As filed with the Securities and Exchange Commission on January 19, 2000
Registration No. 333-

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SECURITIES AND EXCHANGE COMMISSION

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

NEUROCRINE BIOSCIENCES, INC.
(Exact name of registrant as specified in its charter)
Delaware 33-0525145
(State of incorporation) (I.R.S. Employer Identification No.)
10555 Science Center Drive
San Diego, California 92121
(858) 658-7600
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Gary A. Lyons
President, Chief Executive Officer and Director
Neurocrine Biosciences, Inc.
10555 Science Center Drive
San Diego, California 92121
(858) 658-7600

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
John M. Newell
Latham & Watkins
633 West Fifth Street, Suite 4000
Los Angeles, California 90071
(213) 485-1234

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are to be offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
Common Stock, par value $0.001 per share	2,327,777	$28.50	$66,341,645	$18,443

(1) Estimated solely for the purpose of computing the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rule 457(c) under the Securities Act based upon the average of the high and low prices of the Common Stock on January 14, 2000, as reported on the Nasdaq National Market.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information contained in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS
(Subject to completion, dated January 19, 2000)

NEUROCRINE BIOSCIENCES, INC.

2,327,777 Shares of Common Stock

The selling shareholders identified in this prospectus may sell up to 2,327,777 shares of common stock of Neurocrine Biosciences, Inc., a Delaware corporation. The selling shareholders may offer and sell their shares of common stock from time to time: on terms to be determined at the time of a sale; in transactions on the Nasdaq National Market; in privately negotiated transactions; or in a combination of these methods of sale.

Neurocrine's Common Stock is listed on the Nasdaq National Market under the symbol "NBIX." On January 14, 2000 the average of the high and low price of the Common Stock was $28.50 per share.

The shares offered in this Prospectus involve a high degree of risk. You should carefully consider certain "Risk Factors" in determining whether to buy any Neurocrine Common Stock. See page 7.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is January__, 2000

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SUMMARY

Neurocrine is a leading neuroscience company focused on the discovery and development of novel therapeutics for neuropsychiatric, neuroinflammatory and neurodegenerative diseases and disorders. Our neuroscience, endocrine and immunology disciplines provide us a unique biological understanding of the molecular interaction between central nervous, immune and endocrine systems for the development of therapeutic interventions for anxiety/ depression, insomnia, glioblastoma, diabetes, multiple sclerosis, endometriosis, Alzheimer's disease, Stroke and Obesity.

Strategic Alliances

We leverage our resources through strategic alliances and other financing mechanisms to build internal product development and commercialization capabilities. We currently have three strategic alliances:

- Janssen Pharmaceutica, N.V. ("Janssen"), a subsidiary of Johnson & Johnson Development Corporation, focused on corticotropin releasing factor receptor antagonists for the treatment of anxiety, depression and substance abuse.

- American Home Products acting through Wyeth-Ayerst Laboratories Division ("Wyeth-Ayerst") focused on modulation of excitatory amino acid transporters ("EAATs") for neurodegenerative diseases and psychiatric disorders.

- Eli Lilly and Co. ("Lilly") focused on corticotropin releasing factor binding protein antagonists and agonists of corticotropin releasing factor receptor 2 for the treatment of central nervous system disorders including obesity and dementias such as Alzheimer's Disease.

Clinical Development

The following table summarizes Neurocrine's products in clinical development.

Program	Indication	Status	Commercial Rights
CRF Receptor Antagonist	Anxiety/Depression	Phase II	Janssen/Neurocrine
GABA Receptor Subtype Agonist	Insomnia	Phase II	Neurocrine
IL-4 Fusion Toxin	Glioblastoma	Phase I/II	Neurocrine
Altered Peptide Ligand	Multiple Sclerosis	Phase II	Neurocrine
Altered Peptide Ligand	Type I Diabetes	Phase I	Neurocrine

"Phase I" indicates that Neurocrine or its collaborative partner is conducting clinical trials to determine safety, the maximally tolerated dose and pharmacokinetics of the compound in human volunteers.

"Phase II" indicates that the Company or its collaborative partner are conducting clinical trials to evaluate one of the Company's products in humans to determine safety and efficacy in an expanded patient population.

Corticotropin releasing factor ("CRF") is the central regulator of the body's overall response to stress. Neurocrine is developing a new class of therapeutics that target stress-induced anxiety by acting as CRF receptor antagonists. Our CRF receptor antagonist project is currently in Phase II clinical development with our partner, Janssen Pharmaceutica, for anxiety/depression.

According to a Gallup Survey conducted on behalf of the National Sleep Foundation, 49% of all Americans say they have trouble sleeping. In the recent past the majority of patients treated for insomnia have utilized non-benzodiazepine compounds which, while preferable in side effect profile to the benzodiazepine class compounds, still exhibit certain unfavorable side effects. We have completed a Phase II clinical trial in insomnia with NBI-34060, a GABA receptor subtype agonist, NBI-34060. A preliminary analysis of the safety data indicates that NBI-34060 is well tolerated, and has an incidence of adverse effects similar to placebo group. Statistical significance was reached for the primary clinical endpoint (Latency to Persistent Sleep). We are completing data analysis and we have planned additional Phase II studies.

Multiple sclerosis is a chronic immune mediated disease characterized by recurrent attacks of neurologic dysfunction due to damage to the central nervous system. With our partner, Novartis Pharma A.G. ("Novartis" as successor in rights of Ciba-Geigy, Limited), we complete a second Phase II clinical trial with NBI-5788/MSP771, our Altered Peptide Ligand (APL) compound in patients with multiple sclerosis. On July 7, 1999, Novartis exercised its right to terminate our collaboration effective January 7, 2000. As a result, we reacquired the worldwide rights to our multiple sclerosis compound, NBI-5788/MSP771. On July 20, 1999, the Data and Safety Monitoring Board for our NBI-5788/MSP771 Phase II trials recommended that the administration of the drug be stopped due to a number of patients reporting hypersensitivity-type reactions. As defined in the protocol, all patients treated with NBI-5788/MSP771 will be followed to establish a complete safety and efficacy database. We expect that the analysis of the results of the trial will be completed in the first quarter of 2000.

Immunotoxins are a novel form of cancer therapy which combine a moiety which targets a cancer cell and a toxin which, when delivered to the cancer cell, will lead to cell death. NBI-3001 is an IL-4 fusion toxin that combines an IL-4 moiety which targets IL-4 receptors highly expressed in malignant brain tumors with a Pseudomonas exotoxin. We are conducting a Phase I/II trial with for NBI-3001, for glioblastoma (malignant brain tumors). In the pre-clinical setting, NBI-3001 has been found to be highly cytotoxic to brain tumor cell lines and exhibits anti-tumor activity in in vivo models of brain cancer.

Type I Diabetes is one of the most prevalent chronic conditions in North America. We believe that our proprietary altered peptide ligand specific for autoimmune T cells involved in diabetes may stop or delay the destruction of insulin secreting cells. We recently commenced a Phase I safety and dose escalating clinical study with NBI-6024, our APL compound for Type I Diabetic patients.

Research

The following table summarizes our most advanced research programs:

Program	Indication	Status	Commercial Rights
CRF Receptor Antagonist	Anxiety/Depression; Stroke	Development	Neurocrine
Gonadotropin Releasing Hormone Factor	Endometriosis	Development	Neurocrine
Excitatory Amino Acid Transporters	Neurodegenerative/ Psychiatric disorder	Research	Wyeth-Ayerst/ Neurocrine
Melanocortin Receptor Agonist	Obesity	Research	Neurocrine
Orexin Antagonist/ Agonist	Sleep Disorders	Research	Neurocrine
Chemokine Antagonist	Inflammatory Disorders	Research	Neurocrine

"Research" indicates identification and evaluation of compounds in in vitro and animal models.

"Development" indicates that lead compounds have been discovered that meets certain in vitro and in vivo criteria. These compounds may undergo structural modification and more extensive evaluation prior to selection for preclinical development.

