to the first issue of shares shall be made on a Subscription Day at a price per share ascertained by:

- (a) assessing the Net Asset Value on the relevant Valuation Day; and
- (b) dividing the amount calculated under (a) above by the number of Participating Shares then in issue or deemed to be in issue; and
- (c) applying the initial charge referred to in article 9(6) below; and
- (d) adding thereto such a sum as the Directors may consider represents the appropriate provision for fiscal or other charges arising in the Island in connection with the issue of the share or any document of title thereto; and
- (e) rounding the resultant figure upwards to the nearest whole cent the result of such rounding being for the absolute benefit of the Company.

(4) In the event that the Directors are operating an Equalisation Account, that part of the Issue Price representing the Undistributed Income of the Company shall be deemed to constitute an Equalisation Payment and shall be credited to the Equalisation Account in accordance with article 111(4) hereof.

(5) The Directors shall be entitled from time to time to make an invitation to such persons as they shall think fit to apply for Participating Shares otherwise than as provided in paragraph (3) of this article at a fixed price (in this article hereinafter referred to as "the fixed price") of not less than the sum ascertained pursuant to paragraph (3) of this article as at a business day not earlier than the fifth business day immediately preceding the date on which the invitation is first made and for a period not exceeding 30 business days from the date of making such invitation. Participating Shares may be issued and allotted at the fixed price whether pursuant to such offer or not provided that the Directors shall forthwith close such offer if the fixed price would exceed by more than three per cent the current Issue Price on any Subscription Day during the period of such invitation and may forthwith close such offer if the fixed price would be lower than the current Issue Price on any such Subscription Day by more than three per cent.

(6) The Directors shall be entitled to authorise the Manager to add to the Issue Price (including, for the avoidance of doubt, the fixed price) in respect of each Participating Share such sum as may be necessary to adjust the final price (being the Issue Price plus the initial charge, if any) of the Participating Share upwards to the nearest whole cent and accordingly, in the event of such authority having been given to the Manager, every subscriber shall in addition to the Issue Price in respect of each Participating Share pay any such initial charge and other sum as

12

may be added to the Issue Price pursuant hereto to the Company for the absolute use and benefit of the Company.

(7) The Directors shall be entitled to authorise the Manager to charge the subscriber for or transferee of any Participating Shares a handling fee not exceeding such sum per transaction as the Directors shall determine and accordingly, in the event of such authority having been given to and being exercised by the Manager, every subscriber and transferee shall in addition to the sums referred to in paragraph (6) of this article pay any such handling fee to the Company or other person referred to in any private placement memorandum as receiving any initial charge or to the Company or other such person as aforesaid for the absolute use and benefit of the Company.

(8) The Directors shall issue shares on terms that the persons to whom they are issued shall bear any fiscal charges which may be incurred outside the Island.

10. Except with the consent of a separate class meeting of the holders of the Participating Shares held as provided below, no shares in the capital of the Company shall be issued other than as Management Shares or Participating Shares.
11. All shares in the Company for the time being unissued shall be under the control of the Directors, who may allot and dispose of the same in such manner as they think fit in accordance with the terms of these articles.
12. The Company may pay brokerage to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company.
13. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not, except as by statute required, be bound to recognise any equitable or other claim or interest in such share on the part of any other person.
14. (1) If two or more persons are registered as joint holders of any shares, then any one of such joint holders may give effectual receipts for moneys payable in respect of the shares held by them as joint holders.

(2) The Company shall not be bound to register more than four persons as the joint holders of any share.

QUALIFIED HOLDERS

13

15. (1) If it shall come to the notice of the Directors that any Participating Shares are owned directly or beneficially either by any person in breach of any law or requirement of any country or governmental authority or by any U.S. Person (save where such U.S. Person may lawfully own the same) or by virtue of which any person who shall belong to or be comprised within any class of persons from time to time for the purposes of this article stipulated by the Company, then the Directors may give notice to such person requiring him to transfer such shares to a person who is qualified or entitled to own the same or to give a request in writing for the redemption of such shares in accordance with article 35. If any person upon whom such a notice is served pursuant to this article does not within thirty days after service of such notice transfer his shares to a person qualified or permitted to own the same or establish to the satisfaction of the Directors (whose judgement shall be final and binding) that he is qualified, entitled and permitted to own the shares, he shall be deemed upon the expiration of thirty days to have given a request in writing for the redemption of all his shares pursuant to article 35 whereupon he shall be bound forthwith to deliver to the Company or one of its duly authorised agents the certificate or certificates (if any) for his shares.

(2) A person who becomes aware that he is holding or owning Participating Shares in breach of any law or requirement of any country or governmental authority or that he is a U.S. Person (save where such U.S. Person may lawfully own the same) or a person who belongs to or is comprised within any class of persons from time to time for the purposes of this Article stipulated by the Company shall forthwith unless he has already received a notice pursuant to article 15(1) either transfer all his shares to a person qualified or permitted to own the same or give a request in writing for the redemption of all his shares pursuant to article 35.

(3) The proceeds of any redemption effected pursuant to articles 15(1) or 15(2) will be deposited by the Company in a bank for payment to any such person against surrender of the certificate or certificates representing the Participating Shares previously held by such person or the proffering of such other evidence as to title as the Directors may require. Upon the deposit of such proceeds of redemption as aforesaid, such person shall have no further interest in such Participating Shares or any of them or any claim against the Company in respect thereof except the right to receive the proceeds of redemption so deposited (without interest) upon surrender of the said certificate or certificates.

(4) The exercise by the Directors of the power conferred by article 15(1) shall not be questioned or invalidated in any case on the grounds that there was insufficient evidence of ownership of Participating Shares by any person or that the true ownership of any Participating Shares was otherwise than appeared to the Directors at the relevant date provided the said powers shall have been exercised in good faith.

14

(5) If it shall come to the notice of the Directors that any Participating Shares are owned directly or beneficially by any person such that the status, standing or tax residence of the Company is or may be prejudiced or the Company may suffer any pecuniary or regulatory disadvantage which it would not otherwise have suffered the Directors may resolve to give notice in writing in accordance with article 15(1) hereof to any such person requiring him to transfer such shares or to redeem such shares in accordance with article 3.

(6) The Directors may at any time and from time to time call upon any holder of Participating Shares by notice in writing to provide the Directors with such information and evidence as they shall require upon any matter connected with or in relation to such holder of Participating Shares in order to satisfy themselves upon any matter concerning in their opinion the status, standing or tax residence of the Company or any pecuniary or regulatory disadvantage which they consider the Company might suffer as a result of that person continuing to hold Participating Shares.

(7) In the event of such information and evidence not being so provided within a reasonable time (not being less than fourteen days after service of the notice requiring the same) the Directors shall forthwith serve such holders of Participating Shares with a further notice calling upon him, within seven days after service of such further notice, to transfer his shares or to redeem such shares in accordance with article 3 and, failing action by him within such seven days to implement that notice, he shall be deemed to have given a request in writing for the redemption of all his shares in accordance with article 35 whereupon he shall be bound forthwith to deliver to the Company or one of its duly authorised agents the certificate or certificates (if any) for his shares and until such time as the certificate or certificates as aforesaid are received by the company or one of its duly authorised agents the proceeds of any such redemption shall be deposited by the Company in a bank in accordance with article 15(3) hereof.

VARIATION OF RIGHTS

16. If at any time the share capital is divided into different classes of shares, the rights attaching to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the

Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a resolution passed at a separate general meeting. To every such separate general meeting the provisions of these articles relating to general meetings shall mutatis mutandis apply but so that the quorum shall be the holders of at least one-third of the shares of the class.

