
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report: February 17, 2005

BioCryst Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

000-23186
(Commission
File Number)

62-1413174
(IRS Employer
Identification #)

2190 Parkway Lake Drive, Birmingham, Alabama 35244
(Address of Principal Executive Office)

(205) 444-4600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry Into A Material Definitive Agreement.

On February 9, 2005, Registrant entered into a Placement Agency Agreement with Leerink Swann & Company in connection with a registered direct offering of 4,350,000 shares of its common stock at an offering price of \$5.50 per share to certain investors (the "Offering"). The common stock will be issued pursuant to a prospectus supplement filed with the Securities and Exchange Commission in connection with a shelf takedown from Registrant's registration statement on Form S-3 (333-111226), filed on December 16, 2003 and which became effective on January 5, 2004.

The Placement Agency Agreement is being filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference into the shelf registration statement.

On February 17, 2005, Registrant entered into a Stock Purchase Agreement with Baker Bros. Investments, L.P., Baker Biotech Fund II, L.P., Baker Bros. Investments II, L.P., Baker Biotech Fund II (Z), L.P., Baker/Tisch Investments, L.P., Baker Biotech Fund III, L.P., Baker Biotech Fund I, L.P., Baker Biotech Fund III (Z), L.P., and 14159, L.P. As part of this agreement, Registrant granted these investors the right to appoint a member to its board of directors effective as of the closing of the offering. The Stock Purchase Agreement is being filed as Exhibit 4.1 to this Current Report on Form 8-K and incorporated herein by reference into the shelf registration statement.

Registrant has entered into purchase agreements substantially in the form as Exhibit 4.1 to this Current Report on Form 8-K directly with each investor in connection with the Offering, and will only sell shares of its common stock in the Offering to investors who have entered into such a purchase agreement.

The Offering is expected to close on or about February 18, 2005, subject to certain closing conditions.

Item 8.01. Other Events and Regulation FD Disclosure.

On February 17, 2005, Registrant issued a press release announcing the execution of the Placement Agency Agreement and a registered direct offering of its shares of common stock. The press release is being filed as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein and incorporated by reference into the shelf registration statement.

Neither the filing of any press release as an exhibit to this Current Report on Form 8-K nor the inclusion in such press release of a reference to Registrant's Internet address shall, under any circumstances, be deemed to incorporate the information available at such Internet address into this Current Report on Form 8-K. The information available at Registrant's Internet address is not part of this Current Report on Form 8-K or any other report filed by Registrant with the Securities and Exchange Commission.

Item 9.01. Exhibits.

<u>Item</u>	<u>Description</u>
4.1	Stock Purchase Agreement, dated as of February 17, 2005, by and among BioCryst Pharmaceuticals, Inc., Baker Bros. Investments, L.P., Baker Biotech Fund II, L.P., Baker Bros. Investments II, L.P., Baker Biotech Fund II (Z), L.P., Baker/Tisch Investments, L.P., Baker Biotech Fund III, L.P., Baker Biotech Fund I, L.P., Baker Biotech Fund III (Z), L.P., and 14159, L.P.
10.1	Placement Agency Agreement, dated as of February 9, 2005, by and between BioCryst Pharmaceuticals, Inc. and Leerink Swann & Company.
99.1	Press release dated February 17, 2005 entitled "BioCryst To Raise Approximately \$23.9 Million Through Sale of Common Stock".

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 17, 2005

BioCryst Pharmaceuticals, Inc.

By: /s/ Charles E. Bugg
Charles E. Bugg, Ph.D.
Chairman and Chief Executive Officer

By: /s/ Michael A. Darwin
Michael A. Darwin
Chief Financial Officer and Chief Accounting Officer

EXHIBIT INDEX

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10.1	Placement Agency Agreement, dated as of February 9, 2005, by and between BioCryst Pharmaceuticals, Inc. and Leerink Swann & Company.
99.1	Press release dated February 17, 2005 entitled "BioCryst To Raise Approximately \$23.9 Million Through Sale of Common Stock".

STOCK PURCHASE AGREEMENT

BioCryst Pharmaceuticals, Inc.
2190 Parkway Lake Drive
Birmingham, AL 35244

The undersigned investors (each an “Investor” and collectively the “Investors”), hereby confirm their agreement with you as follows:

1. This Stock Purchase Agreement (the “Agreement”) is made as of the date set forth below between BioCryst Pharmaceuticals, Inc., a Delaware corporation (the “Company”), and the Investors listed on Exhibit A.
2. The Company has authorized the sale and issuance of up to 4,350,000 shares (the “Shares”) of common stock of the Company, \$0.01 par value per share (the “Common Stock”), subject to adjustment by the Company’s Board of Directors, to certain investors in a registered direct offering (the “Offering”).
3. The Company and the Investors, severally and not jointly, agree that the Investors will purchase from the Company and the Company will issue and sell to the Investors an aggregate of 1,454,545 shares, for a purchase price of \$5.50 per share, or an aggregate purchase price of \$8,000,000, pursuant to the Terms and Conditions for Purchase of Shares attached hereto as Annex I and incorporated herein by this reference as if fully set forth herein. Unless otherwise requested by the Investors, certificates representing the Shares purchased by the Investors will be registered in each Investor’s name and address as set forth below.
4. Each Investor represents that, except as set forth below, (a) it has had no position, office or other material relationship within the past three years with the Company or its affiliates, (b) neither it, nor any group of which it is a member or to which it is related, beneficially owns (including the right to acquire or vote) any securities of the Company and (c) it has no direct or indirect affiliation or association with any NASD member. Exceptions:

(If no exceptions, write “none.” If left blank, response will be deemed to be “none.”)

Please confirm that the foregoing correctly sets forth the agreement between us by signing in the space provided below for that purpose.