In addition to our CRF antagonist program which is partnered with Janssen, we are conducting an independent program directed to the research and development of novel CRF receptor antagonist compounds for use in anxiety/ depression, stroke and sleep disorder. Our novel CRF antagonist compounds have shown efficacy in preliminary experiments in animal models.

Gonadotrophin-Releasing Hormone ("GnRH") is a hypothalmic decapeptide that stimulates the secretion of the pituitary gonatrophins, luteinizing hormone and follicle stimulating hormone. GnRH receptor antagonists and super-agonists have been shown to shutdown the reproductive endocrine axis and have utility in the treatment of hormone dependent proliferative diseases such an endometriosis, prostate carcinoma and breast cancer. We have screened small molecule libraries and identified novel GnRH receptor antagonist compounds.

Excitatory Amino Acid Transporters ("EAATs") modulate the levels of glutamate in the brain and are novel targets for the development of drugs. We are collaborating with Wyeth-Ayerst in the research and development of compounds that modulate EAATs for the treatment of neurodegenerative and psychiatric disorders.

Melanocortin receptors are involved in the control of endocrine, autonomic and central nervous system. Our consultants and scientists have cloned several melancortin receptors and we are conducting research to identify avenues for the discovery of effective therapies for the treatment of endocrine functions modulated by these receptors such as obesity.

In humans narcolepsy is characterized by excessive daytime sleepiness and abnormal REM sleep and affects 0.02% to 0.06% of the population in the United States and Western Europe. As a possible therapy for the human disease we are looking at the development of an orexin receptor agonist. The orexins consist of two small peptides (28 and 33 amino acids) that are expressed in the brain and have been linked to a variety of activities including, the control of feeding, cardiovascular regulation, water intake and sleep. There are two closely related receptors (1 and 2) for the orexin peptides that are expressed in different areas of the brain and most likely mediate different functions of the orexin peptides. Both orexin receptor agonists (narcolepsy) and antagonists (insomnia) may have potential value for drug development. We have recently screened a small molecule library to identify antagonists for the orexin receptor. A small number of low affinity molecules resulted from the screen and these compounds are now being used to further characterize the orexin system.

Chemokines are immune/inflammatory mediators that may have a role in central nervous system inflammation and leukocyte invasion. We are engaged in small molecule library screening and structure activity studies to identify compounds that act as antagonists of these mediators.

Business Strategy

Our strategy is to utilize our understanding of the biology of the central nervous, immune and endocrine systems to identify and develop novel therapeutics. There are five key elements to our business strategy:

Target Multiple Product Platforms. We believe that certain central nervous system drug targets, such as CRF, EAATs and MCH represent significant market opportunities in psychiatric, neurologic and metabolic disorders. Immunological targets, such as altered peptide ligands, offer therapeutic strategies related to autoimmune diseases. Chemokines and GnRH allow us to combine our endocrine and immunology expertise with new drug discovery technologies to identify novel product opportunities.

Identify Novel Neuroscience and Immunology Drug Targets for the Development of Therapeutics Which Address Large Unmet Market Opportunities. We employ molecular biology as an enabling discipline to identify novel drug targets such as receptors, genes and gene-related products. We also use advanced technologies, including combinatorial chemistry, high-throughput screening, gene sequencing and bioinformatics, to discover and develop novel small molecule therapeutics.

Leverage Strategic Alliances to Enhance Development and Commercialization Capabilities. We intend to leverage the development, regulatory and commercialization expertise of our corporate partners to accelerate the development of our potential products, while we retain commercial or co-promotion rights in North America.

Outsource Capital Intensive and Non-Strategic Activities. We intend to focus our resources on research and development activities by outsourcing our requirements for manufacturing, preclinical testing and clinical monitoring activities.

Acquire Complementary Research and Development Drug Candidates. We plan to continue to selectively acquire rights to products in various stages of research and clinical development in the fields of neurology and immunology to take advantage of the development and future commercialization capabilities we are developing in cooperation with our strategic partners.

Recent Developments

On November 29, 1999, Neurocrine announced results from a Phase II clinical trial demonstrating that NBI-34060 is a robust sedative hypnotic as demonstrated by a highly statistically significant and clinically relevant effect in inducing sleep when compared to placebo. These data confirm that NBI-34060 is safe and effective in helping subjects with transient insomnia achieve rapid sleep induction without next day residual effects associated with most currently marketed sleep hypnotics.

The results indicate statistical significance was reached for the primary clinical endpoint (Latency to Persistent Sleep-LPS), the required regulatory endpoint for approval. In this study, which enrolled 228 transient insomnia subjects, those subjects receiving NBI-34060 the mean time to LPS was 16 minutes compared to 34 minutes in the placebo group (p less than .001). In addition, the data indicated that a majority of subjects in the treated group fell asleep within 9 minutes as indicated by the median time to LPS as compared to 23 minutes in the placebo group.

The Phase II clinical trial was a randomized-double blinded placebo controlled, multi-center Phase II clinical trial of NBI-34060 in 228 subjects with transient insomnia. The study was conducted in a sleep laboratory setting employing objective polysomnographic assessments. The safety findings indicate that NBI-34060 was safe and well tolerated at doses up to 30 mg. There were no serious adverse events reported in this clinical trial. Overall there was a low incidence of adverse effects, which was comparable to that observed in the placebo group with no residual next day hangover effects.

Neurocrine is moving rapidly to expand clinical development of NBI-34060 and plans to initiate a dose-response, randomized-placebo controlled, multi-center Phase II study in over 550 subjects in the 2nd Quarter 2000. These studies will be conducted in subjects with chronic insomnia and will include other subject sub-groups. Neurocrine is also designing a large scale pivotal Phase III program in more than 1500 subjects scheduled to begin in late 2000.

In addition at an investor conference in early December, Florian Holsboer, M.D., Ph.D. of the Max Planck Institute for Psychiatry in Germany presented preliminary safety and efficacy results on 20 subjects in an open-label Phase II study with a CRF receptor antagonist (R121919/NBI-30775). Neurocrine and Janssen Pharmaceutica are developing this compound for anxiety/depression. Results suggests an improvement in widely accepted measures of anxiety and depression. Comprehensive findings from this trial will be finalized in early 2000.

On December 21, 1999, the Company signed a definitive agreement with Paladin Labs Inc. (Vancouver: PLB) for the sale of exclusive worldwide rights to Neurocrine's neurosteroid program as well as the sale of its Canadian affiliate, Neuroscience Pharma, Inc. Under the terms of the Agreement, Neurocrine will receive approximately $2.0 million and will receive royalties on worldwide product sales.

On December 25, 1999 Neurocrine Biosciences, Inc. signed an exclusive agreement with Taisho Pharmaceutical Co. LTD providing Taisho an option to obtain European and Asian commercialization rights for Neurocrine's altered peptide ligand (APL) for diabetes (NBI-6024). Neurocrine would retain all rights in the rest of the world, including North America. The resulting collaboration could be valued at up to $45 million; consisting of licensing and option fees, payments for certain development and regulatory milestones, and reimbursement of 50% of the worldwide development expenses. In addition, Neurocrine would receive royalties on product sales in Europe and Japan.

RISK FACTORS

This Prospectus contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those discussed in the forward-looking statements, including those set forth below and elsewhere in this Prospectus. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions or variations of such words are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements. Additionally, statements concerning future matters such as the development of new services, technology enhancements, possible changes in legislation and other statements regarding matters that are not historical are forward-looking statements. Although forward-looking statements herein reflect the good faith judgment of the Company's management, such statements can only be based on facts and factors currently known by the Company. Consequently, forward-looking statements are inherently subject to risks and uncertainties, and actual results and outcomes may differ materially from results and outcomes discussed in the forward-looking statements. Factors that could cause or contribute to such differences in result and outcomes include without limitation those discussed below as well as those discussed elsewhere herein. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Propectus. The Company's business, results of operations, and financial condition are, and will continue to be, subject to the following risks:

All of the Company's Product Candidates are at an Early Stage of Development. All of our product candidates are in research or development. We have not requested or received regulatory approval to commercialize any product from the United States Food and Drug Administration ("FDA") or any other regulatory body. Any products which may result from our research and development programs are not expected to be commercially available for the foreseeable future, if at all.

