DURECT Awarded $733,438 in Grants Under the Patient Protection and Affordable Care Program

CUPERTINO, Calif., Nov. 2, 2010 /PRNewswire via COMTEX/ —

DURECT Corporation (Nasdaq: DRRX) announced today that it has been awarded grants totaling $733,438 to advance our programs in post-operative pain relief, attention deficit disorder (ADHD) and chronic diseases treated with biologic agents. The grants are being awarded under the Patient Protection and Affordable Care Act of 2010.

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“We are pleased that all three of our grant applications to support the continued development of our POSIDUR(TM), ORADUR(R)-ADHD and Biologics programs were certified as qualifying for this award,” said James Brown, President and CEO. “Based on our proprietary technologies, these programs could potentially offer patients a broader and enhanced set of treatment options for post-operative pain control, ADHD and chronic diseases such as cancer, diabetes and multiple sclerosis.”

The award payments are expected to be distributed in the fourth quarter of 2010 and will provide non-dilutive capital to support these programs based on our expenditures in 2009. Under the grant program, qualifying companies are expected to conduct studies or carry out research protocols designed to either treat or prevent diseases or conditions, with the ultimate goal of securing approval from the U.S. Food and Drug Administration.

About the Programs Certified for this Grant

- POSIDUR is our post-operative pain relief depot that utilizes our patented SABER technology to deliver bupivacaine to provide up to three days of pain relief after surgery. POSIDUR is licensed to Hospira for commercialization in the U.S. and Canada, and to Nycomed for commercialization in Europe and other defined countries. We have retained commercialization rights in Japan and all other countries not subject to the Nycomed and Hospira licenses. We are currently enrolling patients in our U.S. pivotal Phase III clinical study known as BESST (Bupivacaine Effectiveness and Safety in SABER(TM) Trial).
- Our ORADUR-ADHD program applies our proprietary ORADUR technology to a leading active pharmaceutical ingredient for the treatment of attention deficit disorder (ADHD). Under an agreement with Orient Pharma, we are collaborating to perform a clinical development program through a Phase II study intended to produce a data package that will support later stage development of the drug candidate and subsequent licensing by DURECT. We are responsible for formulation and study design of the pre-defined clinical program, which Orient Pharma will fund and execute. In July 2010, we commenced a Phase I clinical trial in this program with multiple formulations.
- Our Biologics program seeks to develop improved biologic therapeutics to treat chronic diseases including cancer, diabetes, multiple sclerosis and other chronic diseases. Based on our patented SABER technology, our Biologics program is intended to provide therapies for periods of up to one month from a single injection.

About DURECT Corporation

DURECT is an emerging specialty pharmaceutical company developing innovative drugs for pain and other chronic diseases, with late-stage development programs including REMOXY(R), POSIDUR(TM), ELADUR(TM), and TRANSDUR(TM)-Sufentanil. DURECT’s proprietaryoral, transdermal and injectable depot delivery technologies enable new indications and superior clinical/commercial attributes such as abuse deterrence, improved convenience, compliance, efficacy and safety for small molecule and biologic drugs. For more information, please visit http://www.www.durect.com/.

NOTE: POSIDUR(TM), SABER(TM), ORADUR(R), TRANSDUR(TM), and ELADUR(TM) are trademarks of DURECT Corporation. Other referenced trademarks belong to their respective owners. REMOXY, POSIDUR, ELADUR and TRANSDUR-Sufentanil are drug candidates under development and have not been approved for commercialization by the U.S. Food and Drug Administration or other health authorities.

DURECT Forward-Looking Statement

The statements in this press release regarding our grant award and our POSIDUR, ORADUR-ADHD and Biologics program 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, delays in receipt of the funding under the grant award, delays and additional costs due to requirements imposed by regulatory agencies on our drug candidates, unexpected results and adverse events from clinical trials for our drug candidates, our failure to achieve the performance milestones or commercial sales that trigger the referenced payments or royalties under our collaborative agreements, our (and that of our third party collaborators where applicable) difficulty or failure to obtain approvals from regulatory agencies with respect to development activities and products, design, enroll, conduct and complete clinical trials, complete the design, development, and manufacturing process development of the referenced drug candidates, consummate collaborative agreements relating to our drug candidates and technologies, manufacture and commercialize the referenced drug candidates, obtain marketplace acceptance of the referenced drug candidates, avoid infringing patents held by other parties and secure and defend patents of our own, and manage and obtain capital to fund our growth, operations and expenses. Further information regarding these and other risks is included in DURECT's Form 10-Q on August 5, 2010 under the heading "Risk Factors."

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