Dated as of: February 17, 2005 (the "Execution Date")

"INVESTOR"

Baker Bros. Investments, L.P.
By: Baker Bros. Capital, L.P., (general partner)
By: Baker Bros. Capital (GP), LLC, (general partner)
By: Julian Baker, Managing Member

/s/ Julian Baker

"INVESTOR"

Baker Biotech Fund II, L.P.
By: Baker Biotech Capital II, L.P., (general partner)
By: Baker Biotech Capital II (GP), LLC, (general partner)
By: Julian Baker, Managing Member

/s/ Julian Baker

"INVESTOR"

Baker Bros. Investments II, L.P.
By: Baker Bros. Capital, L.P., (general partner)
By: Baker Bros. Capital (GP), LLC, (general partner)
By: Julian Baker, Managing Member

/s/ Julian Baker

"INVESTOR"

Baker Biotech Fund II (Z), L.P.
By: Baker Biotech Capital II (Z), L.P., (general partner)
By: Baker Biotech Capital II (Z) (GP), LLC, (general partner)
By: Julian Baker, Managing Member

/s/ Julian Baker

"INVESTOR"

Baker/Tisch Investments, L.P.
By: Baker/Tisch Capital, L.P., (general partner)
By: Baker/Tisch Capital (GP), LLC, (general partner)
By: Julian Baker, Managing Member

/s/ Julian Baker

"INVESTOR"

Baker Biotech Fund III, L.P.
By: Baker Biotech Capital III, L.P., (general partner)
By: Baker Biotech Capital III (GP), LLC, (general partner)
By: Julian Baker, Managing Member

/s/ Julian Baker

"INVESTOR"

Baker Biotech Fund I, L.P.
By: Baker Biotech Capital, L.P., (general partner)
By: Baker Biotech Capital (GP), LLC, (general partner)
By: Julian Baker, Managing Member

/s/ Julian Baker

"INVESTOR"

Baker Biotech Fund III (Z), L.P.
By: Baker Biotech Capital III (Z), L.P., (general partner)
By: Baker Biotech Capital III (Z) (GP), LLC, (general partner)
By: Julian Baker, Managing Member

/s/ Julian Baker

"INVESTOR"

14159, L.P.
By: 14159 Capital, L.P., (general partner)
By: 14159 Capital (GP), LLC, (general partner)
By: Julian Baker, Managing Member

/s/ Julian Baker

AGREED AND ACCEPTED:
BIOCRYST PHARMACEUTICALS, INC.

By: /s/ Michael A. Darwin
Title: Chief Financial Officer

ANNEX I

TERMS AND CONDITIONS FOR PURCHASE OF SHARES

1. Authorization and Sale of the Shares; Registration. Subject to the terms and conditions of this Agreement, the Company has authorized the sale of the Shares. The Shares have been registered on a Form S-3, File No. 333-111226 (the "Registration Statement"), which registration statement has been declared effective by the Securities and Exchange Commission (the "Commission") on January 5, 2004, has remained effective since such date and is effective on the date hereof.

2. Agreement to Sell and Purchase the Shares; Subscription Date; Additional Agreements.

2.1 At the Closing (as defined in Section 3), the Company will sell to the Investors, and the Investors, severally and not jointly, will purchase from the Company, upon the terms and conditions hereinafter set forth, the respective number of Shares set forth opposite each Investor's name on Exhibit A hereto at the purchase price set forth on such Exhibit A.

2.2 The Company may enter into this same or a similar form of Stock Purchase Agreement with certain other investors (the "Other Investors") and may complete sales of Shares to them. (The Investors and the Other Investors are hereinafter sometimes collectively referred to as the "Investors," and this Agreement and the Stock Purchase Agreements executed by the Other Investors are hereinafter sometimes collectively referred to as the "Agreements.")

2.3 The Investors acknowledge that: (a) the Company has retained Leerink Swann & Company as placement agent (in its capacity as placement agent of the Shares, the "Placement Agent"); (b) the Company intends to pay the Placement Agent a fee in respect of the sale of Shares to the Investors; and (c) the offering of the Shares is not a firm commitment underwriting.

2.4 (a) The Investors will have the right to appoint a member to the Company's Board of Directors as of the Closing Date ("Investor Director"), which right shall be valid for a period of 12 months from the Closing Date. So long as the Investors in the aggregate continue to own not less than 1,150,000 shares of Common Stock (appropriately adjusted for stock splits, reverse stock splits, stock dividends and the like), and exercise their right within the 12 month period from the Closing Date, the Investor Director shall have a right to serve on the Board of Directors, subject to the same terms and conditions as the Company's other Directors. The Investor Director may resign from the Board of Directors at any time without notice and may not be removed from the Board of Directors by the Company without "Cause" as defined in subsection (b) below.

(b) For purposes of this Section 2.4, the following shall constitute "Cause": (i) any action by the Investor Director constituting fraud or embezzlement in the course of his tenure on the Board of Directors, (ii) any conviction of the Investor Director of a felony which would materially and adversely interfere with the Investor Director's ability to perform his or her duties as a member of the Board of Directors; (iii) continued gross neglect or willful refusal by the Investor Director to perform his or her duties hereunder for a period of ten (10) days following notice to the Investor Director of such inaction; or (iv) a material breach by the Investor Director of any other material obligations under this Agreement or the Company's By-

laws if such breach is not curable or, if curable, is not cured within thirty (30) days after written notice thereof by the Company to the Investor Director.

3. Delivery of the Shares at Closing. The completion of the purchase and sale of the Shares (the "Closing") shall occur at the offices of Holme Roberts & Owen LLP, 1700 Lincoln Street, Suite 4100, Denver, Colorado 80203, at 10:00 o'clock A.M. E.S.T. on February 18, 2005 (the "Closing Date"), but in no event earlier than such date and time as American Stock Transfer & Trust Company, as escrow agent (the "Escrow Agent") shall have received all of the executed Stock Purchase Agreements. The executed Stock Purchase Agreements and the purchase price transferred by the Investor (jointly the "Escrowed Property") will be held by the Escrow Agent until the Closing is confirmed by the Company and Placement Agent, under the terms and conditions set forth in the Escrow Agreement to be entered into on the Closing Date by and among the Company, the Placement Agent and the Escrow Agent substantially in the form attached hereto as Exhibit B (the "Escrow Agreement"). If the Closing does not occur, the funds will be returned to the Investor. All wires should be sent to the Escrow Agent, JP Morgan Chase, 55 Water Street, New York, NY 10041, ABA# 021 000 021, Account #323 213251, Attention: Henry Reinhold. At the Closing, upon written instruction of the Company and the Placement Agent, the Escrow Agent shall release the Escrowed Property (in accordance with the provisions of the Escrow Agreement) to the Company and the Company shall arrange delivery to the Investor one or more stock certificates representing the number of Shares set forth on the Signature Page hereto, each such certificate to be registered in the name of the Investor or, if so indicated on the Stock Certificate Questionnaire attached hereto as Exhibit A, in the name of a nominee designated by the Investor. Such stock certificates shall be unlegended and free of any resale restrictions.