The development of new pharmaceutical products is highly uncertain and subject to a number of significant risks. Potential products that appear to be promising at early stages of development may not reach the market for a number of reasons. Such reasons include the possibilities that the potential products will:

- be found ineffective or cause harmful side effects during preclinical testing or clinical trials
- fail to receive necessary regulatory approvals
- be difficult to manufacture on a large scale
- be uneconomical or fail to achieve market acceptance
- be precluded from commercialization by proprietary rights of third parties

Our product candidates require significant additional research and development efforts. We cannot guarantee that:

- regulatory authorities will approve the continued development of the our development candidates
- clinical development of any of our development candidates will successfully proceed through clinical trials

- later stage clinical trials of our development candidates will show that they are effective in treatment humans

- required regulatory approvals will be obtained on a timely basis, if at all

- any products for which approval is obtained will be approved for the indications requested or be commercially successful

If any of these potential problems occurs, our business would be materially affected and the price of our stock could decline.

The Company is Dependence on Strategic Alliances. We are dependent upon our corporate partners to provide adequate funding for certain of our programs. Under these arrangements, the our corporate partners are responsible for (i) selecting compounds for subsequent development as drug candidates, (ii) conducting preclinical testing and clinical trials and obtaining required regulatory approvals for such drug candidates, and/or (iii) manufacturing and commercializing any resulting drugs. Failure of our partners to select a compound we have discovered for subsequent development into marketable products, gain the requisite regulatory approvals or successfully commercialize products would have a material adverse effect on our business, financial condition and results of operations. Our strategy for development and commercialization of certain of our products is dependent upon entering into additional arrangements with research collaborators, corporate partners and others, and upon the subsequent success of these third parties in performing their obligations. There can be no assurance that we will be able to enter into additional strategic alliances on favorable terms, or at all. If we fail to enter into additional strategic alliances, it would have a material adverse effect on our business, financial condition and results of operations.

We cannot control the amount and timing of resources that our corporate partners devote to our partnered programs or potential products. If any of our corporate partners breach or terminate their agreements with us or otherwise fail to conduct their collaborative activities in a timely manner, the preclinical testing, clinical development or commercialization of product candidates will be delayed, and we will be required to devote additional resources to product development and commercialization, or terminate certain development programs. Our strategic alliances with Janssen, Lilly, and Wyeth-Ayerst are subject to termination by Janssen, Lilly, or Wyeth-Ayerst, respectively. There can be no assurance that Janssen, Lilly, or Wyeth-Ayerst will not elect to terminate its strategic alliance with us prior to its scheduled expiration. In addition, if our corporate partners effect a merger with a third party, there can be no assurance that the strategic alliances will not be terminated or otherwise materially adversely affected. The termination of any current or future strategic alliances could have a material adverse effect on our business, financial condition and results of operations. Our corporate partners may develop, either alone or with others, products that compete with the development and marketing of our products. Competing products, either developed by our corporate partners or to which our corporate partners have rights, may result in their withdrawal of support with respect to all or a portion of the our technology, which would have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that disputes will not arise in the future with respect to the ownership of rights to any products or technology developed with corporate partners. These and other possible disagreements with our corporate partners could lead to delays in the collaborative research, development or commercialization of certain of our product candidates or could require or result in litigation or arbitration, which would be time-consuming and expensive, and would have a material adverse effect on our business, financial condition and results of operations.

The Company has no Manufacturing Capabilities and Relies on Third Party Contractors. We have in the past utilized, and intend to continue to utilize, third party manufacturing for the production of material for use in our clinical trials and for the potential commercialization of our future products. We have no experience in manufacturing products for commercial purposes and do not have any manufacturing facilities. Consequently, we are solely dependent on contract manufacturers for all production of products for development and commercial purposes. In the event that we are unable to obtain or retain third-party manufacturing, we will not be able to commercialize our products as planned. The manufacture of our products for clinical trials and commercial purposes is subject to cGMP regulations promulgated by the FDA. No assurance can be given that our third-party manufacturers will comply with cGMP regulations or other regulatory requirements now or in the future. Our current dependence upon third parties for the manufacture of our products may adversely affect our profit margin, if any, on the sale of our future products and our ability to develop and deliver products on a timely and competitive basis.

The Company has no Marketing or Sales Force; The Company's Products will be Subject to Sales and Pharmaceutical Pricing Controls. We have retained certain marketing or co-promotion rights in North America to our products under development, and we plan to establish its own North American marketing and sales organization. We currently have no experience in marketing or selling pharmaceutical products and we do not have a marketing and sales staff. In order to achieve commercial success for any product candidate approved by the FDA, we must either develop a marketing and sales force or enter into arrangements with third parties to market and sell our products. There can be no assurance that we will successfully develop such experience or that we will be able to enter into marketing and sales agreements with others on acceptable terms, if at all. If we develop our own marketing and sales capabilities, we will compete with other companies that currently have experienced and well funded marketing and sales operations. To the extent that we enter into co-promotion or other marketing and sales arrangements with other companies, any revenues we receive will be dependent on the efforts of others, and there can be no assurance that such efforts will be successful.

Our business may be materially adversely affected by the continuing efforts of government and third party payers to contain or reduce the costs of health care through various means. For example, in certain foreign markets, pricing or profitability of prescription pharmaceuticals is subject to government control. In the United States, there have been, and we expect that there will continue to be, a number of federal and state proposals to implement similar government control in such jurisdictions. In addition, an increasing emphasis on managed care in the United States has put, and will continue to put, pressure on pharmaceutical pricing. Such initiatives and proposals, if adopted, could decrease the price that we receive for any products we may develop and sell in the future, and thereby have a material adverse effect on our business, financial condition and results of operations. Further, to the extent that such proposals or initiatives have a material adverse effect on other pharmaceutical companies that may be corporate partners or prospective corporate partners for certain our potential products, our ability to commercialize our potential products may be materially adversely affected.

Our ability to commercialize pharmaceutical products may depend in part on the extent to which reimbursement for the costs of such products and related treatments will be available from government health administration authorities, private health insurers and other third-party payers. Significant uncertainty exists as to the reimbursement status of newly approved health care products, and third-party payers are increasingly challenging the prices charged for medical products and services. There can be no assurance that any third-party insurance coverage will be available to patients for any products we develop. Government and other third-party payors are increasingly attempting to contain health care costs by limiting both coverage and the level of reimbursement for new therapeutic products, and by refusing, in some cases, to provide coverage for uses of approved products for disease indications for which the FDA has not granted marketing approval. If government and third party payors do not provide adequate coverage and reimbursement levels for our products, the market acceptance of our products would be materially adversely affected.

The Company Faces Intense Competition. The biotechnology and pharmaceutical industries are subject to rapid and intense technological change. We face, and will continue to face, competition in the development and marketing of its product candidates from academic institutions, government agencies, research institutions and biotechnology and pharmaceutical companies. Competition may arise from other drug development technologies, methods of preventing or reducing the incidence of disease, including vaccines, and new small molecule or other classes of therapeutic agents. There can be no assurance that developments by others will not render our product candidates or technologies obsolete or noncompetitive.

We are developing products for the treatment of anxiety disorders, which will compete with well-established products in the benzodiazepine class, including Valium, marketed by Hoffman-La Roche, Inc., and depression, which will compete with well-established products in the anti-depressant class, including Prozac, marketed by Eli Lilly & Co., Zoloft marketed by Pfizer and Paxil marketed by Smith Kline Beecham. Certain technologies under development by other pharmaceutical companies could result in treatments for these and other diseases and disorders. In addition, a number of companies are conducting research on molecules to block CRF to treat anxiety and depression.

We are also developing a non-benzodiazepine GABA-A agonist for the treatment of Insomnia. Ambien (Zolpidem) and Sonata (Zaleplon) are non-benzodiazepine GABA-A agonists currently marketed for the treatment of Insomnia by Searle/Synthelabo and American Home Products, respectively.

