BIOCRYST AWARDED $102.6 MILLION FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES TO DEVELOP PERAMIVIR FOR SEASONAL AND PANDEMIC INFLUENZA

U.S. GOVERNMENT AWARD HIGHLIGHTS POTENTIAL IMPORTANCE OF PERAMIVIR AS AN ANTIVIRAL THERAPY TO PROTECT NATION AGAINST SEASONAL AND PANDEMIC INFLUENZA

Birmingham, Alabama – January 4, 2007 - BioCryst Pharmaceuticals, Inc. (Nasdaq: BCRX) today announced that it has been awarded a $102.6 million, four-year contract from the U.S. Department of Health and Human Services (DHHS) to develop the influenza neuraminidase inhibitor, peramivir, for the treatment of seasonal and life-threatening influenza, including avian flu.

"BioCryst is pleased to be working with the U.S. Government to further strengthen pandemic preparedness through the development of peramivir, a potentially safe and effective therapy for the treatment for seasonal and life-threatening influenza," said Charles E. Bugg, Ph.D., Chairman and CEO of BioCryst. "We are dedicated to working together to address the potential health crisis of an avian flu pandemic, as well as the annual threat of seasonal influenza."

Peramivir is an antiviral agent that inhibits the enzyme neuraminidase, potentially preventing the spread of the influenza virus.

The award made to BioCryst is part of a larger HHS initiative to pursue the development of new therapies and vaccines which may expand the ability of the United States to respond quickly to a potential pandemic. Receiving this contract from HHS further confirms the potential importance of peramivir as an effective antiviral agent for the treatment of seasonal and life-threatening influenza, including avian flu.

This contract commits $102.6 million to support the full development of both intravenous and intramuscular formulations of peramivir. The contract also funds the validation of multiple U.S.-based manufacturing facilities.

The company will sponsor a conference call at 4:30 p.m. Eastern Time today. The call is open to the public and can be accessed live either over the Internet from http://www.biocryst.com or by dialing 1-800-822-4794 (U.S.) or 1-913-981-4912 (international). No passcode is needed for the call.

About Peramivir

Peramivir is a member of the class of antiviral agents that inhibit influenza viral neuraminidase, an enzyme that is essential for the spread of influenza virus within the host. In laboratory tests peramivir has been shown to be more potent than, and with activity against viral strains that are resistant to, currently available neuraminidase inhibitors. Peramivir is an inhibitor of influenza A and B neuraminidases. At the Interscience Conference on Antimicrobial Agents and Chemotherapy (ICAAC) injectable formulations of peramivir were shown to be safely administered at high dose levels to healthily subjects and, in preclinical studies, peramivir has been shown to promote survival in animals infected with highly pathogenic strains of the H5N1 virus. The availability of an intravenous form may be important in treating patients hospitalized with severe life-threatening influenza; the intramuscular formulation will avoid dosing issues with currently available oral or inhaled agents.

About Influenza

The influenza virus causes an acute viral disease of the respiratory tract. Unlike the common cold and some other respiratory infections, seasonal flu can cause severe illness, resulting in life-threatening complications. According to the Centers for Disease Control and Prevention, every year in the United States more than 200,000 people are hospitalized from flu complications, and about 36,000 people die from flu. Most at risk are young children, the elderly, and people with seriously compromised immune systems.

H5N1 avian influenza is caused by a subtype of the influenza A virus. Circulating among birds worldwide, the virus is considered extremely contagious in birds. It is believed that all species of birds are susceptible to avian influenza, but domestic poultry, including chickens and turkeys, are among the most susceptible to the highly pathogenic strain. According to the World Health Organization, at least 261 people have contracted H5N1 avian influenza, of which at least 157 have died. Almost all of these infections have resulted from contact with infected poultry.

About BioCryst

BioCryst Pharmaceuticals, Inc. is a leader in the use of crystallography and structure-based drug design for the development of novel therapeutics to treat cancer, cardiovascular diseases, autoimmune diseases, and viral infections. The company is advancing multiple internal programs toward potential commercialization including Fodosine™ in oncology, BCX4208 in transplantation and autoimmune diseases, peramivir in seasonal and life-threatening influenza and BCX-4678 in hepatitis C. BioCryst has a worldwide partnership with Roche for the development and commercialization BCX-4208 and is collaborating with Mundipharma Holdings for the development and commercialization of Fodosine™ in markets across Europe, Asia, Australia and certain neighboring countries. For more information about BioCryst, please visit the company's web site at http://www.biocryst.com.

Forward-looking statements

These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Some of the factors that could affect the forward-looking statements contained herein include that DHHS could reduce or eliminate funding for peramivir through the contract announced today, that we or our licensees may not be able to enroll the required number of subjects in planned clinical trials of our product candidates and that such clinical trials may not be successfully completed, that BioCryst or its licensees may not commence as expected additional human clinical trials with our product candidates, that our product candidates may not receive required regulatory clearances from the FDA, that ongoing and future clinical trials may not have positive results, that we may not be able to complete successfully the Phase IIb trial for Fodosine™ that is currently planned to be pivotal, that we or our licensees may not be able to continue future development of our current and future development programs, that our development programs may never result in future product, license or royalty payments being received by BioCryst, that BioCryst may not reach favorable agreements with potential pharmaceutical and biotech partners for further development of its product candidates, that BioCryst may not have sufficient cash to continue funding the development, manufacturing, marketing or distribution of its products and that additional funding, if necessary, may not be available at all or on terms acceptable to BioCryst. Please refer to the documents BioCryst files periodically with the Securities and Exchange Commission, specifically BioCryst's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K which identify important factors that could cause the actual results to differ materially from those contained in the projections or forward-looking statements.

BIOCRYST PHARMACEUTICALS, INC.
2190 PARKWAY LAKE DRIVE
BIRMINGHAM, AL 35244
205-444-4600 205-444-4640 FAX
www.biocryst.com

Contact:
BioCryst Pharmaceuticals, Inc.
Jonathan M. Nugent
V.P. Corporate Communications
(205) 444-4633