The Company's obligation to issue the Shares to the Investors shall be subject to the following conditions, any one or more of which may be waived by the Company: (a) receipt by the Company of the purchase price for the Shares being purchased hereunder as set forth on Exhibit A hereto; and (b) the accuracy of the representations and warranties made by the Investors and the fulfillment of those undertakings of the Investors to be fulfilled prior to the Closing.

Each Investor's obligation to purchase the Shares shall be subject to the following conditions, any one or more of which may be waived by the Investor: (a) trading in the Common Stock shall not have been suspended by the Commission (except for any suspension of trading of limited duration agreed to by the Company, which suspension shall be terminated prior to the Closing Date); (b) no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the Commission; and (c) receipt of a satisfactory legal opinion from the Company's legal counsel pursuant to Section 2.5 of this Agreement. The Investor's obligations are expressly not conditioned on the purchase by any or all of the other Investors, if any, of the Shares that they have agreed to purchase from the Company.

4. Representations, Warranties and Covenants of the Company. Except as otherwise described in the Registration Statement and the Company's filings with the Commission since December 31, 2003 (the "Commission Documents"), in the Company's press releases since December 31, 2003, and in the certain operational, managerial and other

information regarding the Company (the “Proprietary Information”) disclosed by the Company to the Investors in contemplation of this offering, including the documents incorporated by reference therein (the Commission Documents, press releases and the Proprietary Information are collectively referred to herein as the “Company Information”), which qualify the following representations and warranties in their entirety, the Company hereby represents and warrants to, and covenants with, the Investors, as follows:

4.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power and lawful authority to conduct its business as described in its Company Information. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business conducted or as proposed to be conducted in its Company Information, by it or the properties owned, leased or operated by it, makes such qualification or licensing necessary and where the failure to be so qualified or licensed would have a material adverse effect upon the business, properties or financial condition of the Company (“Material Adverse Effect”).

4.2 Capitalization and Voting Rights. The authorized, issued and outstanding capital stock of the Company is as set forth in its Commission Documents as of the date thereof; all issued and outstanding shares of capital stock of the Company are validly issued, fully paid and nonassessable. Except as set forth in the Company Information and except for shares reserved for issuance pursuant to employee and consultant benefit and option plans within the limits specified therein, there are no outstanding options, warrants, agreements, commitments, convertible securities, preemptive rights or other rights to subscribe for or to purchase any shares of capital stock of the Company nor are there any agreements, promises or commitments to issue any of the foregoing. Except as set forth in the Company’s SEC filings, in this Agreement and as otherwise required by law, there are no restrictions upon the voting or transfer of the Shares pursuant to the Company’s Certificate of Incorporation, as amended, (the “Certificate of Incorporation”), By-laws or other governing documents or any agreement or other instruments to which the Company is a party or by which the Company is bound.

4.3 Authorization; Enforceability. The Company has all corporate right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. All corporate action on the part of the Company, its directors and stockholders necessary for the authorization, execution, delivery and performance of this Agreement by the Company, the authorization, sale, issuance and delivery of the Shares and the performance of the Company’s obligations hereunder has been taken. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, and to limitations of public policy. The Shares have been duly and validly authorized and, upon the issuance and delivery thereof and payment therefor as contemplated by this Agreement, will be free and clear of liens other than liens caused by the Investors, duly and validly authorized and issued, fully paid and nonassessable. The issuance and sale of the Shares contemplated hereby will not give rise to any preemptive rights or rights of first refusal on behalf of any person.

4.4 No Conflict; Governmental Consents.

(a) The execution and delivery by the Company of this Agreement, the consummation of the transactions contemplated hereby and the offer and sale of the Shares will not result in the violation of any material law, statute, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental authority to or by which the Company is bound, or of any provision of the Certificate of Incorporation or By-laws of the Company, and will not conflict with, or result in a breach or violation of, any of the terms or provisions of, or constitute (with due notice or lapse of time or both) a default under, any lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which the Company is a party or by which it is bound or to which any of its properties or assets is subject, where such conflict, breach or default is likely to result in a Material Adverse Effect, nor result in the creation or imposition of any lien upon any of the material properties or assets of the Company.

(b) No consent, waiver, approval, authorization or other order of any governmental authority is required to be obtained by the Company in connection with the authorization, execution and delivery of this Agreement or with the authorization, issuance and sale of the Shares, except such filings as may be required to be made, and which shall have been made at or prior to the required time, with the SEC, the NASD and The Nasdaq Stock Market, Inc. (“Nasdaq”), and with any state or foreign blue sky or securities regulatory authority.

4.5 Licenses. The Company has all licenses, permits and other governmental authorizations currently required for the conduct of its business or ownership of properties and is in all material respects complying therewith, except for any licenses, permits or other governmental authorizations, the lack of which would not likely result in a Material Adverse Effect.

4.6 Litigation. The Company knows of no pending or threatened legal or governmental proceedings against the Company which would likely result in a Material Adverse Effect.

4.7 Accuracy of Reports. All reports required to be filed by the Company within the three years prior to the date of this Agreement under the Securities Exchange Act of 1934, as amended, (the “Exchange Act”), have been duly and timely filed with the SEC, complied at the time of filing in all material respects with the requirements of their respective forms and, were complete and correct in all material respects as of the dates at which the information was furnished, and contained (as of such dates) no untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

4.8 Investment Company. The Company is not an “investment company” within the meaning of such term under the Investment Company Act of 1940, as amended, and the rules and regulations of the SEC thereunder.

