



Pain Therapeutics, Inc.

Pain Therapeutics Announces Third Quarter 2007 Financial Results

Company On-track to Release Remoxy Phase III Results in Q4

SAN MATEO, Calif., Nov 1, 2007 (PrimeNewswire via COMTEX News Network) -- Pain Therapeutics, Inc. (Nasdaq:PTIE) today reported financial results for the three and nine months ended September 30, 2007. Net income for the quarter ended September 30, 2007 was \$3.2 million, or \$0.07 per diluted share, compared to \$9.7 million, or \$0.21 per diluted share, in the third quarter of 2006. Net income for the nine months ended September 30, 2007 was \$19.2 million, or \$0.42 per diluted share, compared to \$11.9 million, or \$0.26 per diluted share, for the same period in 2006.

Cash, cash equivalents and marketable securities were \$205.9 million at September 30, 2007. Pain Therapeutics now expects its 2007 net cash requirements to be \$5.0 million or less, plus any amounts related to a previously announced stock buyback plan of up to \$20.0 million. As of September 30, 2007 we had purchased \$3.8 million of our common stock on the open market.

"We think our financial performance continues to create fertile grounds for success," said Remi Barbier, Pain Therapeutics' president and chief executive officer. "In Q4 2007, we plan to release top-line results of our Phase III pivotal study for Remoxy, our abuse-deterrent opioid painkiller. For now, the Remoxy study remains blinded while the last patients' data are being gathered."

Financial Highlights

* We have a collaboration with King Pharmaceuticals, Inc. ("King") to develop Remoxy and other abuse-deterrent opioid painkillers. King gave us an upfront cash payment of \$150.0 million in December 2005. For accounting purposes, we plan to recognize a portion of this cash payment as "program fee revenue" each quarter through July 2011. We recognized program fee revenue of \$6.6 million this quarter.

* Collaboration revenues were \$9.3 million and \$32.3 million in the three and nine months ended September 30, 2007, respectively and \$7.0 million and \$22.9 million in the three and nine months ended September 30, 2006, respectively.

* Research and development expenses for the third quarter of 2007 increased to \$13.3 million from \$10.5 million for the third quarter of 2006. Research and development expenses for the nine months ended September 30, 2007 increased to \$34.2 million from \$33.5 million for the same period in 2006. Research and development expenses included non-cash stock related compensation costs of \$1.0 million in the three months ended September 30, 2007 and 2006 and \$2.5 million and \$2.8 million in the nine months ended September 30, 2007 and 2006, respectively.

* General and administrative expenses increased to \$2.0 million from \$1.7 million in the three months ended September 30, 2007 and 2006, respectively, and increased to \$6.0 million from \$5.7 million in the nine months ended September 30, 2007 and 2006, respectively. General and administrative expenses included non-cash stock related compensation costs of \$0.6 million and \$0.7 million in the three months ended September 30, 2007 and 2006, respectively, and \$1.7 million and \$2.0 million in the nine months ended September 30, 2007 and 2006, respectively.

* On March 29, 2007, we announced a stock buyback plan of up to \$20.0 million of our common stock. As of September 30, 2007 we had purchased \$3.8 million of our common stock on the open market. The total number of shares to be purchased and the timing of purchases will be based on several factors, including the price of the common stock, general market conditions, corporate and regulatory requirements and alternate investment opportunities. We intend to hold repurchased shares in treasury. This stock buyback program expires March 2008 and may be modified or discontinued at any time.

* We have not provided for income taxes for the third quarter of 2007 because we do not expect to have taxable income for the full year 2007. Our income before income taxes in 2007 includes program fee revenue. For tax purposes, we recognized all of the related program fee revenue in 2006, which is the primary reason for our expectations for no taxable income for 2007.

About Pain Therapeutics, Inc.

Pain Therapeutics is a biopharmaceutical company that develops novel drugs. We have four investigational drug candidates in clinical programs, including Remoxy, Oxytrex, PTI-202 and a novel radio-labeled monoclonal antibody to treat metastatic melanoma. We are also working on a new treatment for patients with hemophilia. The FDA has not yet evaluated the merits,

safety or efficacy of our drug candidates. 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 the timing, scope or expected outcome of the Company's clinical development of its drug candidates including the timing of the Company's Phase III announcement with Remoxy, the potential benefits of the Company's drug candidates, the time period for program fee revenue recognition, and the Company's expected cash requirements in 2007. 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 development and testing of the Company's drug candidates, unexpected adverse side effects or inadequate therapeutic efficacy of the Company's drug candidates (including the risk that current and past results of clinical trials are not necessarily indicative of future results of clinical trials), the uncertainty of patent protection for the Company's intellectual property or trade secrets and unanticipated research and development and other costs. For further information regarding these and other risks related to the Company's business, investors should consult the Company's filings with the Securities and Exchange Commission.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenue				
Program fee revenue	\$ 6,551	\$ 6,550	\$ 19,651	\$ 19,651
Collaboration revenue	9,259	6,960	32,277	22,931
Milestone revenue	--	5,000	--	5,000
Total revenue	15,810	18,510	51,928	47,582
Operating expenses				
Research and development	13,268	10,471	34,171	33,513
General and administrative	2,011	1,686	5,951	5,706
Total operating expenses	15,279	12,157	40,122	39,219
Operating income	531	6,353	11,806	8,363
Interest and other income, net	2,642	2,559	7,368	7,115
Income before provision for (benefit from) income taxes	3,173	8,912	19,174	15,478
Provision for (benefit from) income taxes	--	(744)	--	3,579
Net income	\$ 3,173	\$ 9,656	\$ 19,174	\$ 11,899
Net income per share				
Basic	\$ 0.07	\$ 0.22	\$ 0.43	\$ 0.27
Diluted	\$ 0.07	\$ 0.21	\$ 0.42	\$ 0.26
Weighted-average shares				

used in computing net income per share				
Basic	44,049	44,184	44,138	44,106
	=====	=====	=====	=====
Diluted	45,655	45,221	45,413	45,323
	=====	=====	=====	=====

PAIN THERAPEUTICS, INC.
CONDENSED BALANCE SHEETS

	September 30, 2007	December 31, 2006 (1)
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	(Unaudited)	
Assets		
Current assets		
Cash, cash equivalents and marketable securities	\$ 205,927	\$ 204,400
Other current assets	480	2,714
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Total current assets	206,407	207,114
Non-current assets		
Property and equipment, net	1,549	1,267
Other assets	854	75
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Total assets	\$ 208,810	\$ 208,456
	=====	=====
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 3,008	\$ 985
Accrued development expense	3,916	5,777
Deferred program fee revenue - current portion	26,200	26,200
Income taxes payable	--	2,779
Other accrued liabilities	1,638	913
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Total current liabilities	34,762	36,654
Non-current liabilities		
Deferred program fee revenue - non-current portion	74,237	93,887
Other liabilities	763	--
	-----	-----
Total liabilities	109,762	130,541
	-----	-----
Stockholders' equity		
Common stock	44	44
Additional paid-in-capital	217,910	214,749
Accumulative other comprehensive income (loss)	354	(372)
Accumulated deficit	(119,260)	(136,506)
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Total stockholders' equity	99,048	77,915
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Total liabilities and stockholders' equity	\$ 208,810	\$ 208,456
	=====	=====

(1) Derived from audited financial statements.

SOURCE: Pain Therapeutics, Inc.

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