



Pain Therapeutics, Inc.

October 30, 2014

Pain Therapeutics Reports Q3 2014 Financial Results

Conference Call Today at 3:30 p.m. CT/4:30 pm ET

AUSTIN, Texas, Oct. 30, 2014 (GLOBE NEWSWIRE) -- Pain Therapeutics, Inc. (Nasdaq:PTIE) today reported financial results for Q3 2014. Net loss in Q3 2014 was \$3.5 million, or \$0.08 per share, compared to a net loss in Q3 2013 of \$0.8 million, or \$0.02 per share. Net cash used in Q3 2014 was \$1.7 million. We continue to believe net cash usage for full calendar year 2014 may be about \$12 million. At September 30, 2014, cash and investments were \$43.2 million.

"We have three top priorities at this point," said Remi Barbier, Chairman, President & CEO. "Priority number one is for us to work with Pfizer on an orderly transfer of REMOXY. Our second priority is to finalize a strategy around the prospect of us re-filing the REMOXY NDA under our control. Finally, our third priority is to initiate discussions with potential pharmaceutical partners, which we believe will be an on-going, long-term priority. We propose to pursue these three priorities in parallel, while managing our cash balance judiciously over the next 12 months."

At this time, we have not received additional clinical data from Pfizer related to REMOXY®.

There is no change to our projected cash use of about \$12 million in 2014. Pursuant to the terms of our Collaboration Agreement, Pfizer is responsible for transition costs related to REMOXY until six months after the effective date of termination of the Collaboration Agreement. In addition, FENROCK's development costs in 2014 are already reflected in our guidance.

Financial Highlights for Q3 2014

- At September 30, 2014, cash and investments were \$43.2 million, compared to \$49.8 million at December 31, 2013. We have no debt.
- Net cash used in Q3 2014 was \$1.7 million.
- Research and development expenses increased to \$2.1 million in Q3 2014 from \$1.4 million in Q3 2013, primarily due to increased investment in early stage drug assets. Research and development expenses included non-cash stock-related compensation costs of \$0.5 million in Q3 2014 and \$0.4 million in Q3 2013.
- General and administrative expenses increased to \$1.4 million in Q3 2014 from \$1.3 million in Q3 2013, primarily due to non-cash stock-related compensation costs and other general corporate expenses. General and administrative expenses included non-cash stock-related compensation costs of \$0.6 million in Q3 2014 and \$0.5 million in Q3 2013.

Today's Conference Call

Pain Therapeutics will host a conference call today at 3:30 p.m. central time/4:30 p.m. eastern time to discuss Q3 2014 financial results and respond to questions from investors.

Participants may access the call by dialing 1-877-407-4018 in the U.S. or 1-201-689-8471 outside the U.S. The call will be webcast live on the Company's website at www.paintrials.com. A replay of the call will be available for approximately 7 days after the live event. To access the replay, please dial 1-877-870-5176 in the U.S. or 1-858-384-5517 outside the U.S. The replay access code is 13594110.

About REMOXY®

Our lead drug candidate, REMOXY Extended-Release Capsules CII, is an oral BID (twice-a-day) formulation of oxycodone for the management of moderate-to-severe pain when a continuous, around-the-clock opioid analgesic is needed for an extended period of time. We developed REMOXY to discourage common methods of tampering and misuse. We expect to regain worldwide rights to this drug candidate upon completion of the pending termination of the Collaboration Agreement and License Agreement with Pfizer.

About Abuse-deterrent Hydromorphone

This drug candidate is an oral QD (once-a-day) formulation of hydromorphone, a strong opioid for the management of moderate-to-severe pain when a continuous, around-the-clock opioid analgesic is needed for an extended period of time. We are developing abuse-deterrent hydromorphone to discourage common methods of tampering and misuse. We own worldwide rights to this Phase I drug candidate.