17. (1) The rights attached to the Participating Shares shall be deemed to be varied by any variation of the rights attached to shares of any other class or by the

15

creation or issue of any shares other than Participating Shares ranking in priority to or pari passu with them as respects rights in a winding-up and rights to dividend.

(2) Subject to the foregoing provisions of this article, the rights conferred upon the holders of the shares of any class issued with preferred or other special rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

SHARE CERTIFICATES

18. (1) Every Shareholder shall upon written request being made to the Company at its registered office, be entitled to receive, without payment, within two months after the allotment of any shares of which he becomes the first registered holder or the lodgement of a transfer of any shares into his name, one certificate for all shares of the same class so allotted or transferred or upon the payment of such sum not exceeding 5 cents as the Directors may require for each certificate in excess of one, to several certificates each for one or more of such shares. Every share certificate shall be issued under the Seal and shall, unless and until otherwise determined by the Directors, bear the signatures of two directors or of one Director and the Secretary. The Directors may from time to time determine that such signatures or any of them need not be manual but may be printed or reproduced in any other manner, or that such signatures may be dispensed with, notwithstanding any other provision of these articles with respect to the affixing of the Seal.

(2) Each share in the capital of the Company shall be distinguished by its appropriate number provided that if at any time the issued shares in the Company or all the issued shares therein of a particular class are fully paid up and rank pari passu for all purposes, none of those shares need thereafter have a distinguishing number so long as it remains fully paid up and ranks pari passu for all purposes with all shares of the same class for the time being issued and fully paid up.

19. If any certificate be worn out or defaced, then upon production thereof to the Directors, and on such reasonable indemnity as the Directors deem adequate being given, they shall order the same to be cancelled and shall issue a new certificate in lieu thereof without charge. If any such certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors, and on such reasonable indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be issued without charge.

20. Where a Shareholder transfers part only of the shares comprised in a share certificate the old certificate shall be cancelled and upon written request a new certificate for the balance of such shares issued in lieu without charge.

16

21. The certificates of shares registered in the name of two or more persons shall, unless otherwise directed by them, be delivered to the person first named on the Register and delivery to that person shall be sufficient delivery to all.

LIEN

22. (1) The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of the share, and the Company shall also have a similar lien on all shares (other than fully paid shares) standing registered in the name of a Shareholder (whether solely or jointly with others) for all moneys presently payable by him or his estate to the Company whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder or not; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
- (2) The Company may sell, in such manner as the Directors may think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice stating and demanding payment of such part of the amount in respect of which - the lien exists as is presently payable has been given to the registered holder for the time being of the shares or to the person entitled thereto by reason of his death or bankruptcy.
- (3) To give effect to such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- (4) The net proceeds of the sale after payment of the costs thereof shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

CALLS ON SHARES

23. (1) The Directors may from time to time make calls upon the Shareholders in respect of moneys unpaid on their shares and not by the conditions of the issue thereof payable at fixed times. A call may be revoked or postponed as the Directors may determine.
- 17
- (2) A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments.
- (3) If a sum called in respect of a share is not paid by the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding fifteen per cent. per annum as the Directors may determine but the Directors shall be at liberty to waive payment of such interest wholly or in part.
- (4) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of these articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in case of non-payment all the relevant provisions of these articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (5) The Directors may, if they think fit, receive from any Shareholder willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may pay interest at such rate not exceeding ten per cent. per annum as may be agreed between the Directors and the Shareholder paying

such sum in advance but such a shareholder shall not be entitled to participate in respect thereof in a dividend subsequently declared.

(6) The joint holders of any share shall be jointly and severally liable to pay calls in respect thereof.

REGISTER OF SHAREHOLDERS

24. (1) The Directors shall keep or cause to be kept at the registered office of the Company a register of Shareholders in the manner required by the Acts.

(2) Upon allotment of a share or upon registration of any transfer or transmission of a share the name of the allottee or person acquiring the share by transfer or transmission shall be entered in the Register in respect of such share.

(3) The Directors shall cause to be entered in the Register in addition to the particulars required to be so entered by the Acts the following particulars:-

18

(a) the name and address of each Shareholder, a statement of the shares of each class held by him and of the amount paid or agreed to be considered as paid on such shares;

(b) the date on which each person was entered in the Register as a Shareholder; and

(c) the date on which any person ceased to be a Shareholder.

(4) The Register shall be kept in such manner as to show at all times the Shareholders of the Company for the time being and the share respectively held by them.

(5) The Register shall be open to inspection at the registered office of the Company or at such other place as aforesaid between 10 a.m. and 1 p.m. on every business day. Such inspection by any Shareholder shall be without charge and such inspection by any person other than a Shareholder shall be subject to the payment of a reasonable fee to be fixed by the Directors but not exceeding any maximum imposed by law.

(6) Every Shareholder of the Company and any other person may acquire a copy of the Register or any part thereof on the payment of a reasonable fee to be fixed by the Directors but not exceeding any maximum imposed by law.

(7) The Company may after giving notice by advertisement in two local newspapers circulating in the Island and a leading London newspaper with international circulation to that effect close the Register for any time or times not exceeding in total thirty days in each year.

TRANSFER OF SHARES

25. Subject to the provisions of these articles, shares in the Company shall be transferable by a transfer in any usual or common form in use in the Island or in such other form as the Directors shall from time to time sanction or allow, but so that every form of transfer shall relate to shares of one class only and shall state the full name and address (and, if required by the Directors, the nationality) of the transferor and of the transferee.

26. Instruments of transfer shall be signed by the transferor (and, in the case of partly paid shares, by the transferee) and shall be dated on the day on which they are signed. The transferor of a share shall be deemed to remain the holder of such shares until the same have been transferred to the transferee in the Register.

27. The Directors may decline to register any transfer of shares not being fully paid shares to a person of whom they do not approve or on which the Company has a

lien. If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal. Subject as aforesaid, any share shall be transferred on the application of the transferor or the transferee on delivery to the Company of an instrument of transfer in compliance with these articles.

28. Subject to article 9(7) the Company shall not be entitled to charge any fee for registering any transfer, probate, letters of administration, certificate of marriage or death, or other instrument relating to or affecting the title to any shares.
29. The executors or administrators of a deceased Shareholder shall, except as provided hereinafter, be the only persons recognised by the Company as having any title to his shares, but this shall not apply in the case of one or more joint holders of a share except in the case of the last survivor of such joint holders.
30. Subject to article 27 any person becoming entitled to a share in consequence of the death of any Shareholder may be registered as a Shareholder upon such evidence being produced as the Directors may deem sufficient or may, instead of being registered himself, elect to have some person named by him registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of his nominee an instrument of transfer and on presentation thereof to the Directors, accompanied by such evidence as they may require to prove the title of the transferor, the transferee shall, subject to article 9(7) and to the Directors' right to decline registration under the said article 27, be registered as a shareholder.
31. With respect to any shares registered in the name of any person who has been lawfully declared to be a bankrupt or in respect of whom a receiver has been appointed or whose property has passed under the control of a receiver or other person appointed by a court of competent jurisdiction, the Directors shall comply with any request for any change in such registration made by any person lawfully authorised so to do, provided that the Directors may refuse to make any such change in the Register until and unless they are satisfied that it is right and proper for such change to be made. The burden of justifying any such change shall be upon the person requesting such change.

FORFEITURE OF SHARES

32. (1) If any Shareholder fails to pay any call or instalment on or before the day appointed for payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such Shareholder requiring him to pay the same, together with any interest that may have accrued, at such rate as the Directors may from time to time determine not exceeding 15 per cent per annum. and all expenses that may have been incurred by the Company by reason of such non-payment.