4.9 Listing. The Company has filed a Notification Form: Listing of Additional Shares with the Nasdaq Stock Market and hereby represents and warrants to the

Placement Agent and the Investors that it will take any other necessary action in accordance with the rules of the Nasdaq Stock Market to enable the Shares to trade on the Nasdaq Stock Market.

4.10 No Material Adverse Change. Except as disclosed in the Company Information, since the filing of the Company's most recent Quarterly Report on Form 10-Q, (i) there has not been any Material Adverse Effect, and (ii) there has been no event or condition of any character that would likely result in a Material Adverse Effect.

4.11 Financial Statements. The financial statements included in the Company's most recent Annual Report on Form 10-K, for the fiscal year ended December 31, 2003, and all other reports filed by the Company pursuant to the Exchange Act since the filing of such Annual Report on Form 10-K and prior to the date hereof (collectively, the "SEC Filings") present fairly and accurately in all material respects the financial position of the Company as of the dates shown and its results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis. Except as set forth in the financial statements of the Company included in the SEC Filings filed prior to the date hereof, to the best of the Company's knowledge, the Company has no liabilities, contingent or otherwise, except those which individually or in the aggregate are not material to the financial condition or operating results of the Company.

4.12 Compliance with Laws. The Company is in compliance with all applicable Nasdaq continued listing requirements. There are no proceedings pending or to the Company's knowledge threatened against the Company relating to the continued listing of the Company's Common Stock on the Nasdaq Stock Market and the Company has not received any notice of, nor to the knowledge of the Company is there any basis for, the delisting of the Common Stock from the Nasdaq Stock Market.

4.13 Sarbanes-Oxley Act. The Company is in substantial compliance with the applicable provisions of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), and the rules and regulations promulgated thereunder, that are effective and intends to comply substantially with other applicable provisions of the Sarbanes-Oxley Act, and the rules and regulations promulgated thereunder, upon the effectiveness of such provisions.

4.14 Disclosure. To the best of the Company's knowledge, neither this Agreement nor any other documents, certificates or instruments furnished to the Investors by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by this Agreement, taken as a whole together with the Company Information, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein or therein, in the light of the circumstances under which they were made herein or therein, not misleading.

4.15 Registration Statement; Effectiveness. The sale and issuance by the Company of the Shares have been validly registered pursuant to the Registration Statement and such Shares of Common Stock will be issued without a restrictive legend.

5. Representations, Warranties and Covenants of the Investors.

5.1 Each Investor individually represents and warrants to, and covenants with, the Company that: (i) the Investor is knowledgeable, sophisticated and experienced in making, and is qualified to make decisions with respect to, investments in shares presenting an investment decision like that involved in the purchase of the Shares, including investments in Shares issued by the Company and investments in comparable companies, and has requested, received, reviewed and considered all information it deemed relevant in making an informed decision to purchase the Shares; (ii) the Investor is acquiring the number of Shares set forth on Exhibit A hereto in the ordinary course of its business and for its own account for investment only and with no present intention of distributing any of such Shares or any arrangement or understanding with any other persons regarding the distribution of such Shares in violation of the securities laws (this representation and warranty not limiting such Investor's right to sell the Shares pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws); (iii) the Investor will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the Shares except in compliance with the Securities Act, applicable state securities laws and the respective rules and regulations promulgated thereunder; and (iv) the Investor, after giving effect to the transactions contemplated hereby, will not, either individually or with a group (as defined in Section 13(d)(3) of the Exchange Act), be the beneficial owner of 15% or more of the Company's outstanding Common Stock. For purposes of this Section 5.1, beneficial ownership shall be determined pursuant to Rule 13d-3 under the Exchange Act.

5.2 Each Investor individually acknowledges, represents and agrees that no action has been or will be taken in any jurisdiction outside the United States by the Company or the Placement Agent that would permit an offering of the Shares, or possession or distribution of offering materials in connection with the issue of the Shares, in any jurisdiction outside the United States where action for that purpose is required. Each Investor outside the United States will comply with all applicable laws and regulations in each foreign jurisdiction in which it purchases, offers, sells or delivers Shares or has in its possession or distributes any offering material, in all cases at its own expense. The Placement Agent is not authorized to make any representation or use any information in connection with the issue, placement, purchase and sale of the Shares.

5.3 Each Investor hereby covenants with the Company not to make any sale of the Shares without effectively causing the prospectus delivery requirement under the Securities Act to be satisfied. Each Investor acknowledges that there may occasionally be times when the Company, based on the advice of its counsel, determines that it must suspend the use of the Prospectus forming a part of the Registration Statement until such time as an amendment to the Registration Statement has been filed by the Company and declared effective by the Commission or until the Company has amended or supplemented such Prospectus.

5.4 Each Investor further represents and warrants to, and covenants with, the Company that (i) the Investor has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and (ii) this Agreement constitutes a valid and binding obligation of the Investor enforceable against the

Investor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as the indemnification agreements of the Investors herein may be legally unenforceable.

5.5 Each Investor understands that nothing in this Agreement or any other materials presented to the Investor in connection with the purchase and sale of the Shares constitutes legal, tax or investment advice. Each Investor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of Shares.

6. **Survival of Representations, Warranties and Agreements.** Notwithstanding any investigation made by any party to this Agreement or by the Placement Agent, all covenants, agreements, representations and warranties made by the Company and each of the Investors herein shall survive the execution of this Agreement, the delivery to the Investor of the Shares being purchased and the payment therefor.

7. **Notices.** All notices, requests, consents and other communications hereunder shall be in writing, shall be mailed (A) if within domestic United States by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, or by facsimile, or (B) if delivered from outside the United States, by International Federal Express or facsimile, and shall be deemed given (i) if delivered by first-class registered or certified mail domestic, three business days after so mailed, (ii) if delivered by nationally recognized overnight carrier, one (1) business day after so mailed, (iii) if delivered by International Federal Express, two (2) business days after so mailed, (iv) if delivered by facsimile, upon electric confirmation of receipt and shall be delivered as addressed as follows:

(a) if to the Company, to:

BioCryst Pharmaceuticals, Inc.
2190 Parkway Lake Drive
Birmingham, AL 35244

Attn: Chief Executive Officer
Phone: (205) 444-4600
Telecopy: (205) 444-4640

(b) with a copy mailed to:

Holme Roberts & Owen LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203

Attn: Richard R. Plumridge, Esq.
Phone: (303) 861-7000
Telecopy: (303) 866-0200

(c) if to the Investors, at their addresses on the on the signature page to which these Terms and Conditions for Purchase of Shares are attached as Annex I, or at such other address or addresses as may have been furnished to the Company in writing.