Guilford Pharmaceuticals, Inc. has developed Gliadel which has been approved for use as an adjunct to surgery to prolong survival in patients with recurrent multiforme glioblastoma for whom surgical resection is indicated and will compete with our IL-4 Fusion toxin product NBI-3001. Temozolomide marketed by Schering Plough may also compete with NBI-3001.

Products that may be competitive with NBI-5788 APL for Multiple Sclerosis include Betaseron and Avonex, similar forms of beta-interferon marketed by Berlex BioSciences and Biogen, Inc., respectively. Copaxone, a peptide polymer marketed by Teva, has also been approved for the marketing in the United States and certain other countries for the treatment of relapsing remitting multiple sclerosis.

There are a number of competitors to products in our research pipeline. Tacrine, marketed by Warner-Lambert Co., and Aricept, marketed by Pfizer Inc, have been approved for the treatment of Alzheimer's dementia. Sales of these drugs may reduce the available market for any product we develop for these indications. Other biotechnology and pharmaceutical companies are developing compounds to treat obesity. In the event that one or more of these products and/or programs are successful, the market for our products may be reduced or eliminated.

In addition, if we receive regulatory approvals for our products, manufacturing efficiency and marketing capabilities are likely to be significant competitive factors. At the present time, we have no commercial manufacturing capability, sales force or marketing experience. In addition, many of our competitors and potential competitors have substantially greater capital resources, research and development resources, manufacturing and marketing experience and production facilities than we do. Many of these competitors also have significantly greater experience than we do in undertaking preclinical testing and clinical trials of new pharmaceutical products and obtaining FDA and other regulatory approvals.

The Company's Success is Dependent on Patents and Proprietary Rights. Our success will depend on our ability to obtain patent protection for our products, preserve our trade secrets, prevent third parties from infringing upon our proprietary rights, and operate without infringing upon the proprietary rights of others, both in the United States and internationally. Because of the substantial length of time and expense associated with bringing new products through the development and regulatory approval processes in order to reach the marketplace, the pharmaceutical industry places considerable importance on obtaining patent and trade secret protection for new technologies, products and processes. Accordingly, we intend to seek patent protection for our proprietary technology and compounds. There can be no assurance as to the success or timeliness in obtaining any such patents, that the breadth of claims obtained, if any, will provide adequate protection of our proprietary technology or compounds, or that we will be able to adequately enforce any such claims to protect its proprietary technology and compounds. Since patent applications in the United States are confidential until the patents issue, and publication of discoveries in the scientific or patent literature tend to lag behind actual discoveries by several months, we cannot be certain that we were the first creators of inventions covered by pending patent applications or that we were the first to file patent applications for such inventions. Litigation, which could result in substantial cost, may be necessary to enforce our patent and license rights.

The degree of patent protection afforded to pharmaceutical inventions is uncertain and any patents that may issue with regard to our potential products will be subject to this uncertainty. There can be no assurance that competitors will not develop competitive products outside the protection that may be afforded by the claims of our patents. Other potential products that we may develop may be novel and therefore would not be covered by composition of matter patent claims. In addition, we are aware of a number of patent applications, both domestic and European, relating to neurological compounds, and in particular CRF receptor antagonist potential therapeutics, that have been filed by or are controlled by other entities, including our competitors and potential competitors. There can be no assurance that our potential products can be commercialized without a license to any patents which may issue from such applications.

We may be required to obtain licenses to patents or proprietary rights of others. As the biotechnology industry expands and more patents are issued, the risk increases that our potential product may require licenses of third party technologies. No assurance can be given that any licenses required under any patents or proprietary rights of third parties would be made available on acceptable terms, or at all. If we do not obtain such licenses, we could encounter delays in product introductions while we attempts to design around such patents, or we could find that the development, manufacture or sale of products requiring such licenses could be foreclosed. Litigation may be necessary to defend against or assert such claims of infringement to enforce our issued patents and to protect our trade secrets or know-how, or to determine the scope and validity of the proprietary rights of others. In addition, interference proceedings declared by the United States Patent and Trademark Office may be necessary to determine the priority of inventions with respect to our patent applications or those of our licensors. Litigation or interference proceedings could result in substantial costs to and diversion of effort by, and may have a material adverse impact on, us. In addition, there can be no assurance that our efforts would be successful.

We also rely upon unpatented trade secrets and improvements, unpatented know-how and continuing technological innovation to develop and maintain our competitive position, which we seek to protect, in part, by confidentiality agreements with our commercial partners, collaborators, employees and consultants. We also have invention or patent assignment agreements with our employees and certain, but not all, commercial partners and consultants. There can be no assurance that a person not bound by an invention assignment agreement will not develop relevant inventions. There can be no assurance that binding agreements will not be breached, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known or be independently discovered by competitors.

As is commonplace in the biotechnology industry, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. To the extent our employees are involved in research areas at the Company which are similar to those areas in which they were involved at their former employer, we may be subject to claims that such employees and/or the Company have inadvertently or otherwise used or disclosed the alleged trade secrets or other proprietary information of the former employers. Litigation may be necessary to defend against such claims, which could result in substantial costs and be a distraction to management, and which may have a material adverse effect on the Company, even if we are successful in defending such claims.

The Company and its Products are Subject to Strict Government Regulation. Regulation by government authorities in the United States and foreign countries is a significant factor in the development, manufacture and marketing of our proposed products and in our ongoing research and product development activities. All of our products will require regulatory approval by government agencies prior to commercialization. In particular, human therapeutic products are subject to rigorous preclinical testing and clinical trials and other approval procedures of the FDA and similar regulatory authorities in foreign countries. Various federal and state statutes and regulations also govern or influence testing, manufacturing, safety, labeling, storage and record-keeping related to such products and their marketing. The process of obtaining these approvals and the subsequent substantial compliance with appropriate federal and state statutes and regulations require the expenditure of substantial time and financial resources. If we fail or our collaborators or licensees fail to obtain, or encounter delays in obtaining or maintaining, regulatory approvals it could adversely affect the marketing of any products we develop, our ability to receive product or royalty revenues and our liquidity and capital resources.

Preclinical testing is generally conducted in laboratory animals to evaluate the potential safety and the efficacy of a product. The results of these studies are submitted to the FDA as a part of an IND, which must be approved before clinical trials in humans can begin. Typically, clinical evaluation involves a time consuming and costly three-phase process.

Phase I	Clinical trials are conducted with a small number of subjects to determine the early safety profile, the pattern of drug distribution and metabolism.
Phase II	Clinical trials are conducted with groups of patients afflicted with a specific disease in order to determine preliminary efficacy, optimal dosages and expanded evidence of safety.
Phase III	Large-scale, multi-center, comparative trials are conducted with patients afflicted with a target disease in order to provide enough data to demonstrate with substantial evidence the efficacy and safety required by the FDA.

The FDA closely monitors the progress of each of the three phases of clinical trials and may, at its discretion, re-evaluate, alter, suspend or terminate the testing based upon the data which have been accumulated to that point and its assessment of the risk/benefit ratio to the patient.

The results of preclinical testing and clinical trials are submitted to the FDA in the form of an NDA or BLA for approval to commence commercial sales. In responding to an NDA or BLA, the FDA may grant marketing approval, request additional information or deny the application if the FDA determines that the application does not satisfy its regulatory approval criteria. There can be no assurance that approvals will be granted on a timely basis (or at all). If approved, there can be no assurance that such approval will include acceptable labeling to adequately commercialize the product. Similar regulatory procedures must also be complied with in countries outside the United States.

The results from preclinical testing and early clinical trials may not be predictive of results obtained in later clinical trials. As a result, there can be no assurance that clinical trials we conduct or our corporate partners conduct will demonstrate sufficient safety and efficacy to obtain the requisite regulatory approvals or will result in marketable products or marketable indications. In addition, late stage clinical trials are often conducted with patients having the most advanced stages of disease. During the course of treatment, these patients can die or suffer other adverse medical effects for reasons that may not be related to the pharmaceutical agent being tested but which can nevertheless adversely affect clinical trial results. A number of companies in the biotechnology and pharmaceutical industries have suffered significant setbacks in advanced clinical trials, even after promising results in earlier trials. If the our drug candidates are not shown to be safe and effective in clinical trials, the resulting delays in developing other compounds and conducting related preclinical testing and clinical trials, as well as the potential need for additional financing, would have a material adverse effect on our business, financial condition and results of operations.