(2) The notice shall name a day (not less than fourteen days from the date of service of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that failing payment at or before the time and at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

(3) If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments and interest and expenses due in respect thereof, be forfeited by resolution of the Directors to that effect. Such forfeiture shall include all distributions payable or accruing in respect of the forfeited shares and not actually paid before forfeiture.

(4) When any share shall have been so forfeited notice of the resolution shall be given to the person in whose name it stood immediately before the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register.

(5) Any share so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot and otherwise dispose of the same in such manner as they think fit.

(6) The Directors may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

33.

(1) A record in the minute book of the Company that a share has been duly forfeited in pursuance of these presents and stating the time when it was forfeited shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share adversely to the forfeiture thereof and such record and the receipt of the Company for the consideration (if any) given for the share on a sale, re-allotment or disposal thereof together with the certificate for the share delivered to the purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be so required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

(2) Any person whose shares have been forfeited shall nevertheless be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of forfeiture together

21

with interest thereon from the time of forfeiture until payment as 15 per cent per annum or such lesser rate as the Directors may determine and the Directors may enforce the payment as they think fit.

DETERMINATION OF NET ASSET VALUE

34.

(1) The value of the net assets in the Company shall be determined by the Directors on each Valuation Day (except when determination of such value has been suspended under the provisions of paragraph (3) of this article) and shall be the value as at such Valuation Day of all the assets of the Company less all the liabilities of the Company calculated in accordance with the provisions of this article and less any charges on the redemption of shares as outlined within these articles.

(2) Any determination of the Net Asset Value made pursuant to this article shall be binding on all parties.

(3) The Directors may declare a suspension of the determination of the Net Asset Value when it is reasonable to do for the whole of any part of any period (a) during which any Securities Market or money or foreign exchange market is closed, other than customary weekend and holiday closings, (b) during which trading on any such Securities Market or money or foreign exchange market is restricted, or (c) during which a breakdown occurs in any of the means normally employed by the Directors in ascertaining the prices of the Company's Investments or for any other reason the prices of the Company's Investments cannot in the opinion of the Directors reasonably be ascertained or circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Company to realise any of the Company's Investments or to receive remittances arising from realisation of such Investments either at all or at normal rates of exchange. Such suspension shall take effect at such times as the Directors shall specify but not later than the close of business on the business day next following the declaration and thereafter there shall be no determination of the Net Asset Value until the Directors shall declare the suspension at an end, except that the suspension shall terminate in

any event on the day following the first business day on which (i) the condition giving rise to the suspension shall have ceased to exist and (ii) no other condition under which suspension is authorised under this paragraph (3) shall exist. Whenever the Directors shall declare a suspension of the determination of the Net Asset Value under the provisions of this paragraph then as soon as may be practicable after any such declaration the Directors shall cause a notice to be placed in a local newspaper in circulation in the Isle of Man and a leading London newspaper with international circulation stating that such declaration has been made and at the end of any period of suspension the Directors shall cause another notice to be placed in such local newspaper and such leading London newspaper stating that the period of suspension has ended.

22

(4) The assets of the Company shall be deemed to comprise: (a) the Initial Offer Hybridon Shares (b) the B Warrants only after such B Warrants have been exercised at the discretion of the Directors (c) the Secondary Offer Hybridon Shares (d) the D Warrants only after such D Warrants have been exercised at the discretion of the Directors (e) all cash on hand and on deposit, including any interest accrued thereon; (f) all bills and demand notes and accounts receivable; (g) all interest accrued on any interest-bearing Investments owned by the Company (except interest accrued on Investments in default and interest which is included in the quoted price); and (h) all other property of every kind and nature including prepaid expenses as defined from time to time by the Directors.

(5) The value of the assets of the Company shall be determined as follows.

- (a) Initial Offer Hybridon Shares: per the closing price of the Initial Offer Hybridon Shares on a daily basis on the market.
- (b) Security Offer Hybridon Shares: per the closing price of the Secondary Offer Hybridon Shares on a daily basis on the market.
- (c) The B Warrants and D Warrants: As there is currently no trading in the B or D Warrants the B or D Warrants have no value until they are exercised. The Directors of the Company have a discretion when to exercise the B or D Warrants in order to realise the value of such B or D Warrants the Directors are under no obligation to exercise all or any of these B and D Warrants at any time other than at such time as the Directors shall deem necessary. If and when the B and D Warrants are exercised then the value of the B and D Warrants is determined by subtracting the strike price of the B or D Warrant from the closing market price multiplied by the total number of B or D Warrants. The B or D Warrants therefore have no value unless Hybridon's stock closing price is higher than the B or D Warrant's strike price and the Directors decide to exercise them.
- (c) The value of any cash on hand or on deposit, bills and demand and promissory notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that any such deposit, bill, demand or promissory note or account receivable or other amount is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Directors with the approval of the Auditors shall deem to be the reasonable value thereof.

23

- (d) If, in valuing any asset of the Fund, the Directors at any time consider that any of the above mentioned bases of valuation are inapplicable or give rise to an unfair value they shall be entitled to substitute what in their opinion is a fair value therefor.

(6) The liabilities of the Company shall be deemed to comprise: (a) all bills and accounts payable; (b) all administrative expenses payable and/or accrued, including an appropriate provision for monthly and annual management or other fees; (c) all contractual obligations for the payment of money or property, including the amount of any unpaid dividends declared upon the shares of the Company; (d) all provisions authorised or approved by the Directors for taxes or contingencies; and (e) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by share capital share premium account and reserves of the Company.

(7) For the purposes of this article:

- (a) Participating Shares of the Company for which application has been made shall be deemed to be in issue on the business day next following the day as at which the Issue Price therefor shall be determined and after such time the Issue Price thereof payable to the Company if not received shall be deemed to be an asset of the Company and any liabilities in connection with the issue thereof shall be deemed to be liabilities of the Company;
- (b) Participating Shares of the Company to be redeemed under article 35 hereof shall be deemed to be in issue only until the time as at which the Redemption Price is determined and from such time until paid the price thereof shall be deemed to be a liability of the Company;
- (c) for the purpose of calculating the Net Asset Value the value of the assets of the Company denominated in a currency other than dollars shall be translated into dollars at such rates of exchange and at such times as the Directors shall consider appropriate and equitable.

(8) the value of the assets of the company may be specially valued at the discretion of the Directors in the following circumstances:-

- (a) if the value of the MSCI World Index moves either up or down by more than 50% since the last Valuation Day;
- (b) if the Manager receives an application for subscription or redemption the value of which the Directors at their absolute discretion determine is such that a special valuation is appropriate; and/or

24

- (c) where the Directors in their absolute discretion determine it is in the best interests of the company to do so.

REDEMPTION OF SHARES

35. (1) Subject as provided in this article and in articles 36 and 37 the Company shall on receipt by it or its duly authorised agents of a request by a Shareholder in writing or in such other form as the Directors may from time to time determine for the redemption or purchase of all or any Participating Shares held by him redeem such shares, provided as follows.

(2) The redemption of Redeemable A Shares maybe made at any time subject to these articles;

- (i) The redemption of Redeemable A Shares pursuant to

this article shall be made at the request of a holder of Redeemable A Shares on the Redemption Day next following the expiry of not less than one weeks' notice, or such shorter period as the Directors may in their absolute discretion determine.