8. Changes. This Agreement may not be modified or amended except pursuant to an instrument in writing signed by the Company and the Investors.

9. Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.

10. Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflicts of law.

12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties.

13. Confidential Disclosure Agreement. Notwithstanding any provision of this Agreement to the contrary, any confidential disclosure agreement previously executed by the Company and the Investors in connection with the transactions contemplated by this Agreement shall remain in full force and effect in accordance with its terms following the execution of this Agreement and the consummation of the transactions contemplated hereby.

14. Third Party Beneficiary. Except as provided on Exhibit C, nothing in this Agreement shall create or be deemed to create any rights in any person or entity not a party to this Agreement.

* * * *

LEERINK SWANN
& COMPANY

February 9, 2005

Charles E. Bugg, Ph.D.
Chairman, Chief Executive Officer
BioCryst Pharmaceuticals, Inc.
2190 Parkway Lake Drive
Birmingham, AL 35244

Dear Dr. Bugg:

1. This letter agreement (the "Agreement") confirms our understanding that BioCryst Pharmaceuticals, Inc. ("Company") has engaged Leerink Swann & Company ("Leerink") to act as lead agent to the Company for a period of 30 days, commencing as of the date hereof, for the sale by the Company of up to \$30,000,000 of the common stock of the Company (the "Common Stock"), which shall not exceed 20% of the common stock outstanding before the issuance (the "Securities" or the "Shares") of the Company (the "Proposed Financing").

The Proposed Financing shall occur through a directed registered sale under the Securities Act of 1933, as amended (the "Act") and in compliance with applicable state securities laws. Our undertaking herein shall be subject to, among other things, the terms and conditions set forth in this Agreement, our due diligence investigation of the Company, the continuance of the Company without material adverse change, the absence of unfavorable market conditions in general and our continued satisfaction with the results of our ongoing review of the Company's business and affairs. It is understood that execution of this Agreement does not assure the successful completion of the Proposed Financing.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 333-111226), which was declared effective on January 5, 2004 (the "Effective Date"), covering the registration of, among other things, the Securities under the Securities Act and including the related preliminary prospectus (the "Base Prospectus"). Promptly after execution and delivery of an agreement by the Company with Purchasers (as defined below) for purchase of the Shares in the Proposed Financing, the Company will prepare and file with the Commission a prospectus supplement specifically relating to the Securities (the "Prospectus Supplement") pursuant to Rule 424(b) of the rules and regulations of the Commission under the Securities Act (the "Regulations"). The registration statement, as amended to the date of this Agreement, by any post-effective amendment and by any Prospectus Supplement, and including the exhibits thereto, schedules, if any, and the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act, at the time that it became effective, is herein called the "Registration Statement." The Base Prospectus and the Prospectus Supplement, including the documents incorporated by reference therein, are herein called, collectively, the "Offering Materials."

2. Our services to the Company will include: (i) assistance in the preparation of the Prospectus Supplement; (ii) assistance in structuring the Proposed Financing and its terms; (iii) subject to the provisions of Section 10, identifying and contacting selected qualified purchasers (the
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“Purchasers”) of the Proposed Financing and furnishing them, on behalf of the Company, with copies of the Offering Materials; and (iv) negotiating under your guidance the financial aspects of the Proposed Financing.

Set forth on Exhibit B attached hereto is a list of institutional investors who have previously expressed an interest in further investment in the Company (the “Company Purchasers”).

The Company may decline to complete the Proposed Financing in its sole discretion and will have full discretion as to which and how many Proposed Purchasers to accept.

3. As compensation for the services to be provided by Leerink hereunder, except as described below, the Company agrees to pay to Leerink at the Closing (defined below) a cash fee equal to 6% of the gross proceeds of the sale of the Common Stock. Leerink agrees to pay 25% of its fee to additional investment bank(s) identified by the Company which will assist in the Proposed Financing. If the Proposed Financing is consummated by means of more than one Closing, Leerink and other investment bank(s) shall be entitled to the fees provided herein with respect to each such Closing. The closing of the Proposed Financing (the “Closing”) shall take place on the date or dates that the Common Stock is delivered to the Purchasers against payment therefor.

Notwithstanding the foregoing, if any investors in the Proposed Financing are Company Purchasers, the Company shall pay Leerink at the Closing a cash fee equal to 4% of the gross proceeds of the Proposed Financing invested by such Company Purchasers.

In addition and regardless of whether the Proposed Financing is consummated, upon request by Leerink from time to time, the Company shall reimburse Leerink for all reasonable out-of-pocket expenses incurred by Leerink in connection with its engagement hereunder, including reasonable fees and expenses of its counsel, not to exceed in the aggregate \$25,000.

4. The Company acknowledges and agrees that Leerink has been retained solely to provide the advice or services set forth in this Agreement. Leerink shall act as an independent contractor, and any duties of Leerink arising out of its engagement hereunder shall be owed solely to the Company. As Leerink will be acting on your behalf in such capacity, it is our firm practice to be indemnified in connection with engagements of this type and the Company agrees to the indemnification agreement attached hereto as Exhibit A and the other obligations as set forth in paragraph 13 of this Agreement.
5. The Company will promptly, from time to time, take such action as Leerink may reasonably request to qualify the Securities under the securities laws of each of the states, as applicable, as Leerink may reasonably request and to comply with such laws so as to permit such offers and sales; provided that the Company shall not be required to qualify as a foreign corporation in which it is not so qualified, to execute a general consent to service of process in any jurisdiction or to subject itself to taxation in any jurisdiction. Any applicable filings will be prepared by Leerink’s outside counsel, whose fees and disbursements in connection therewith shall be for the account of the Company and which fees and disbursements shall be in addition to the reimbursable expenses set forth in paragraph 3 of this Agreement.
6. The Company will cause to be furnished to Leerink at the Closing, copies of such agreements, opinions, certificates and other documents delivered at the Closing as Leerink may reasonably request including, without limitation, an opinion of Company counsel to the effect that the Securities have been duly authorized and, when delivered to the Purchasers and Company Purchasers against payment therefor in accordance with the Offering Materials, will be validly issued, fully paid and non-assessable.