The rate of completion of clinical trials we or our corporate partners conduct may be delayed by many factors, including slower than expected patient recruitment or unforeseen safety issues. Any delays in, or termination of, the clinical trials for our products would have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that we or our corporate partners will be permitted by regulatory authorities to undertake clinical trials for our products or, if such trials are conducted, that any of our product candidates will prove to be safe and efficacious or will receive regulatory approvals.

There Can Be No Assurance that the Company's Products will Achieve Market Acceptance. The commercial success of our products that are approved for marketing will depend upon their acceptance by the medical community as safe and effective. Factors we believe will materially affect the market acceptance of our products are timing of receipt of marketing approvals, safety and efficacy of the product, emergence of equivalent or superior products and cost effectiveness of the product

The Company will Require Additional Funding. We will require substantial additional funding in order to continue our research and product development programs, including preclinical testing and clinical trials of our product candidates, for operating expenses, and for the pursuit of regulatory approvals for product candidates. We may require additional funding for establishing manufacturing and marketing capabilities in the future. We believe that our existing capital resources, together with interest income and future payments due under strategic alliances, will be sufficient to satisfy our current and projected funding requirements through ---. However, such resources might be insufficient to conduct research and development programs as planned. Our future capital requirements will depend on many factors, including:

- continued scientific progress in its research and development programs, o the magnitude of our R&D programs,
- progress with preclinical testing and clinical trials,
- the time and costs involved in obtaining regulatory approvals,
- the costs involved in filing and prosecuting patent applications and enforcing patent claims,
- competing technological and market developments,
- the establishment of additional strategic alliances,
- the cost of manufacturing facilities and of commercialization activities and arrangements, and
- the cost of product in-licensing and any possible acquisitions.

Our cash reserves and other liquid assets together with funding that may be received under our strategic alliances, and interest income earned thereon, might be inadequate to satisfy our capital and operating requirements.

We intend to seek additional funding through strategic alliances, and may seek additional funding through public or private sales of our securities, including equity securities. In addition, we have obtained equipment leases and may continue to pursue opportunities to obtain additional debt financing in the future. However, additional equity or debt financing might not be available on reasonable terms, if at all. Any additional equity financings would be dilutive to our stockholders. If adequate funds are not available, we may be required to curtail significantly one or more of our research and development programs and/or obtain funds through arrangements with corporate partners or others that may require us to relinquish rights to certain of our technologies or product candidates.

The Company Depends on Key Management and Employees. We are highly dependent on the principal members of our management and scientific staff. The loss of any of these people could impede the achievement of our development objectives. Furthermore, recruiting and retaining qualified scientific personnel to perform research and development work in the future will also be critical to the our success. We might be unable to attract and retain personnel on acceptable terms given the competition among biotechnology, pharmaceutical and health care companies, universities and non-profit research institutions for experienced scientists. In addition, we rely on members of our Scientific Advisory Board and a significant number of consultants to assist us in formulating our research and development strategy. All of the our consultants and members of the Scientific Advisory Board are employed by employers other than Neurocrine. They may have commitments to, or advisory or consulting agreements with, other entities that may limit their availability to us.

Potential Product Liability Exposure and Limited Insurance Coverage. The use of any of our potential products in clinical trials, and the sale of any approved products, may expose us to liability claims. These claims might be made directly by consumers, health care providers, pharmaceutical companies or others selling such products. We have obtained limited product liability insurance coverage for our clinical trials in the amount of $5 million per occurrence and $5 million in the aggregate. We intend to expand or insurance coverage to include the sale of commercial products if marketing approval is obtained for products in development. However, insurance coverage is becoming increasingly expensive, and we might not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. We may be unable to obtain commercially reasonable product liability insurance for any products approved for marketing. A successful product liability claim or series of claims brought against us could have a material adverse effect on our business and cause our stock price to fall.

The Company's Activities Involve Hazardous Materials. Our research activities involve the controlled use of hazardous materials. We can not eliminate the risk of accidental contamination or injury from these materials. In the event of an accident, we may be held liable for any resulting damages which may materially and adversely affect our financial condition and results of operations.

The Price of the Company's Common Stock is Volatile. The market prices for securities of biotechnology and pharmaceutical companies have historically been highly volatile, and the market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. The following factors may have an adverse effect on our stock price:

- fluctuations in operating results,
- announcements of technological innovations or new therapeutic products by us or others,
- clinical trial results,
- developments concerning strategic alliance agreements,
- government regulation,
- developments in patent or other proprietary rights,
- public concern as to the safety of our drugs,
- future sales of substantial amounts of our Common Stock by existing stockholders,
- comments by securities analysts and general market conditions.

The realization of any of the risks described in these "Risk Factors" could cause our stock price to fall dramatically.

Potential Adverse Effect of Anti-takeover Provisions. Our Certificate of Incorporation provides for staggered terms for the members of our Board of Directors and does not provide for cumulative voting in the election of directors. In addition, our Board of Directors has the authority, without further action by the stockholders, to fix the rights and preferences of, and issue shares of, Preferred Stock. In April 1997, we adopted a Stockholder Rights Plan, commonly referred to as a "Poison Pill". Further, we are subject to Section 203 of the Delaware General Corporation Law which, subject to certain exceptions, restricts certain transactions and business combinations between a corporation and a stockholder owning 15% of more of the corporation's outstanding voting stock for a period of three years from the date the stockholder becomes an interested stockholder. The Stockholder Rights Plan, staggered board terms, lack of cumulative voting, Preferred Stock provisions and other provisions of the our charter and Delaware corporate law may discourage certain types of transactions involving an actual or potential change in control of the Company.

Impact of Year 2000. The Year 2000 Issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of our computer programs or hardware that have date-sensitive software or embedded chips may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities.

Lack of Liquidity. Until registered under the Registration Statement, the Shares will be restricted securities under federal and applicable state securities laws and, as such, may not be transferred, sold or otherwise disposed of, except as permitted under federal and applicable state securities laws, pursuant to registration thereunder or exemption therefrom. Prospective investors should be prepared to hold, and bear the economic risk of an investment in, the Shares for an indefinite period. In addition, an Investor should be able to withstand a total loss of its investment. The rights of Investors to register the Common Stock is subject and subordinate to certain registration rights previously granted by the Company to other parties. As a result, under certain circumstances, the ability of Investors to register the Common Stock may be delayed.

USE OF PROCEEDS

The Company will not receive any proceeds from the sale of common stock by the selling shareholder in this offering.

SELLING SHAREHOLDERS

On December 22, 1999, the Company agreed to sell 2,327,777 shares of Common Stock of the Company upon meeting certain closing conditions. In connection with this sale, we agreed to file a registration statement with the SEC covering the resale of the shares issued to each selling shareholder and agreed to indemnify each selling shareholder against claims made against them arising out of, among other things, statements made in this registration statement. We have agreed to cause this registration statement to remain effective until (a) all the common stock has been re-sold or (b) two years after the closing of the transactions contemplated in the common stock purchase agreements, whichever is earlier.

The following table provides certain information with respect to shares of common stock held and to be offered under this prospectus from time to time by each selling shareholder. Because the selling shareholders may sell all or part of their common stock pursuant to this prospectus, and this offering is not being underwritten on a firm commitment basis, only an estimate can be given as to the number and percentage of shares of common stock that will be held by each selling shareholder upon termination of this offering. See "Plan of Distribution."

The Company is unaware of any material relationship between any of the selling shareholders and us in the past three years other than as a result of the ownership of the shares of common stock.

Name	Shares owned before the Offering	Shares sold in the Offering	Shares and percentage owned after the Offering
Biotech Target S.A.	750,000	500,000	250,000 (1.2%)
Deutsche Vermogensbildungsgesellschaft mbH	600,000	600,000	- (*)
Deutsche Asset Mangement Investmentgesellschaft mbH	300,000	300,000	- (*)
SEB Lakemedelsfund	490,000	385,000	105,000 (*)
SEB Private Bank S.A., Luxmeborg	85,000	65,000	20,000 (*)
Activest Management SA	327,000	277,777	50,000 (*)
DWS Investment GmbH	435,000	200,000	235,000 (1.1%)

- Less than 1.00% *
- There were 21,586,717 shares outstanding after the offering.