- (ii) The Company shall be entitled to satisfy a request for redemption wholly or partly by procuring the transfer to the holder who has requested the redemption the number of Initial Offer Hybridon Shares held within Hybridon by the Company of which the market value at the time of redemption is exactly the equivalent to the Net Asset Value of the Redeemable A Shares held by that shareholder within the Company less the Initial Redemption Charge and any further fees and expenses owing to the Company by the said shareholder.
- (iii) The minimum value of any redemption of the Redeemable A Shares by any shareholder will be the equivalent market value of US \$100,000 of the Initial Offer Hybridon Shares.
- (iv) On redemption of part only of the Redeemable A shares comprised in a certificate the Directors shall procure a balance certificate to be issued free of charge for the balance of such shares.
- (v) The Directors may at their option dispense with the production of any certificate which shall have become lost, stolen or destroyed upon compliance by the Shareholder with the like requirements to

25

those arising in the case of any application by him for the replacement thereof as provided in article 19 hereof

- (vi) Notice of redemption, once given, may only be withdrawn in exceptional circumstances at the discretion of and with the written approval of the Directors.
- (vii) If the determination of the Net Asset Value is suspended beyond the day on which it would normally occur by reason of a declaration by the Directors suspending determination of the Net Asset Value pursuant to paragraph (3) of article 34 hereof the right of the Shareholder to have his Redeemable A Shares redeemed pursuant to this article shall be similarly suspended and during the period of suspension he may withdraw his request for redemption. Any withdrawal shall be in writing and shall only be effective if actually received by the Company before the termination of the period of suspension. If the request is not so withdrawn, the redemption of the Redeemable A Shares shall be made on the Redemption Day next following the end of the suspension.
- (vii) The Shareholder shall forthwith after the giving of the request for redemption hereunder forward to the Company the certificate for the share to which such request relates duly endorsed and the Company shall not be bound to make any payment to any Shareholder in respect of such redemption or purchase unless and until the Directors shall have received from such Shareholder the certificate for the Redeemable A Shares being so redeemed or purchased.

(3) The redemption of Redeemable C Shares maybe made at any time subject to these articles;

- (i) The redemption of Redeemable C Shares pursuant to this article shall be made at the request of a holder of Redeemable C Shares on the Redemption Day next following the expiry of not less than one weeks' notice, or such shorter period as the Directors may in their absolute discretion determine.
- (ii) The Company shall be entitled to satisfy a request for redemption wholly or partly by procuring the transfer to the holder who has requested the redemption the number of Secondary Offer Hybridon Shares held within Hybridon by the Company of which the market value at the time of redemption is exactly the equivalent to the Net Asset Value of the Redeemable C Shares held by that shareholder

26

within the Company less the Secondary Redemption Charge and any further fees and expenses owing to the Company by the said shareholder.

- (iii) The minimum value of any redemption of the Redeemable C Shares by any shareholder will be the equivalent market value of US \$100,000 of the Secondary Offer Hybridon Shares.
- (iv) On redemption of part only of the Redeemable C Shares comprised in a certificate the Directors shall procure a balance certificate to be issued free of charge for the balance of such shares.
- (v) The Directors may at their option dispense with the production of any certificate which shall have become lost, stolen or destroyed upon compliance by the Shareholder with the like requirements to those arising in the case of any application by him for the replacement thereof as provided in article 19 hereof
- (vi) Notice of redemption, once given, may only be withdrawn in exceptional circumstances at the discretion of and with the written approval of the Directors.
- (vii) If the determination of the Net Asset Value is suspended beyond the day on which it would normally occur by reason of a declaration by the Directors suspending determination of the Net Asset Value pursuant to paragraph (3) of article 34 hereof the right of the Shareholder to have his Redeemable C Shares redeemed pursuant to this article shall be similarly suspended and during the period of suspension he may withdraw his request for redemption. Any withdrawal shall be in writing and shall only be effective if actually received by the Company before the termination of the period of suspension. If the request is not so withdrawn, the redemption of the Redeemable C Shares shall be made on the Redemption Day next following the end of the suspension.
- (vii) The Shareholder shall forthwith after the giving of the request for redemption hereunder forward to the Company the certificate for the share to which such request relates duly endorsed and the Company shall not be bound to make any payment to any Shareholder in respect of such redemption or purchase unless and until the Directors shall have received from such Shareholder the certificate for the Redeemable C Shares being so redeemed or purchased.

27

(4) The redemption of Redeemable B Shares will be at the discretion of the Directors and will only occur once the B Warrants held by the Company have been exercised by the Directors of the Company. The B Warrants will have no value and will not comprise an asset of the Company until such B Warrants have been exercised at the discretion of the Directors subject to these articles.

(i) Upon redemption of the Redeemable B Shares at the discretion of the Directors the Company shall procure the transfer of an amount of Initial Offer Hybridon Shares to the Shareholders equivalent to the value of the B Warrants once exercised less the Initial Redemption Charge or any other fees and expenses owing by the Shareholder to the Company including any further expenses incurred by the Company in exercising the said B Warrants.

(5) The redemption of Redeemable D Shares will be at the discretion of the Directors and will only occur once the D Warrants held by the Company have been exercised by the Directors of the Company. The D Warrants will have no value and will not comprise an asset of the Company until such D Warrants have been exercised at the discretion of the Directors subject to these articles.

(i) Upon redemption of the Redeemable D Shares at the discretion of the Directors the Company shall procure the transfer of an amount of Secondary Offer Hybridon Shares to the Shareholders equivalent to the value of D Warrants once exercised less the Redemption Charge or any other fees and expenses owing by the Shareholder to the Company including any further expenses incurred by the Company in exercising the said D Warrants.

(6) The equivalent Net Asset Value for each of the Redeemable A Shares on a Redemption Day as outlined in Article 35(2) (ii) shall be calculated by:

- (a) ascertaining the Net Asset Value on the relevant Valuation Day;
- (b) dividing the amount calculated under (a) above by the number of Redeemable A Shares then in issue or deemed to be in issue;
- (c) deducting from the resultant amount an amount equivalent to the nominal value of a Redeemable A Shares; and
- (d) adjusting the resulting sum downwards to the nearest whole cent (the amount necessary to effect such downward adjustment being payable to the Company for its absolute use and benefit).

(7) The equivalent Net Asset Value for each of the Redeemable C Shares on a Redemption Day as outlined in Article 35(2) (ii) shall be calculated by:

28

- (a) ascertaining the Net Asset Value on the relevant Valuation Day;
- (b) dividing the amount calculated under (a) above by the number of Redeemable C Shares then in issue or deemed to be in issue;
- (c) deducting from the resultant amount an amount equivalent to the nominal value of a Redeemable C Shares; and
- (d) adjusting the resulting sum downwards to the nearest whole cent (the amount necessary to effect such downward adjustment being payable to the Company for its absolute use and benefit).

(8) The redemption of Redeemable A Shares under the provisions of this article shall be deemed to be effected immediately after the time as at which the share transfer of the Initial Offer Hybridon Shares is made by the Company to the Shareholder who has requested the redemption in accordance with the said provisions.

(9) The redemption of Redeemable B Shares under the provisions of this article shall be deemed effected immediately after the time as at which the Share transfer of the Initial Offer Hybridon Shares is made by the Company to the relevant Shareholders upon the exercise of the D Warrants by the Directors.

(10) The redemption of Redeemable C Shares under the provisions of this article shall be deemed to be effected immediately after the time as at which the share transfer of the Secondary Offer Hybridon Shares is made by the Company to the Shareholder who has requested the redemption in accordance with the said provisions.