7. The Company will also make available to Leerink all financial and other information concerning the Company's business and operations and the Proposed Financing which Leerink reasonably requests and will provide access to the Company's officers, directors, employees, independent accountants and legal counsel. Leerink shall be entitled to rely without investigation upon all information that is available from public sources as well as all other information supplied to it by or on behalf of the Company or the Company's other advisors and shall not in any respect be responsible for the accuracy or completeness of, or have any obligation to verify, the same or to conduct any appraisal of assets. To the extent consistent with legal requirements and except as otherwise set forth in the Offering Materials, all information given to Leerink by the Company, unless publicly available or otherwise available to Leerink without restriction or breach of any confidentiality agreement ("Confidential Information"), will be held by Leerink in confidence and will not be disclosed to anyone other than Leerink's agents and advisors without the Company's prior approval or used for any purpose other than those referred to in this Agreement; provided that nothing herein shall, in itself, prevent Leerink from engaging in future transactions involving companies in a similar industry to the Company or, provided no Confidential Information is directly used in connection with such engagement, be deemed to violate any of the terms hereof.
8. The Company, during the period when the Offering Materials are required to be delivered under the Securities Act and the Regulations or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), will file all reports and other documents required to be filed with the Commission pursuant to Section 13, 14 or 15 of the Exchange Act within the time periods required by the Exchange Act and the regulations promulgated thereunder.
9. Any advice, written or oral, provided by Leerink pursuant to this Agreement will be treated by the Company as confidential, will be solely for the information and assistance of the Company in connection with the Proposed Financing and may not be quoted, nor will any such advice or the name of Leerink be referred to, in any report, document, release or other communication, whether written (including, without limitation, the Offering Materials) or oral, prepared, issued or transmitted by the Company or any affiliate, director, officer, employee, agent or representative of any thereof, without, in each instance, Leerink's prior written consent.
10. Leerink shall identify to the Company, in writing and in advance, each potential Purchaser that it intends to contact with respect to the Proposed Financing (the "Leerink Purchasers"). The Company shall have the sole right to approve or reject each proposed Leerink Purchaser, and Leerink shall not contact any proposed Leerink Purchaser that the Company has rejected. Attached hereto as Exhibit C is a list of Leerink Purchasers (and their affiliated entities) approved by the Company as of the date hereof. Exhibit C shall be updated from time to time as additional Leerink Purchasers are approved by the Company (collectively, all original and additional approved Leerink Purchasers referred to as "Approved Leerink Purchasers"). All Approved Leerink Purchasers and their affiliated entities shall be deemed to be included on Exhibit C for purposes of this Agreement. The Company shall identify to Leerink in writing each potential Company Purchaser that it has contacted or intends to contact with respect to the Proposed Financing. At or promptly following the Closing, the parties shall update Exhibit C to list all Purchasers (not including Company Purchasers) in the Proposed Financing and all additional parties contacted by Leerink who did not participate in the Proposed Financing.

Leerink shall communicate to the Company, orally or in writing, each reasonable offer to purchase Securities received by it as agent of the Company. The Company shall have the sole right to accept offers to purchase the Securities and may reject any such offer, in whole or in part.
11. This Agreement may be terminated by either the Company or Leerink at any time upon receipt of written notice to that effect by the other party. In addition, if (i) the Company consummates the

Proposed Financing of at least \$20 million of gross proceeds (the “Minimum Financing”) within the original 30 day engagement of Leerink hereunder and (ii) at any time prior to 180 days after the termination or expiration of this Agreement the Company consummates a private financing transaction with any Company Purchaser or Approved Leerink Purchaser or any of their affiliated entities, then Leerink will be entitled to payment in full of the compensation described in the third paragraph of this Agreement; provided, that, in the event that the Company does not consummate the Minimum Financing within the original 30 day engagement of Leerink hereunder, then the 180 day period set forth above shall be reduced to 90 days. Upon the expiration or termination of this Agreement, Leerink will be entitled to prompt reimbursement of all its reasonable out-of-pocket expenses and fees as described above. Promptly following any termination or expiration of this Agreement, Leerink will provide the Company with written notice of the parties contacted by Leerink regarding the Proposed Financing during the term of our engagement. The indemnity and other provisions contained in Exhibit A will also remain operative and in full force and effect regardless of any expiration or termination of this Agreement.

12. This Agreement shall not give rise to any express or implied commitment by Leerink to purchase or place any securities of the Company.
13. The Company acknowledges that Leerink is acting as placement agent and advisor for the Company in the transactions contemplated by this engagement, and Leerink shall be entitled to the benefits of the indemnity provided in Exhibit A.
14. This Agreement incorporates the entire understanding of the parties and supersedes all previous agreements relating to the subject matter hereof. The benefits of this Agreement shall inure to the parties hereto, their respective successors and assigns and to the Indemnified Persons hereunder and their respective successors and assigns, and the obligations and liabilities assumed in this Agreement shall be binding upon the parties hereto and their respective successors and assigns. Notwithstanding anything contained herein to the contrary, none of the parties hereto shall assign any of its obligations hereunder without the prior written consent of each of the other parties hereto.
15. All notices provided hereunder shall be given in writing and either delivered personally or by overnight courier service or sent by certified mail, return receipt requested, if to Leerink, to Leerink Swann & Company, One Federal Street, 37th Floor, Boston, Massachusetts 02110, Attention: Stuart Barich, with a copy to Mintz Levin Cohn Glosky and Popeo, PC, 666 Third Avenue, 25th Floor, New York, New York 10017, Attention: Ivan K. Blumenthal, and if to the Company, to BioCryst Pharmaceuticals, Inc., 2190 Parkway Lane Drive, Birmingham, AL 35244, Attention: Charles E. Bugg, Ph.D., with a copy to Holme Roberts & Owen LLP, 1700 Lincoln Street, Suite 4100, Denver, Colorado 80203, Attention: Richard R. Plumridge. Any notice delivered personally shall be deemed given upon receipt; any notice given by overnight courier shall be deemed given on the next business day after delivery to the overnight courier; and any notice given by certified mail shall be deemed given upon the second business day after certification thereof.
16. The failure or neglect of either of the parties hereto to insist, in any one or more instances, upon the strict performance of any of the terms or conditions of this Agreement, or its waiver of strict performance of any of the terms or conditions of this Agreement, shall not be construed as a waiver or relinquishment in the future of such term or condition by such party, but the same shall continue in full force and effect. Any waiver must be in writing.
17. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be fully performed therein, without regard to