PLAN OF DISTRIBUTION

The Company is registering the shares of common stock offered by the selling shareholders pursuant to contractual registration rights contained in the common stock purchase agreements. The selling shareholders may sell their shares on the Nasdaq National Market, in private transactions or in a combination of such methods of sale. The selling shareholders may sell their shares at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated or at fixed prices. For their shares, the selling shareholders will receive the purchase price of the shares sold less any agents' commissions or underwriters' discounts and other related expenses. If the selling shareholders sell shares to or through brokers or dealers, they may pay the brokers or dealers compensation in the form of discounts, concessions or commissions. We will not receive any proceeds from the sale of shares by the selling shareholders.

The selling shareholders and any persons who participate in the sale of the shares may be deemed to be "underwriters" as defined in the Securities Act, and any discounts, commissions or concessions received by them and any provided pursuant to the sales of shares by them might be deemed underwriting discounts and commissions under the Securities Act.

In order to comply with the securities laws of certain states, if applicable, the common stock may be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have agreed in the common stock purchase agreements to register the shares of our common stock received by the selling shareholders pursuant to the common stock purchase agreements under applicable federal and state securities laws under certain circumstances and at certain times. Pursuant to the common stock purchase agreements, we have filed a registration statement related to the shares offered hereby and have agreed to keep such registration statement effective until (a) all the common stock has been re-sold or (b) two years after the closing of the transactions contemplated in the Common Stock Purchase Agreement, whichever is earlier.

We will pay for the expenses incurred in this offering.

LEGAL MATTERS

The validity of the Shares offered hereby will be passed upon by Latham & Watkins, counsel to the Company.

EXPERTS

The Company's financial statements appearing in its Annual Report on Form 10-K for the year ended December 31, 1998, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, we file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). You may read and copy any document that we have filed at the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. You can obtain copies of our SEC filings at prescribed rates from the SEC Public Reference Section at 450 Fifth Street, N.W., Washington, D.C. 20549. Our SEC filings are also available to you free of charge at the SEC's web site at http://www.sec.gov.

Shares of our common stock are traded as "National Market Securities" on the Nasdaq National Market. Documents we have filed can be inspected at the offices of the National Association of Securities Dealers, Inc., Reports Section, 1735 K Street, N.W., Washington, D.C. 20006.

You can read and print press releases and additional information about us, free of charge, at our web site at http://www.neurocrine.com.

This Prospectus is a part of a Registration Statement on Form S-3 (together with all amendments and exhibits, referred to as the "Registration Statement") filed by us with the SEC under the Securities Act of 1993, as amended. This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to Neurocrine and the shares of common stock offered hereby, please refer to the Registration Statement. The Registration Statement may be inspected at the public reference facilities maintained by the SEC at the addresses set forth above. Statements in this Prospectus about any document filed as an exhibit are not necessarily complete and, in each instance, you should refer to the copy of such document filed with the SEC. Each such statement is qualified in its entirety by such reference.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" the information filed with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this Prospectus, and information that we have filed later with the SEC will automatically update and supersede previously filed information, including information contained in this Prospectus.

The Company incorporates by reference the documents listed below and any future filings it will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until this offering has been completed:

(1) Annual Report on Form 10-K for the fiscal year ended December 31,1998 (File No. 000-22705)

(2) Quarterly Report on Form 10-Q for the quarters ended March 31, 1999, June 30, 1999 and September 30, 1999;

(3) Proxy Statement for the Annual Meeting of Stockholders held on May 21, 1999, filed with the SEC on April 23, 1999; and

(4) The description of our Common Stock contained in the Registration Statement on Form S-1, (Registration No. 333-03172), as amended, which was declared effective by the SEC on May 22, 1996.

You may request a free copy of these documents by writing to Investor Relations, Neurocrine Biosciences, Inc., 10555 Science Center Drive, San Diego, CA 92121, or by calling Neurocrine's Investor Relations department at (858) 658-7600.

You should rely only on the information incorporated by reference or provided in this Prospectus or a prospectus supplement or amendment. The Company has not authorized anyone to provide you with different information. The Company is not making an offer of these securities in any state where the offer is not permitted. Also, this Prospectus does not offer to sell any securities other than the securities covered by this Prospectus. You should not assume that the information in this Prospectus or a prospectus supplement or amendment is accurate as of any date other than the date on the front of the document.

The Company has not authorized any person to give any information or to make any representations that differs from what is in this Prospectus. If any person does make a statement that differs from what is in this Prospectus, you should not rely on it. This Prospectus is not an offer to sell, nor is it seeking an offer to buy, any security other than the Shares offered hereby. This Prospectus is not an offer to sell, nor is it seeking an offer to buy, these Shares in any jurisdiction in which the offer or sale is prohibited. The information in this Prospectus is complete and accurate as of its date, but the information may change after that date.

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NEUROCRINE BIOSCIENCES, INC.

2,327,777 Shares

of

Common Stock

PROSPECTUS

January __, 2000

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The Company and Selling Shareholders will pay all expenses incident to the offering and sale to the public of the shares being registered other than any commissions and discounts of underwriters, dealers or agents and any transfer taxes. Such expenses are set forth in the following table. All of the amounts shown are estimates except the SEC registration fee and the Nasdaq National Market listing fee.

SEC registration fee	$ 18,443
NASDAQ National Market listing fee	17,500
Legal fees and expenses	75,000
Accounting fees and expenses	10,000
Miscellaneous expenses	25,000
Total	$ 145,943

Item 15. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person has acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal proceeding, if such person had no reasonable cause to believe his or her conduct was unlawful; provided that, in the case of actions brought by or in the right of the corporation, no indemnification may be made with respect to any matter as to which such person has been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that such indemnification is proper under the circumstances.

The Registrant's Certificate of Incorporation provides that no director will be personally liable to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Registrant or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for authorizing the payment of a dividend or repurchase of stock or (iv) for any transaction in which the director derived an improper personal benefit.

The Registrant's by-laws provide that the Registrant must indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Registrant) by reason of the fact that he or she is or was a director or officer of the Registrant, or that such director or officer is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture trust or other enterprise (collectively "Agent"), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement (if such settlement is approved in advance by the Registrant, which approval may not be unreasonably withheld) actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Registrant, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Registrant, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

The Registrant's by-laws provide further that the Registrant must indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Registrant to procure a judgment in its favor by reason of the fact that he or she is or was an Agent against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Registrant, provided that no indemnification may be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Registrant unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court deems proper.

Pursuant to its by-laws, the Registrant has the power to purchase and maintain a directors and officers liability policy to insure its officers and directors against certain liabilities.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

Item 16. Exhibits.

Please see Index of Exhibits on Page 24 below.

Item 17. Undertakings.

A. Undertaking Pursuant to Rule 415.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a)(3) Securities Act of 1933 (the "Securities Act");

(ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs A(l)(i) and A(l)(ii) do not apply if the Registration Statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") that are incorporated by reference in the Registration Statement;

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of this offering.

B. Undertaking Regarding Filings Incorporating Subsequent Exchange Act Documents by Reference.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Undertaking in Respect of Indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Diego, California, on this 5th day of January, 2000.