(11) The redemption of Redeemable D Shares under the provisions of this article shall be deemed effected immediately after the time as at which the Share transfer of the Secondary Offer Hybridon Shares is made by the Company to the relevant Shareholders upon the exercise of the D Warrants by the Directors.

(12) Upon the redemption of the Participating Shares being effected the Shareholder shall cease to be entitled to any rights in respect thereof and accordingly his name shall be removed from the Register with respect thereto and the share shall be available for re-issue and until re-issued shall form part of the unissued capital of the Company.

36. The Company shall not be bound to redeem as at any Redemption Day more than one-fifth of the number of Redeemable A Shares or Redeemable C Shares then in issue. If the Company shall receive requests for the redemption as at any Redemption Day of a greater number of Redeemable A Shares or Redeemable C

29

Shares, it may scale down the number to be redeemed in response to each request to such extent as may be necessary to ensure that the foregoing limit is not exceeded and shall carry forward for redemption as at the next following Redemption Day the balance of each request and so on to each succeeding Redemption Day until each request has been complied with in full, provided that requests for redemption which have been carried forward from an earlier Redemption Day shall subject always to the foregoing limits be complied with in priority to later requests.

37. The Directors may refuse any request for redemption of any Redeemable A Shares or Redeemable C Shares or may by not less than four weeks' notice expiring on a Redemption Day to all holders of Redeemable A Shares or Redeemable C Shares on such Redemption Day all (but not some) of the Redeemable A Shares or Redeemable C Shares not previously redeemed if in the opinion of the Directors it is considered advisable prudent or otherwise in the interest of the Shareholders so to do as a result of any enactment legislation or other event or circumstances whatsoever. In the event of any redemption hereunder the provisions of this article shall apply as if such redemption had been made at the request of the holders of the Redeemable A Shares or Redeemable C Shares in question.

ALTERATION OF SHARE CAPITAL

38. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the ordinary resolution shall prescribe. All new shares shall be subject to the provisions of these articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise.

39. Subject to and in accordance with the provisions of the Acts, the Company may by special resolution from time to time reduce its share capital in any way, and in particular, without prejudice to the generality of the foregoing power may:

(1) extinguish or reduce the liability on any of its shares in respect

of share capital not paid up; or

(2) with or without extinguishing or reducing liability on any of its shares:

- (a) cancel any paid-up share capital which is lost or which is not represented by available assets; or
- (b) pay off any paid-up share capital which is in excess of the requirements of the Company;

and may, if and so far as necessary, alter its memorandum of association by reducing the amounts or its share capital and of its shares accordingly.

30

40. Subject to and in accordance with the Acts, the Company may by ordinary resolution from time to time alter its share capital by:

(1) consolidating and dividing all or any of its share capital into shares of larger amount than its existing shares; or

(2) sub-dividing its shares, or any of them, into shares of smaller amount than that fixed by its memorandum of association, however, so that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or

(3) cancelling any shares which, at the date of the passing of the ordinary resolution in that behalf, have not been taken or agreed to be taken by any person, and diminishing the amount of its share capital by the amount of the shares so cancelled.

GENERAL MEETINGS

41. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year. Not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Subsequent annual general meetings shall be held once in each year at such time and place in the Island as may be determined by the Directors.

42. All general meetings (other than annual general meetings) shall be called extraordinary general meetings and shall be held in the Island or such other place outside the United Kingdom as the Directors may select.

43. The Directors and the Custodian may call an extraordinary general meetings whenever they think fit and extraordinary general meetings shall be convened on such requisition or in such manner as provided by the Acts.

NOTICE OF GENERAL MEETINGS

44. Twenty-one clear days' notice at least specifying the place, the day and the hour of the meeting, and in the case of special business the general nature of such business (and in the case of an annual general meeting specifying the meeting as such) shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these articles or the conditions of issue of the shares held by them entitled to receive notices from the Company. There may be included in any notice convening a meeting of the Company for the purpose of passing a special

31

resolution a notice specifying the place, the day and the hour of a subsequent meeting to be held subject to the passing of the special

resolution at the first meeting for the purpose of confirming such special resolution in accordance with the provisions of the Acts.

45. A general meeting shall, notwithstanding that it is called by shorter notice than specified in the last preceding article, be deemed to have been duly called with regard to the length of notice it is so agreed by all the Shareholders entitled to attend and vote thereat.
46. In every notice calling a meeting of the Company or of any class of Shareholders of the Company, there shall appear with reasonable prominence a statement that a Shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Shareholder.
47. The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice shall not invalidate the proceedings at any general meeting.

PROCEEDINGS AT GENERAL MEETINGS

48. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of declaring or approving the payment of dividends, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors, the election of Auditors in the place of those retiring and the appointment and the fixing of the remuneration of the Directors and the Auditors.
49. No business shall be transacted at any general meeting unless a quorum is present. Save as in these articles otherwise provided, two Shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes. A representative of a corporation authorised pursuant to article 73 hereof and present at any meeting of the Company or at any meeting of any class of Shareholders of the Company shall be deemed to be a Shareholder for the purpose of counting towards a quorum.
50. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the Shareholders present shall be a quorum.
51. The chairman (if any) or, if absent, the deputy chairman (if any) of the board of Directors or, failing him, some other Director nominated by the Directors shall preside as chairman at every general meeting of the Company but if at any meeting

32

neither the chairman nor the deputy chairman nor such other Director be present within fifteen minutes after the time appointed for holding the meeting, or if none of them is willing to act as chairman, the Directors present shall choose some Director present to be chairman, or if no Directors are present or if all the Directors present decline to take the chair the Shareholders present shall choose a Shareholder present to be chairman.

52. The chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
53. When a meeting is adjourned for fourteen days or more, seven clear days notice at the least, specifying the place, the day and the hour of the adjourned meeting, shall be given as in the case of the original meeting but it shall be given as in the case of the original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at an adjourned meeting.
54. At any general meeting, a resolution put to the vote of the meeting

shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman or by at least five Shareholders present and having the right to vote at the meeting or by a Shareholder or Shareholders present and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting. Unless a poll is demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or carried by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against such resolution.

55. Subject always to the Acts, the instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll, and for the purposes of the last preceding article a demand by a person as proxy for a Shareholder shall be the same as a demand by the Shareholder.
56. If a poll is duly demanded, it shall be taken, subject to article 57, in such manner and at such place as the chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman, in the event of a poll, may appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

33

57. A poll demanded on the election of a chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.
58. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
59. A demand for a poll may be withdrawn and no notice need be given of a poll not taken immediately.

VOTES OF MEMBERS

60. Subject to any special rights or restrictions for the time being attached to any class of shares:
- (1) on a show of hands every Shareholder being the holder of a Management Share who is present in person shall have one vote;
 - (2) on a poll every Shareholder being the holder of Management Shares present in person or by proxy shall be entitled to one vote for every share of which he is the holder;
 - (3) holders of Participating Shares shall not be entitled to vote at general meetings save where a resolution is proposed: (i) to wind up the Company; or (ii) to alter the investment policy of the Company, or (iii) to issue shares other than as Management Shares or Participating Shares, in which last event the consent of a separate class meeting of holders of Participating Shares is also required; if holders of Participating Shares are entitled to vote the provisions of article 60(1) and (2) shall apply, mutatis mutandis;
61. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the share.
62. A Shareholder who has appointed special and general attorneys or a Shareholder of unsound mind in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his said attorneys, committee, receiver, or

other person in the nature of a committee or receiver appointed by such court, and such attorneys, committee, receiver, or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been

34

deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

63. No Shareholder shall, unless the Directors otherwise determine, be entitled to vote at any general meeting, either personally or by proxy, or to exercise any privileges as a Shareholder unless all calls or other sums presently payable by him in respect of shares in the Company of which he is the holder or one of the joint holders have been paid.
64. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
65. On a poll, votes may be given either personally or by proxy.
66. On a poll, a Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
67. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.
68. Any person (whether a Shareholder of the Company or not) may be appointed to act as a proxy. A Shareholder may appoint more than one proxy to attend on the same occasion.
69. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the registered office of the Company, or at such other place as is specified for that purpose in the notice of meeting or in the instrument of proxy issued by the Company, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than forty-eight hours before the taking of the poll, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.
70. An instrument of proxy shall be in such form as the Directors may approve.