conflicts of law principles. The parties hereby expressly waive all rights to trial by jury in any suit, action or proceeding arising under this Agreement.

18. This Agreement may not be modified or amended except in a writing duly executed by the parties hereto.
19. At any time after the consummation or other public announcement of the Proposed Financing, Leerink may place an announcement in such newspapers and publications as it may choose, stating that Leerink has acted as lead financial advisor and/or placement agent in connection with the Proposed Financing.
20. For the convenience of the parties, this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all of which taken together shall constitute one and the same agreement. Facsimile signatures shall be deemed to be original signatures for all purposes.
21. After reviewing this Agreement, please confirm that the foregoing is in accordance with your understanding by signing and returning the duplicate of this letter attached hereto, whereupon it shall be our binding Agreement.

Very truly yours,

Leerink, Swann & Company

By: /s/ Stuart Barich
Stuart Barich
Managing Director
Corporate Finance

Accepted and agreed to
this 9th day of February, 2005.

BioCryst Pharmaceuticals, Inc.

By: /s/ Charles E. Bugg
Name: Charles E. Bugg
Title: Chairman & CEO

EXHIBIT A

This Exhibit A is entered into pursuant to, and is made a part of, the attached Agreement between Leerink and the Company. Capitalized terms used and not defined in this Exhibit A shall have the meanings assigned them in the attached Agreement.

The Company agrees to indemnify and hold harmless Leerink, its affiliates, and each of its partners, directors, officers, consultants, employees, advisors, representatives and controlling persons (each an "Indemnified Person") from and against any claims, losses, damages, expenses or liabilities (collectively, "Losses"), including without limitation any time spent by Leerink's professional and legal advisors (subject to the limitations set forth below), incurred in connection with investigating, preparing, defending, paying, settling or compromising any action, claim or proceeding to which any Indemnified Person may become subject in connection with or as a result of the engagement set forth in the Agreement or the transactions contemplated thereby. The Company will not, however, be responsible to an Indemnified Person with respect to any Losses to the extent that such Losses resulted primarily from actions taken or omitted to be taken by such or any other Indemnified Person due to the Indemnified Person's or any other Indemnified Person's gross negligence, bad faith, violation of law or willful misconduct.

The Company will reimburse each Indemnified Person for Losses as such Losses are incurred or paid, notwithstanding the absence of determination as to the propriety or enforceability of the Company's obligation to reimburse such Indemnified Person for such Losses and the possibility that such payments might later be held to have been improper. To the extent that any such reimbursement is so held to have been improper, the Indemnified Person shall promptly return it to the Company, together with interest, compounded annually, equal to the prevailing prime rate as published from time to time by *The Wall Street Journal*.

If the indemnification provided for herein should be, for any reason whatsoever, unenforceable, unavailable or otherwise insufficient to hold each Indemnified Person harmless, the Company shall pay to or on behalf of each Indemnified Person contributions for Losses so that the Indemnified Person ultimately bears only a portion of such Losses as is appropriate (i) to reflect the relative benefits received by such Indemnified Person on the one hand and the Company on the other hand in connection with this engagement and any transactions contemplated hereby or (ii) if the allocation on the basis set forth in the immediately preceding clause (i) is not permitted by applicable law, to reflect not only the relative benefits referred to in such clause (i) but also the relative fault of the Indemnified Person and the Company as well as any other relevant equitable considerations; provided, however, that in no event shall the aggregate contribution of all Indemnified Persons to all Losses exceed the amount of the fees actually received by Leerink pursuant to the Agreement. The respective relative benefits received by all Indemnified Persons and the Company shall be deemed to be in the same proportion as the aggregate fee paid to Leerink pursuant to the Agreement bears to the total consideration paid or contemplated to be paid to, or received by, the Company or its stockholders, as the case may be, in connection with transactions contemplated by the Agreement. The relative fault of each Indemnified Person and the Company shall be determined by reference to, among other things, whether the actions or failures to act were by such Indemnified Person or the Company, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action or failure to act. Notwithstanding the foregoing, no Indemnified Person shall have any obligation to investigate or verify the information provided to Leerink in connection with their providing financial advisory services under the Agreement, and the Company shall be solely liable for any Losses related to or arising out of the use of such information that is inaccurate for any reason.

The Company also agrees that no Indemnified Person shall have any liability to the Company or its affiliates, directors, officers, employees, Leerink, consultants, advisors, representatives, control persons or stockholders, directly or indirectly, related to or arising out of the Agreement or any transactions contemplated thereby, in connection with claims by third parties except Losses incurred by the Company to the extent that such Losses resulted primarily from actions taken or the failure to take actions by such Indemnified Person due to such Indemnified Person's gross negligence, bad faith, violation of law or willful misconduct. In no event, regardless of the legal theory advanced, shall any Indemnified Person be liable for any consequential, indirect, incidental or special damages of any nature. Leerink likewise indemnifies the Company in the event of gross negligence, bad faith, material violation of law or willful misconduct on the part of any Leerink party, subject to the limit of the fees actually paid to Leerink hereunder. Leerink will reimburse the Company for Losses related to the foregoing as such Losses are paid, notwithstanding the absence of determination as to the propriety or enforceability of Leerink's obligation to reimburse the Company for such Losses and the possibility that such payments might later be held to have been improper. To the extent that any such reimbursement is so held to have been improper, the Company shall promptly return it to Leerink, together with

interest, compounded annually, equal to the prevailing prime rate as published from time to time by *The Wall Street Journal*.