NEUROCRINE BIOSCIENCES, INC.
By: /s/ Paul W. Hawran
Paul W. Hawran,
Chief Financial Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Paul W. Hawran and Gary A. Lyons, jointly and severally, as attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendment to this Registration Statement and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting to said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ GARY A. LYONS - ---------- Gary A. Lyons	President, Chief Executive Officer and Director (Principal Executive Officer)	January 19, 2000
/s/ PAUL W. HAWRAN - ---------- Paul W. Hawran	Chief Financial Officer (Principal Financial and Accounting Officer)	January 19, 2000
/s/ JOSEPH A. MOLLICA - ---------- Joseph A. Mollica	Chairman of the Board of Directors	January 19, 2000
/s/ STEPHEN A. SHERWIN - ---------- Stephen A. Sherwin	Director	January 19, 2000
/s/ RICHARD F. POPS - ---------- Richard F. Pops	Director	January 19, 2000
/s/ WYLIE W. VALE - ---------- Wylie W. Vale	Director	January 19, 2000

INDEX OF EXHIBITS

Exhibit Number	Description
4.1	Stock Purchase Agreement dated December 20 through 23, 1999, between Neurocrine Biosciences, Inc. and each of the Purchasers named therin.
5.1	Opinion of Latham & Watkins.
23.1	Consent of Ernst & Young LLP, Independent Auditors.
23.2	Consent of Counsel (included in Exhibit 5.1).
24.1	Power of Attorney (included on page II-5).

STOCK PURCHASE AGREEMENT

Neurocrine Biosciences, Inc.
10555 Science Center Drive
San Diego, CA 92121

Ladies & Gentlemen:

The undersigned, _____(the "Investor"), hereby confirms its agreement with you as follows:

1. This Stock Purchase Agreement (the "Agreement") is made as of December 20, 1999 between Neurocrine Biosciences, Inc., a Delaware corporation (the "Company"), and the Investor.

2. The Company has authorized the sale and issuance of up to 3,000,000 shares (the "Shares") of common stock of the Company, $0.001 par value per share (the "Common Stock"), subject to adjustment by the Company's Board of Directors, to certain investors in a private placement (the "Offering").

3. The Company and the Investor agree that the Investor will purchase from the Company and the Company will issue and sell to the Investor _____ Shares, for a purchase price of $18.00 per share, or an aggregate purchase price of $_____, pursuant to the Terms and Conditions for Purchase of Shares attached hereto as Annex I and incorporated herein by reference as if fully set forth herein. Unless otherwise requested by the Investor, certificates representing the Shares purchased by the Investor will be registered in the Investor's name and address as set forth below.

4. The 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.

AGREED AND ACCEPTED:
NEUROCRINE BIOSCIENCES, INC.

By: /s/ Paul W. Hawran
Title: Senior Vice President and CFO

INVESTOR SIGNATURE PAGE

BIOTECH TARGET S.A.
By: /s/ A. Hove and /s/HJ Graf
Title Signing Authorities
Address: Swiss Bank Tower, Panama 1, Republic of Panama
Date: December 22, 1999
Purchase: 500,000 shares for $9,000,000

DEUTSCHE VERMOGENSBILDUNGSGESELLSCHAFT MBH
By: /s/ Daniel Eudonhat
Title Fund Manager
Address: Feldbergsrasse 22, 60323 Frankfurt, Germany
Date: December 21, 1999
Purchase: 600,000 shares for $10,800,000

DEUTSCHE ASSET MANGEMENT INVESTMENTGESELLSCHAFT MBH
By: /s/
Title Fund Manager
Address: Mainzer Landstra(beta)e 16, 60325 Frankfurt, Germany
Date: December 20, 1999
Purchase: 300,000 shares for $5,400,000

SEB LAKEMEDELSFUND
By: /s/ William AF Sanderberg
Title Head of SEB Investment Management
Address: ST 56, 10640, Stockholm, Sweeden
Date: December 20, 1999

Purchase: 385,000 shares for $6,930,000

SEB PRIVATE BANK S.A., LUXMEBORG
By: /s/ J. Hellers
Title Senior Manager
Address: 16, Boulevard Royal PO Box 487, L-2014 Luxembourg
Date: December 23, 1999
Purchase: 65,000 shares for $1,170,000

ACTIVEST MANAGEMENT SA
By: /s/ S. Aeschbacher and /s/ A. Sierro
Title Managing Director Executive Director
Address: 12, Rue Cearo, Geneva, Switzeland 1204
Date: December 22, 1999
Purchase: 277,777 shares for $4,999,986

DWS INVESTMENT GMB
By: /s/ Michael Sistenich
Title Senior Fund Manager
Address: Gruneburgweg 113-115, Frankfurt Am Main 60323, Germany
Date: December 22, 1999
Purchase: 200,000 shares for $3,600,000

ANNEX I

TERMS AND CONDITIONS FOR PURCHASE OF SHARES

1. Authorization and Sale of the Shares. Subject to the terms and conditions of this Agreement, the Company has authorized the sale of up to 3,000,000 Shares. The Company reserves the right to increase or decrease this number.

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

2.1 At the Closing (as defined in Section 3), the Company will sell to the Investor, and the Investor will purchase from the Company, upon the terms and conditions hereinafter set forth, the number of Shares set forth on the signature page hereto at the purchase price set forth on such signature page.

2.2 The Company may enter into this same form of Stock Purchase Agreement with certain other investors (the "Other Investors") and expects to complete sales of Shares to them. (The Investor 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.") The Company will accept executed Agreements from Investors for the purchase of Shares commencing upon the date on which the Company provides the Investors with the proposed purchase price per Share and concluding upon the date (the "Subscription Date") on which the Company has (i) executed Agreements with Investors for the purchase of at least 2,327,777 Shares, and (ii) notified the Investors in writing that it is no longer accepting Agreements from Investors for the purchase of Shares. The Company may not enter into any Agreements after the Subscription Date.

3. Delivery of the Shares at Closing. The completion of the purchase and sale of the Shares (the "Closing") shall occur (the "Closing Date") on December 22, 1999, at the offices of the Company's counsel. At the Closing, the Company shall deliver 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 signature page hereto, in the name of a nominee designated by the Investor.

The Company's obligation to issue the Shares to the Investor 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 a certified or official bank check or wire transfer of funds in the full amount of the purchase price for the Shares being purchased hereunder as set forth on the signature page hereto; (b) completion of the purchases and sales under the Agreements with the Other Investors; and (c) 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.

The 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) Investors shall have executed Agreements for the purchase of at least 2,327,777 Shares, and (b) the representations and warranties of the Company set forth herein shall be true and correct in all material respects.

4. Representations, Warranties and Covenants of the Company. The Company hereby represents and warrants to, and covenants with, the Investor, as follows:

4.1 Organization. The Company is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization. Each of the Company and its Subsidiaries (as defined in Rule 405 under the Securities Act of 1933, as amended (the "Securities Act")) has full power and authority to own, operate and occupy its properties and to conduct its business as presently conducted and as described in the confidential offering memorandum, dated December 17, 1999 distributed in connection with the sale of the Shares (including the documents incorporated by reference therein, the "Placement Memorandum") and is registered or qualified to do business and in good standing in each jurisdiction in which it owns or leases property or transacts business and where the failure to be so qualified would have a material adverse effect upon the business, financial condition, properties or operations of the Company and its Subsidiaries, considered as one enterprise, and no proceeding has been instituted in any such jurisdiction, revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification.

4.2 Due Authorization. The Company has all requisite power and authority to execute, deliver and perform its obligations under the Agreements, and the Agreements have been duly authorized and validly executed and delivered by the Company and constitute legal, valid and binding agreements of the Company enforceable against the Company in accordance with their terms, except as rights to indemnity and contribution may be limited by state or federal securities laws or the public policy underlying such laws, 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).

4.3 Non-Contravention. The execution and delivery of the Agreements, the issuance and sale of the Shares to be sold by the Company under the Agreements, the fulfillment of the terms of the Agreements and the consummation of the transactions contemplated thereby will not (A) conflict with or constitute a violation of, or default (with the passage of time or otherwise) under, (i) any material bond, debenture, note or other evidence of indebtedness, or under any material lease, contract, indenture, mortgage, deed of trust, loan agreement, joint venture or other agreement or instrument to which the Company or any Subsidiary is a party or by which it or any of its Subsidiaries or their respective properties are bound, (ii) the charter, by-laws or other organizational documents of the Company or any Subsidiary, or (iii) any law, administrative regulation, ordinance or order of any court or governmental agency, arbitration panel or authority applicable to the Company or any Subsidiary or their respective properties, or (B) result in the creation or imposition of any lien, encumbrance, claim, security interest or restriction whatsoever upon any of the material properties or assets of the Company or any Subsidiary or an acceleration of indebtedness pursuant to any obligation, agreement or condition contained in any material bond, debenture, note or any other evidence of indebtedness or any material indenture, mortgage, deed of trust or any other agreement or instrument to which the Company or any Subsidiary is a party or by which any of them is bound or to which any of the property or assets of the Company or any Subsidiary is subject. No consent, approval, authorization or other order of, or registration, qualification or filing with, any regulatory body, administrative agency, or other governmental body in the United States is required for the execution and delivery of the Agreements and the valid issuance and sale of the Shares to be sold pursuant to the Agreements, other than such as have been made or obtained, and except for any securities filings required to be made under federal or state securities laws.

