DURECT Corporation and Endo Pharmaceuticals Sign Agreement to Develop and Commercialize DURECT'S Seven-Day Transdermal Pain Patch

CUPERTINO, Calif., March 14, 2005 /PRNewswire-FirstCall via COMTEX/ — DURECT Corporation (Nasdaq: DRRX) announced today that it has signed an agreement with Endo Pharmaceuticals Inc., a wholly owned subsidiary of Endo Pharmaceuticals Holdings Inc. (Nasdaq: ENDP), that will give Endo the exclusive license to develop and commercialize DURECT's sufentanil-containing transdermal patch in the U.S. and Canada. The sufentanil patch, which is in early-stage clinical development, employs DURECT's proprietary TRANSDUR(TM) drug-adhesive matrix formulation and is being studied to provide relief of moderate-to-severe chronic pain for up to seven days. Effective immediately, Endo will assume all remaining development and regulatory filing responsibility, including the funding thereof.

(Logo: http://www.newscom.com/cgi-bin/prnh/20020717/DRRXLOGO)

"We believe that Endo is an excellent choice for the development and commercialization of our transdermal sufentanil patch," said James E. Brown, DVM, President and CEO of DURECT Corporation. "Our TRANSDUR-Sufentanil pain patch attracted high interest from a number of potential partners. We selected Endo because of its strong track record for successfully launching and building new products in the field of pain management. We are excited to continue to advance our goal to become a specialty pharmaceutical company through our right under this agreement to co-promote this product in the chronic pain space alongside such a strong marketing partner."

"As a market leader in pain management, Endo is continually looking for innovative patent-protected products that have the potential to deliver safe and effective relief for patients with pain," said Peter A. Lankau, President and Chief Operating Officer of Endo. "We feel that DURECT's sufentanil patch could offer physicians and patients significant benefits over currently marketed products. The product's weeklong duration combined with its reduced size (about 20% of the size of the on-market transdermal fentanyl patches but with a therapeutically equivalent dose) may offer improved patient convenience and compliance. The transdermal sufentanil patch is expected to compete in the $4 billion strong-opioid market."

Under the terms of the agreement, Endo will pay DURECT an upfront fee of $10 million, with additional payments of approximately $35 million upon achievement of predetermined regulatory and commercial milestones. Endo will also pay undisclosed royalties to DURECT on net sales of the sufentanil transdermal patch.

DURECT Corporation will be hosting a conference call to discuss this announcement on Monday, March 14, at 4:00 P.M. Eastern Time. To participate in the conference call, please dial in to 1-800-273-1249 (domestic) or 1-310-744-2160 (international) and request for "DURECT Corporate Event," entry code 6358. Please dial in 10 minutes prior to the scheduled start time. A

replay of the call will be available for 24 hours starting March 14, 2005 at 8:15 P.M. Eastern Time by dialing 1-888-203-1112 (domestic) or 1-719-457-0820 (international), passcode 1246080.

ABOUT DURECT

DURECT Corporation is an emerging specialty pharmaceutical company focused on the development of pharmaceutical systems based on its proprietary drug delivery platform technologies that treat chronic debilitating diseases and enable biotechnology products. These platform technologies include the SABER(TM) Delivery System (a patented and versatile depot injectable useful for protein and small molecule delivery), the ORADUR(TM) sustained release oral gel-cap technology (an oral sustained release technology with several potential abuse deterrent properties), the DURIN(TM) Biodegradable Implant (drug-loaded implant system), the TRANSDUR(TM) transdermal technology and the MICRODUR(TM) Biodegradable Microparticulates (microspheres injectable system). DURECT also collaborates with pharmaceutical companies to develop and commercialize proprietary and enhanced pharmaceutical products based on its technologies. DURECT has five disclosed on-going development programs of which four are in collaboration with pharmaceutical partners. Additional information about DURECT is available at www.www.durect.com.

NOTE: SABER(TM), ORADUR(TM), DURIN(TM), TRANSDUR(TM) and MICRODUR(TM) are trademarks of DURECT Corporation. Other referenced trademarks belong to their respective owners.

DURECT Forward-Looking Statement

The statements in this press release regarding DURECT's TRANSDUR-Sufentanil patch in development, product development plans, potential product benefits and anticipated financial returns are forward-looking statements involving risks and uncertainties that can cause actual results to differ materially from those in such forward-looking statements. Potential risks and uncertainties include, but are not limited to, DURECT and Endo's abilities to complete the design, development, and manufacturing process development of the product candidate, obtain product and manufacturing approvals from regulatory agencies and manufacture and commercialize the product candidate, as well as marketplace acceptance of the product candidate. Further information regarding these and other risks is included in DURECT's Annual Report on Form 10-K for the year ended December 31, 2004 filed with the SEC on March 14, 2005 under the heading "Factors that may affect future results."

SOURCE DURECT Corporation

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