In case any proceeding shall be instituted involving any Indemnified Person, such Indemnified Person shall promptly notify the Company in writing. The failure of an Indemnified Person to provide such prompt notice shall not reduce such Indemnified Person's right to indemnification or contribution hereunder to the extent that such failure does not materially prejudice the ability to defend such proceeding. The Company shall retain counsel reasonably satisfactory to Leerink to represent the Indemnified Persons and any others the Company may designate in such proceeding, shall have sole control of the defense of any such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person, except to the extent that (i) the Company and the Indemnified Person shall have mutually agreed to the retention of such counsel at the Company's expense or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Company or any others the Company may designate and one or more Indemnified Persons, and representation of the Indemnified Persons and such other parties by the same counsel would be inappropriate due to actual or potential differing interests between them. In any case in which one or more Indemnified Persons are entitled to separate counsel due to such actual or potential differing interests, the Company shall not be liable for the expenses of more than one separate counsel, and such counsel shall be designated in writing by Leerink. The Company shall have sole control of any settlement of any proceeding for which it is obligated to provide indemnification hereunder. Notwithstanding the foregoing the Company shall not, without the prior written consent of the Indemnified Person, effect any settlement of, or consent to the entry of any judgment in connection with, any pending or threatened proceeding in respect of which such Indemnified Person is or could have been a party and indemnity or contribution could have been sought hereunder by such Indemnified Person, unless such settlement or judgment includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of the proceeding.

The obligations of the Company referred to above shall be in addition to any rights that any Indemnified Person may otherwise have and shall inure to the benefit of and be binding upon any successors, assigns, heirs and personal representatives of any Indemnified Person or the Company.

Leerink, Swann & Company

By: /s/ Stuart Barich
Stuart Barich
Managing Director
Corporate Finance

Agreed to and Accepted:

BIOCRYST PHARMACEUTICALS, INC.

By: /s/ Charles E. Bugg
Name: Charles E. Bugg
Title: Chairman & CEO

Date: February 9, 2005



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

Contacts:

BioCryst Pharmaceuticals, Inc.
Michael A. Darwin
Chief Financial Officer
(205) 444-4600

Noonan/Russo
Sharon Weinstein (Investors)
(212) 845-4271
Wendy Lau (Media)
(212) 845-4272

FOR IMMEDIATE RELEASE

BIOCRYST TO RAISE APPROXIMATELY \$23.9 MILLION THROUGH SALE OF COMMON STOCK

Birmingham, Alabama — February 17, 2005 — BioCryst Pharmaceuticals, Inc. (Nasdaq NM: BCRX) today announced that it has priced a registered direct offering for the sale of 4,350,000 shares of its common stock at a price of \$5.50 per share to institutional investors. Leerink, Swann & Company served as placement agent for the transaction. The company expects this transaction to close on Friday, February 18, 2005.

The offered shares are registered pursuant to BioCryst's \$60 million shelf registration statement that was declared effective by the Securities and Exchange Commission on January 5, 2004.

A Registration Statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be the sale of the 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. Copies of the prospectus relating to the offering may be obtained from Leerink Swann & Company at 590 Madison Avenue, 31st Floor, New York, New York 10022.

About BioCryst

BioCryst Pharmaceuticals, Inc. designs, optimizes and develops novel drugs that block key enzymes involved in cancer, cardiovascular diseases, autoimmune diseases, and viral infections. BioCryst integrates the necessary disciplines of biology, crystallography, medicinal chemistry and computer modeling to effectively use structure-based drug design to discover and develop small molecule pharmaceuticals.

BioCryst's lead product candidate, forodesine hydrochloride (formerly known as BCX-1777), an inhibitor of purine nucleoside phosphorylase (PNP), is currently in a Phase IIa trial for patients with T-cell malignancies and a Phase I trial with oral forodesine hydrochloride in CTCL. In addition, BioCryst plans to initiate a Phase I/II trial for B-cell acute lymphoblastic leukemia during early 2005. Forodesine hydrochloride has been granted Orphan Drug status by the U.S. Food and Drug

Administration for three indications: T-cell non-Hodgkin's lymphoma, including cutaneous T-cell lymphoma; chronic lymphocytic leukemia (CLL) and related leukemias including prolymphocytic leukemia, adult T-cell leukemia, and hairy cell leukemia; and for treatment of acute lymphoblastic leukemia (ALL). BioCryst's second-generation PNP inhibitor, BCX-4208 is currently in a Phase I study of healthy volunteers with the goal of initiating a Phase II study during 2005 in patients with psoriasis. In addition, BioCryst has other enzyme targets in drug discovery including tissue factor/factor VIIa and hepatitis C polymerase. For more information about BioCryst, please visit the company's web site at 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 we may not be able to enroll the required number of subjects in clinical trials of forodesine hydrochloride or BCX-4208, that each of the Phase IIa trial for patients with T-cell malignancies, Phase I trial of BCX-4208 and the Phase I trial of forodesine hydrochloride for treatment of patients with cutaneous T-cell lymphoma may not be successfully completed, that BioCryst may not commence as expected additional trials with forodesine hydrochloride and with BCX-4208, that forodesine hydrochloride, BCX-4208, or any of our other product candidates may not receive required regulatory clearances from the FDA, that Phase IIa clinical trials of forodesine hydrochloride may not show the drug is effective over the 6-week period, that ongoing and future clinical trials will have positive results, that we may not be able to obtain a Special Protocol Assessment or otherwise be able to complete successfully the Phase IIb trial that is currently planned, that we may not be able to continue future development of forodesine hydrochloride, BCX-4208 or any of our other current development programs including tissue factor/factor VIIa and hepatitis C polymerase, that forodesine hydrochloride, BCX-4208 or our other development programs may never result in future product, license or royalty payments being received by BioCryst, 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, and 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.

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