35

71. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) for use at any general meeting or at any meeting of any class of Shareholders of the Company, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall be issued to all (and not to some only) of the Shareholders entitled to be sent a notice of a meeting and vote thereat by proxy.
72. A vote given in accordance with the terms of an instrument of proxy

shall be valid notwithstanding the death or insanity of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

73. Any corporation which is a Shareholder of the Company may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Shareholders of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder of the Company.

DIRECTORS

74. Subject to article 91 hereof, the number of the Directors shall not be fewer than two. The first Directors shall be appointed in writing by a majority of the subscribers to the memorandum of association. No person shall be appointed as a Director under any provision of these articles if his appointment would cause or permit the aggregate of the number of Directors resident in the United Kingdom for the purposes of United Kingdom taxation to constitute a majority of the Directors.

75. The Company may from time to time by ordinary resolution fix a maximum number of Directors and increase or reduce the minimum number of Directors.

76. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these articles. Such Director shall hold office until the next following annual general meeting.

36

77. A Director need not be a Shareholder but each Director shall nevertheless have the right to attend and speak at all general meetings of the Company.

78. Each Director and alternate Director shall be entitled, by way of remuneration, to such sum as the Directors may consider appropriate. Their remuneration shall be deemed to accrue from day to day. The Directors and alternate Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meeting or class meetings of the Company or in connection with the business of the Company.

79. Each Director shall have the power to appoint any person (including another Director) to act as alternate Director in his place at any meeting of the Directors at which he is unable to be present, and at his discretion to revoke the appointment of such alternate Director provided that no person who is resident in the United Kingdom for the purposes of United Kingdom taxation may be appointed as an alternate Director unless his appointor is also resident in the United Kingdom. On such appointment being made the alternate Director shall (except as regards the power to appoint an alternate Director) be subject in all respects to the terms and conditions existing with reference to the other Directors of the Company and each alternate Director, whilst acting in the place of an absent Director, shall exercise and discharge all the functions, powers and duties of the Directors he represents. Any Director of the Company who is appointed as alternate Director shall be entitled at a meeting of the Directors to cast a vote on behalf of his appointor in addition to the vote to which he is entitled in his own capacity as a Director of the Company, and also shall be considered as two Directors for the purpose of making a quorum of Directors when such quorum shall exceed two. Any person appointed as an alternate Director shall vacate such office as such alternate Director

if and when the Director by whom he has been appointed shall die or cease to hold the office of Director.

80. The appointment of an alternate Director and any revocation thereof shall be given in writing and shall take effect when lodged or received at the registered office of the Company.

81. The office of a Director shall be vacated in any of the following events, namely:

(1) if he resigns his office by notice in writing signed by him and left at the registered office;

(2) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;

(3) if he becomes of unsound mind;

37

(4) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the board of Directors, and the Directors resolve that his office be vacated;

(5) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provision of any law or enactment;

(6) if he is requested by all the other Directors (not being less than two in number) to vacate his office;

(7) if he becomes resident in the United Kingdom and as a result thereof a majority of the Directors are resident in the United Kingdom;

(8) if he is removed from office pursuant to article 82 hereof

82. The Company may, by ordinary resolution, remove any Director before the expiration of his period of office, and may, by ordinary resolution, appoint another person in his stead.

83. (1) A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

(2) (a) No Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken in consideration, or if the Director was not at the date of the meeting interested in the proposed contract or arrangement then at the next meeting of the Directors held after he became so interested, and if the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Directors held after he becomes so interested.

38

(b) A general notice in writing given to the Directors by any Director to the effect that he is a shareholder or member of any specified company or firm, and is to

be regarded as interested in any contract which may thereafter be made with that company or firm, shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

(3) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A Director shall nevertheless be counted in the quorum at a meeting at which matters upon which he is debarred from voting are under consideration.

(4) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in 1 per cent or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this article to be a material interest in all circumstances).

39

(5) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors or officers or employees with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (4)(d) of this article) shall be entitled to vote in respect of each resolution except that concerning his own appointment.

(6) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Directors concerned have not been fairly disclosed.

(7) The Company may by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any transactions not

duly authorised by reason of a contravention of this article.

(8) Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director provided that nothing herein contained shall authorise a Director or his firm to act as Auditors to the Company.

84. Any Director may continue to be, or become, a Director, managing director, manager or other officer or shareholder of any other company in which the Company may be interested, and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer or shareholder of any such other company. Subject to article 83, the Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company or voting providing for the payment of remuneration to the directors, managing directors, managers or other officers of such company).

POWER OF DIRECTORS

85. The business of the Company shall be managed outside the United Kingdom by the Directors who may exercise all such powers of the Company as are not by the Acts or by these articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these articles, to the provisions

40

of the Acts, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made. The general powers given by this article shall not be limited or restricted by any special authority or power given to the Directors by any other article.

86. (1) The Directors shall have the power to appoint and, if at any time required by any authority in the Island, shall appoint as Manager any person, firm or corporation (other than a person, firm, or corporation resident or carrying on business in the United Kingdom) to carry out management and administrative duties outside the United Kingdom in relation to the business of the Company upon such terms and at such remuneration as the Directors may from time to time determine and to remove from such appointment any Manager so appointed. The terms of appointment of any Manager may authorise such Manager to appoint (with or without powers of sub-delegation) any administrator, sub-managers, nominees, agents or delegates at the expense of the Company or otherwise. Any such person firm or corporation may also be appointed and perform the duties of the Secretary.
- (2) The terms of any agreement appointing a Manager pursuant to paragraph (1) of this article may provide for such Manager to be paid or to retain to the exclusion of the Company any fee commission brokerage or other payment paid or allowed in respect of Investments in which the Company shall invest.
- (3) If any Manager appointed under this article ceases for any reason to be the Manager and if the name of the Company incorporates or is associated with the name of the Manager or its holding company then if so required by the Manager in writing to the Company within thirty days of such cessation the Directors shall promptly procure the convening of all necessary general meetings of the Company to change its name so as to ensure no association with the Manager or its holding company and the Shareholders shall procure that all necessary resolutions are passed thereat.
- (4) Shareholders will be given at least one month's notice of any

change in the terms of the agreement under which the Company has appointed the Manager.

87. The Directors may also from time to time and at any time by power of attorney under the Seal, appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers authorities and discretions (not exceeding those vested in or exercisable by the Directors under these articles) and for such period and subject to such conditions as they may think fit, and any power of attorney may contain such provisions for

41

the protection and convenience of persons dealing with any such attorneys as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him provided always that no such attorney or attorneys shall pursuant to such power be resident within, or act in connection with the business of the Company within, the United Kingdom.

