



DURECT Corporation Announces Exercise of Over-allotment Option in Initial Public Offering

CUPERTINO, Calif., Nov. 2 /PRNewswire/ — DURECT Corporation (Nasdaq: DRRX) today announced that the underwriters of its recent initial public offering of common stock have exercised their over-allotment option in part and purchased an additional 700,000 shares at the initial public offering price of \$12.00 per share. All of the over-allotment shares were sold by DURECT. After giving effect to the sale of the over-allotment shares, a total of 7,700,000 shares of common stock were offered and sold in the offering. The offering is being managed by Morgan Stanley Dean Witter, Chase H&Q and CIBC World Markets, Corp.

DURECT Corporation is pioneering the treatment of chronic diseases and conditions by developing and commercializing pharmaceutical systems to deliver the right drug to the right place in the right amount at the right time.

DURECT's pharmaceutical systems can enable new drug therapies or optimize existing therapies based on a broad range of compounds, including small molecule pharmaceuticals as well as biotechnology molecules such as proteins, peptides and genes. DURECT's initial portfolio of products combine the DUROS(R) technology, a proven and patented drug delivery platform licensed for specified fields of use from ALZA Corporation with drugs for which medical data on efficacy and safety are available.

A prospectus relating to these securities may be obtained from Morgan Stanley Dean Witter, 1585 Broadway, New York, NY 10019, Chase H&Q, One Bush Street, San Francisco, CA 94104 or CIBC World Markets, Corp. 200 Liberty Street, New York, NY 01281.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

The statements in this press release regarding DURECT's products in development, product development plans, clinical trials, and expected product benefits are forward-looking statements involving risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. Potential risks and uncertainties include, but are not limited to, DURECT's ability to develop, manufacture and commercialize its products, complete successful clinical trials, obtain product approvals from regulatory agencies, build a manufacturing facility and marketplace acceptance of DURECT's products. Further information regarding these and other risks is included in the company's S-1 registration statement, filed with the SEC on September 22, 2000 and its 424(b) prospectus filed with the SEC on September 28, 2000.

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