About FENROCK™

FENROCK is a proprietary abuse-deterrent fentanyl pain patch in pre-IND stages of development. Our goal with FENROCK is to mitigate the abuse, misuse, overdose and death associated with currently marketed fentanyl patches. The active drug ingredient in the FENROCK patch is fentanyl (CII), a highly potent synthetic opioid typically used to manage severe cancer pain. We own worldwide rights to this pre-IND drug candidate.

About Pain Therapeutics, Inc.

Pain Therapeutics, Inc. is a biopharmaceutical company that develops novel drugs. The FDA has not approved our drug candidates for commercial sale. For more information, please visit www.paintrials.com.

Note Regarding Forward-Looking Statements: *This press release contains forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995 (the "Act"). Pain Therapeutics disclaims any intent or obligation to update these forward-looking statements, and claims the protection of the Safe Harbor for forward-looking statements contained in the Act. Examples of such statements include, but are not limited to, any statements relating to Pfizer's return to us of REMOXY in connection with the termination of our Collaboration Agreement with Pfizer, potential plans with respect to re-filing of an NDA for REMOXY, initiation of discussions regarding REMOXY with potential pharmaceutical partners, our projected cash use for 2014 and beyond, and the potential benefits of REMOXY, abuse-deterrent hydromorphone and FENROCK. Such statements are based on management's current expectations, but actual results may differ materially due to various factors. Such statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to difficulties or delays in Pfizer's return of REMOXY to us in connection with the termination of the Collaboration, difficulties or delays in obtaining regulatory approval of REMOXY and in development and testing of our other drug candidates; unexpected adverse side effects or inadequate therapeutic efficacy of our drug candidates; the uncertainty of patent protection for our intellectual property or trade secrets; unanticipated additional research and development, litigation and other costs; and the potential for abuse-deterrent pain medications or other competing products to be developed by competitors and potential competitors or others. For further information regarding these and other risks related to our business, investors should consult our filings with the U.S. Securities and Exchange Commission.*

- Financial Tables Follow -

PAIN THERAPEUTICS, INC.
CONDENSED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue				
Program fee revenue	\$ —	\$ 1,958	\$ —	\$ 5,875
Total revenue	—	1,958	—	5,875
Operating expenses				
Research and development	2,116	1,444	6,198	3,766
General and administrative	1,429	1,290	4,068	3,647
Total operating expenses	3,545	2,734	10,266	7,413
Operating loss	(3,545)	(776)	(10,266)	(1,538)
Interest income	11	14	36	67
Net loss	\$ (3,534)	\$ (762)	\$ (10,230)	\$ (1,471)

Net loss per share, basic and diluted	<u>\$ (0.08)</u>	<u>\$ (0.02)</u>	<u>\$ (0.23)</u>	<u>\$ (0.03)</u>
Weighted-average shares used in computing net loss per share, basic and diluted	<u>45,345</u>	<u>45,037</u>	<u>45,240</u>	<u>44,990</u>

CONDENSED BALANCE SHEETS
(in thousands)

	September 30, 2014	December 31, 2013 ⁽¹⁾
	(Unaudited)	
Assets		
Current assets		
Cash, cash equivalents and marketable securities	\$ 43,152	\$ 49,838
Other current assets	<u>358</u>	<u>265</u>
Total current assets	43,510	50,103
Property and equipment	69	—
Other assets	<u>12</u>	<u>—</u>
Total assets	<u>\$ 43,591</u>	<u>\$ 50,103</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued development expenses	\$ 1,159	\$ 1,086
Other accrued liabilities	<u>1,224</u>	<u>715</u>
Total current liabilities	2,383	1,801
Non-current liabilities		
Total liabilities	<u>—</u>	<u>—</u>
Stockholders' equity		
Common Stock and additional paid-in-capital	155,544	152,408
Accumulated other comprehensive income	1	1
Accumulated deficit	<u>(114,337)</u>	<u>(104,107)</u>
Total stockholders' equity	<u>41,208</u>	<u>48,302</u>
Total liabilities and stockholders' equity	<u>\$ 43,591</u>	<u>\$ 50,103</u>

⁽¹⁾ Derived from the Company's annual financial statements as of December 31, 2013, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

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