88. All cheques, promissory notes, drafts, bills or exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

INVESTMENT OF THE COMPANY'S ASSETS

89. (1) The Directors may invest the funds of the Company as they think fit.
- (2) In connection with the acquisition or disposal of any Investment by the Company the Directors shall be entitled to pay such fees, commissions, brokerage and other payments whatsoever as the Directors shall in their absolute discretion determine, such payment to be made in such manner and out of such income or other assets of the Company as the Directors shall in their absolute discretion determine and to be disclosed in the audited accounts of the Company
- (3) The principal objective of the Company, is to invest funds in Hybridon in return for Hybridon Shares and Warrants or such other investments as the Directors see fit from time to time.
- (4) The Directors will apply whatever investment strategies they deem appropriate under prevailing economic and market conditions to seek increases in Net Asset Value, subject to the investment restrictions set out below:
- (a) The Company will not enter into stock lending arrangements.

PROCEEDINGS OF DIRECTORS

90. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Meetings of Directors may be held in any part of the world except in the United Kingdom. Any decision reached or resolution passed by the Directors at any meeting held in the United Kingdom shall be invalid and of no effect. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote provided only that the chairman is not resident in the United Kingdom for the purposes of United Kingdom taxation. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

42

91. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two, provided that no such quorum shall include a

majority of Directors who are resident in the United Kingdom for the purposes of United Kingdom taxation.

92. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these articles, the continuing Directors or Director may act for the purpose of filling up vacancies in their number or of summoning general meetings of the Company but not for any other purpose. If there be no Directors or Director able or willing to act, then any two Shareholders may summon a general meeting for the purpose of appointing Directors.
93. The Directors may from time to time elect and remove a chairman and, if they think fit, a deputy chairman and determine the period for which they respectively are to hold office. The chairman or, failing him, the deputy chairman shall preside at all meetings of the Directors but if there be no chairman or deputy chairman, or if at any meeting the chairman or deputy chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
94. A resolution in writing signed by all the Directors for the time being entitled to receive a notice of a meeting of the Directors shall be as valid and effectual as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form each signed by one or more of the Directors. No resolution in writing shall be valid if a majority of those signing sign it within the United Kingdom.
95. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions; for the time being exercisable by the Directors.
96. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the Directors, provided that no such committee shall meet in the United Kingdom or consist of a majority in aggregate of Directors who are resident in the United Kingdom for the purposes of United Kingdom taxation nor shall any committee meeting be held at which any such majority is present and, if any committee meeting is held in breach of this proviso, any decision reached or resolution passed thereat shall be invalid and of no effect.

43

97. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding article.
98. Subject to the provisions of these articles, all acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall be valid, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office, or were not entitled to vote.
99. The Directors shall cause minutes to be made of:-
- (1) all appointments of officers made by the Directors;
 - (2) the names of the Directors present at each meeting of the Directors and of any committee of Directors;
 - (3) all resolutions and proceedings of all meetings of the company and of the Directors and of committees of Directors.

Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next succeeding meeting, shall be evidence of their proceedings.

100. A register of Directors' shareholdings shall be kept at the registered office of the Company and shall be open to the inspection of any Shareholder or holder of debentures of the Company between the hours of 10.00 am and 1.00 pm for a period beginning fourteen days before and ending three days after each annual general meeting. The said register shall also be produced at the Commencement of each annual general meeting and shall remain open and accessible during the continuance of the meeting to any person attending the meeting.

BORROWING POWERS

101. The Directors may exercise all the powers of the Company to borrow money (including the power to borrow for the purpose of redeeming shares) and to secure such borrowings in any manner and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company.

44

SECRETARY

102. The Secretary shall be appointed by the Directors upon such conditions as the Directors may think fit save that it shall be a requirement of each and every appointment that the Secretary shall not be resident in the United Kingdom for the purpose of United Kingdom taxation or carry on business in the United Kingdom and shall cease to hold office, if subsequent to his appointment, he becomes so resident or starts so to carry on business. Anything required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any assistant or deputy Secretary or if there is no assistant or deputy Secretary capable of acting, by or to any person authorised generally and specially in that behalf by the Directors, provided that any provisions of these articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

THE BANK

103. (1) The Directors shall appoint a corporation to act as a Bank and to hold all the assets of the Company and perform such other duties upon such terms as the Directors may from time to time with the agreement of the Bank determine, provided that such Bank shall not be resident in the United Kingdom for the purposes of United Kingdom taxation.

(2) In the event of the Bank desiring to retire and giving notice of such desire to the Directors, the Directors shall use their best endeavours to find a corporation willing to act as a Bank and upon doing so the Directors shall appoint such corporation to act as a Bank in place of the retiring Bank.

THE SEAL

104. The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of a resolution of the Directors or of a committee of the Directors authorised by the Directors in that behalf. The Directors may from time to time make such regulations as they see fit (subject to the provisions of these articles relating to share certificates) determining the persons and the number of such persons in whose presence the Seal shall be used, and until otherwise so determined the Seal shall be affixed in the presence of two Directors or of one Director and the Secretary, or some other person duly authorised by the Directors.

45

DIVIDENDS

105. (1) No dividend shall be payable except out of such funds as may lawfully be distributed as dividend.

(2) No dividend shall be payable to the holders of the Management Shares.

106. (1) The Directors shall from time to time pay such dividends including interim dividends to the holders of Participating Shares as the Directors shall consider appropriate. Any resolution of the Directors declaring a dividend on the Participating Shares may specify that the same should be payable to the persons registered as the holders of the Participating Shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of Participating Shares.

(2) Unless otherwise provided by the terms of issue, a Participating Share in issue at the date of record for a dividend, if fully paid, shall carry the right to the full amount of the dividend for the relevant period and if not fully paid shall be entitled to an amount in proportion to the amount paid up. No amount paid on a share in advance of the date on which a call is payable shall be treated for the purpose of this article as paid up on a share.

(3) For the purpose only of determining the amount to be declared by way of dividend in respect of a Participating Share there shall be deemed to be included in the profits of the Company available for distribution by way of dividend the amount standing to the credit of the Equalisation Account (if any) at the date by reference to which such determination is made.

(4) On the occasion of the payment of a dividend to the holder of a Participating Share in respect of which an Equalisation Payment has been made and to whom a sum is payable in accordance with article 111(5) hereof the amount of the dividend payable to such holder shall be reduced by the amount of such sum and if such sum is equal to the dividend which would otherwise be payable no dividend shall be payable on such Participating Share.

107. The Directors may deduct from the dividends payable to any Shareholder such sums of money as may be due from him relation to the shares of the Company.

108. The Company may transmit any dividend or other amount payable in respect of any share by cheque or warrant sent by ordinary post or in such other manner as a shareholder shall require and the Directors shall approve to the registered address of the holder, or in the case of joint holders, of one of them or to such person and

46

address as the holder or joint holders may direct, and shall not be responsible for any loss arising in respect of such transmission.

109. No dividend or other distribution shall bear interest against the Company.

110. The Directors may, with the sanction of the Company in general meeting satisfy any dividend due to such holders in whole or in part by distributing to them in specie any of the assets of the Company, and in particular any shares or securities of other companies to which the Company is entitled provided always that no such distribution shall be made which would amount to a reduction of capital save with the consents required by law.

SHARE PREMIUM AND RESERVE ACCOUNTS AND EQUALISATION ACCOUNT

111. (1) The Directors shall establish an account to be called the Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share.

(2) The Directors may set aside out of the profits or gains of the Company and carry to the credit of any reserve account such sums as

they think proper, which shall, at the discretion of the Directors, be applicable for any purpose to which the profits or reserves may be properly applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in such manner as the Directors may from time to time think fit.

(3) The Company shall at all times comply with the provisions of the Acts in relation to the Share Premium Account and any premiums attaching to shares and in relation to the redemption of the Participating Shares.

(4) The Directors may at any time and from time to time as they shall think fit open and operate an Equalisation Account and during any period when such Equalisation Account is operative shall credit any Equalisation Payment received in accordance with article 9(4) hereof to such Equalisation Account provided that:

- (a) subject as hereinafter provided such payments shall be attributable to the holders for the time being of the Participating Shares on account of which such Equalisation Payments were paid and not refunded; and
- (b) the Directors with the approval of the Auditors may from time to time and at any time transfer to Share Premium Account any moneys standing to the credit of the Equalisation Account after reserving for all payments to be made there from in accordance with the provisions hereof.

47

(5) Subject as hereinafter provided the holder for the time being of the Participating Share in respect of which an Equalisation Payment was paid on its issue shall be entitled to the payment of a sum from the Equalisation Account on the occurrence of any of the following events between the date of issue of the Participating Share and the date next following such issue at which the Directors make a transfer from Equalisation Account to Share Premium Account:

- (a) the payment of dividends in accordance with article 106 hereof; or
- (b) the winding up or dissolution of the Company in accordance with articles 7,8, 130 and 131 hereof,

provided that if the Directors think fit and the Auditors agree all such sums shall be paid at a rate or rates per Participating Share ascertained by dividing the aggregate of all Equalisation Payments standing to the credit of the Equalisation Account by the number of Participating Shares in respect of which such sums are payable and provided that in so doing such Participating Shares may be divided into two or more groups issued within different periods of time as may be selected by the Directors with the approval of the Auditors.

ACCOUNTS

112. The Directors shall cause to be kept proper accounts with respect to:

- (1) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place;
- (2) all sales and purchases made by the Company; and
- (3) the assets and liabilities of the Company.

113. The books of account shall be kept at the registered office of the Company, or at such other place outside the United Kingdom as the Directors think fit and shall always be open to inspection by the Directors. No Shareholder (other than a Director) shall have any right of inspection of any account or book or document of the Company except as conferred by the Acts or authorised by the Directors or by the Company in general meeting.

114. The Directors shall from time to time, in accordance with the provisions of the Acts, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Acts, made up to such date in each year as the Directors may determine from time to time and in default of such determination made up to the [30th September] in each year.

48

115. A printed copy of every Directors' report and Auditors' report accompanied by the balance sheet (including every document required by Acts to be annexed thereto) and profit and loss account which are to be laid before the Company in general meeting in accordance with article 114 shall not less than twenty-one days prior to the meeting be delivered or sent by post to the registered address of every Shareholder or holder of debentures of the Company and to the Auditors, provided that this article shall not require a copy of these documents to be sent to more than one of two or more joint Shareholders or joint debenture holders. The required number of copies of each of the above-mentioned documents shall at the same time be forwarded to the secretary of any stock exchange upon which quotation for any shares of the Company is for the time being granted in manner required by its rules.

AUDIT

116. (1) The Company shall at each annual general meeting appoint an Auditor or Auditors (who must be members of the Institute of Chartered Accountants of England and Wales, or Scotland or of the Institute of Certified Accountants) to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting.

(2) The first Auditors of the Company shall be appointed by the Directors at any time before the first annual general meeting of the Company and the Auditors so appointed shall hold office until the conclusion of that meeting.

(3) The Directors may fill any casual vacancy in the office of Auditors, but, while any such vacancy continues, the surviving or continuing Auditors, if any, may act.

117. The remuneration of any Auditors appointed by the Directors shall be fixed by the Directors and of any Auditors appointed by the Company shall be fixed by the Company at the annual general meeting at which such appointment shall be made or in such a manner as such meeting may determine.

118. (1) The Auditors shall examine such books, account and vouchers as may be necessary for the performance of their duties.

(2) The Auditors shall make a report to the Shareholders on the accounts examined by them and on every balance sheet laid before the Company in general meeting during their tenure of office and the report shall state whether or not in their opinion the accounts give a true and fair view of the state of the Company's affairs and the relevant balance sheet date and of the net revenue of the Company for the period ended on the relevant balance sheet date.

49

119. The Auditors shall be furnished with a list of all books kept by the Company and shall at all times have the right of access to the books and accounts and vouchers of the Company, and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of their duties.

120. The Auditors shall be entitled to attend any annual general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and to, make any statement or explanation they may desire with respect to the accounts, and notices of every such meeting shall be given to the Auditors in the

manner prescribed for the Shareholders.

NOTICES

121. Any notice or document may be served by the Company on any Shareholder either personally or by sending it through the post in a prepaid letter addressed to such Shareholder at his address as appearing in the Register. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all joint holders.
122. Notices to be posted to addresses outside the Island shall so far as practicable be forwarded by prepaid airmail.
123. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
124. Any summons, request, notice, order or other document required to be sent to or served upon the Company, or upon any office of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid letter, envelope or wrapper, addressed to the Company or to such officer at the registered office of the Company. The Company shall be entitled to require that any request, notice, order or other document required by or pursuant to these articles to be given in writing by any Shareholder to the Company shall be signed by the Shareholder by whom it is given.
125. Any notice or other document, if served by post, shall be deemed to have been served seven days after the time the letter containing the same is posted and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted. A notice given by advertisement shall be published in a local newspaper circulating in the Island and at least one daily newspaper in London with international circulation and shall be deemed to have been served before noon on which the advertisement appears.
- 50
126. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in pursuance of these articles shall, notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Shareholder as sole or joint holder, unless his name shall, at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
127. Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- (1) every Shareholder;
 - (2) every Director of the Company; and
 - (3) the Auditors.
128. No other person shall be entitled to receive notices of general meetings.
129. The directors shall give not less than sixty days' notice of any proposed amendment to the Memorandum of Association of the Company and these Articles, proposed changes to the investment policy, limits and restrictions of the company, the appointment and/or removal of the Custodian and any increase in the preliminary and preiodic charges of the company to those persons whose names on the date the notice is given appear as members in the share register of the company.

WINDING UP

130. If the Company shall be wound up the assets available for distribution among the Shareholders shall be applied:
- (1) first, in the repayment pari passu to the holders of Participating Shares of the nominal amount paid up thereon;
 - (2) secondly, in the repayment pari passu to the holders of Management Shares of the nominal amount paid up thereon; and
 - (4) thirdly, any surplus of assets then remaining shall be distributed among the holders of the Participating Shares in accordance with the provisions of article 7 and 8 hereof.

51

131. If the company shall be wound up (whether the liquidation is voluntary, or under supervision or by the court) the liquidator may, with the authority of a special resolution, divide among the Shareholders in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any shares in respect of which there is liability.

INDEMNITY

132. Every Director, Secretary and other officer or servant of the Company shall be indemnified by the company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses which any such officer or servant may incur or in respect of which he may become liable by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in discharge of his duties, including travelling expenses, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all other claims.
133. No Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any Investment in or upon which any of the moneys of the Company shall be invested or for any loss of any of the moneys of the Company which shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money, Investments or effects shall be deposited, or for any loss, damage or misfortune whatsoever which shall happen in the execution of his respective office or in relation thereto unless the same happen through his own wilful act or default or negligence.

52

No.	Names, Addresses and Description of Subscribers
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1.

PILLAR INVESTMENT Limited
St James's Chambers
64a Athol Street
Douglas
Isle of Man

Youssef Mohamad Talaat El Zein
Director

Dated this 10th day of June 2003

Witness to the above Signatures;-
Bialal Sidani
131 Avenue de Malakoff
75116-Paris
France