4.4 Capitalization. The capitalization of the Company as of September 30, 1999 is as set forth in the Placement Memorandum (excluding unvested options and treasury shares). The Company has not issued any capital stock since that date other than pursuant to (i) employee benefit plans disclosed in the Placement Memorandum, or (ii) outstanding warrants or options disclosed in the Placement Memorandum. The Shares to be sold pursuant to the Agreements have been duly authorized, and when issued and paid for in accordance with the terms of the Agreements will be duly and validly issued, fully paid and nonassessable. The outstanding shares of capital stock of the Company have been duly and validly issued and are fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and were not issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except as set forth in or contemplated by the Placement Memorandum, there are no outstanding rights (including, without limitation, preemptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any unissued shares of capital stock or other equity interest in the Company or any Subsidiary, or any contract, commitment, agreement, understanding or arrangement of any kind to which the Company is a party or of which the Company has knowledge and relating to the issuance or sale of any capital stock of the Company or any Subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options. Without limiting the foregoing, no preemptive right, co-sale right, right of first refusal, registration right, or other similar right exists with respect to the Shares or the issuance and sale thereof. No further approval or authorization of any stockholder, the Board of Directors of the Company or others is required for the issuance and sale of the Shares. The Company owns the entire equity interest in each of its Subsidiaries, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest, other than as described in the Placement Memorandum. Except as disclosed in the Placement Memorandum, there are no stockholders agreements, voting agreements or other similar agreements with respect to the Common Stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

4.5 Legal Proceedings. There is no material legal or governmental proceeding pending or, to the knowledge of the Company, threatened to which the Company or any Subsidiary is or may be a party or of which the business or property of the Company or any Subsidiary is subject that is not disclosed in the Placement Memorandum.

4.6 No Violations. Neither the Company nor any Subsidiary is in violation of its charter, bylaws, or other organizational document, or in violation of any law, administrative regulation, ordinance or order of any court or governmental agency, arbitration panel or authority applicable to the Company or any Subsidiary, which violation, individually or in the aggregate, would be reasonably likely to have a material adverse effect on the business or financial condition of the Company and its Subsidiaries, considered as one enterprise, or is in default (and there exists no condition which, with the passage of time or otherwise, would constitute a default) in any material respect in the performance of any bond, debenture, note or any other evidence of indebtedness in any indenture, mortgage, deed of trust or any other material agreement or instrument to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary is bound or by which the properties of the Company or any Subsidiary are bound, which would be reasonably likely to have a material adverse effect upon the business or financial condition of the Company and its Subsidiaries, considered as one enterprise.

4.7 Governmental Permits, Etc. With the exception of the matters which are dealt with separately in Section 4.1, 4.12, 4.13, and 4.14, each of the Company and its Subsidiaries has all necessary franchises, licenses, certificates and other authorizations from any foreign, federal, state or local government or governmental agency, department, or body that are currently necessary for the operation of the business of the Company and its Subsidiaries as currently conducted and as described in the Placement Memorandum except where the failure to currently possess could not reasonably be expected to have a material adverse effect.

4.8 Intellectual Property. Subject to the matters discussed under "Risk Factors" in the Placement Memorandum (i) each of the Company and its Subsidiaries owns or possesses sufficient rights to use all material patents, patent rights, trademarks, copyrights, licenses, inventions, trade secrets, trade names and know-how (collectively, "Intellectual Property") described or referred to in the Placement Memorandum as owned by it or that are necessary for the conduct of its business as now conducted or as proposed to be conducted as described in the Placement Memorandum except where the failure to currently own or possess would not have a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its Subsidiaries considered as one enterprise, (ii) neither the Company nor any of its Subsidiaries has received any notice of, or has any knowledge of, any infringement of asserted rights of a third party with respect to any Intellectual Property that, individually or in the aggregate, would have a material adverse effect on the financial condition or business of the Company and its Subsidiaries considered as one enterprise and (iii) neither the Company nor any of its Subsidiaries has received any notice of any infringement of rights of a third party with respect to any Intellectual Property that, individually or in the aggregate, would have a material adverse effect upon the business or financial condition of the Company and its Subsidiaries, considered as one enterprise.

4.9 Financial Statements. The financial statements of the Company and the related notes contained in the Placement Memorandum present fairly, in accordance with generally accepted accounting principles, the financial position of the Company and its Subsidiaries as of the dates indicated, and the results of its operations and cash flows for the periods therein specified. Such financial statements (including the related notes) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods therein specified, except as disclosed in the Placement Memorandum. The other financial information contained in the Placement Memorandum has been prepared on a basis consistent with the financial statements of the Company.

4.10 No Material Adverse Change. Except as disclosed in the Placement Memorandum, since September 30, 1999, there has not been (i) any material adverse change in the financial condition or earnings of the Company and its Subsidiaries considered as one enterprise nor has any material adverse event occurred to the Company or its Subsidiaries, (ii) any material adverse event affecting the Company, (iii) any obligation, direct or contingent, that is material to the Company and its Subsidiaries considered as one enterprise, incurred by the Company, except obligations incurred in the ordinary course of business, (iv) any dividend or distribution of any kind declared, paid or made on the capital stock of the Company or any of its Subsidiaries, or (v) any loss or damage (whether or not insured) to the physical property of the Company or any of its Subsidiaries which has been sustained which has a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its Subsidiaries considered as one enterprise.

4.11 Disclosure. The information contained in the Placement Memorandum as of the date hereof and as of the Closing Date, did not and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.12 NASDAQ Compliance. The Company's Common Stock is registered pursuant to Section 12(g) of the Exchange Act and is listed on The Nasdaq Stock Market, Inc. National Market (the "Nasdaq National Market"), and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or de-listing the Common Stock from the Nasdaq National Market, nor has the Company received any notification that the Securities and Exchange Commission (the "SEC") or the National Association of Securities Dealers, Inc. ("NASD") is contemplating terminating such registration or listing.

4.13 Reporting Status. The Company has filed in a timely manner all documents that the Company was required to file under the Securities Exchange Act of 1934, as amended (the "Exchange Act") during the 12 months preceding the date of this Agreement. The following documents complied in all material respects with the SEC's requirements as of their respective filing dates, and the information contained therein as of the date thereof did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under where they were made not misleading:

(a) The Company's Annual Report on Form 10-K for the year ended December 31, 1998 (the "10-K"); and

(b) All other documents, if any, filed by the Company with the SEC since December 31, 1998 pursuant to the reporting requirements of the Exchange Act.

4.14 Listing. The Company shall comply with all requirements of the National Association of Securities Dealers, Inc. with respect to the issuance of the Shares and the listing thereof on the Nasdaq National Market.

4.15 Year 2000 Compliance. The information set forth in the Placement Memorandum with respect to the Company's efforts regarding Year 2000 matters (i) conforms in all material respects to the guidelines set forth in SEC Release No. 33-7558 and (ii) accurately describes the status of the Company's efforts regarding Year 2000 matters. To the Company's knowledge, the costs associated with ensuring that the Company is Year 2000 compliant will not a material adverse effect on the operations or business of the Company and its Subsidiaries considered as one enterprise.

4.16 No Manipulation of Stock. The Company has not taken and will not, in violation of applicable law, take, any action designed to or that might reasonably be expected to cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Shares.

5. Representations, Warranties and Covenants of the Investor.

5.1 The Investor represents and warrants to, and covenants with, the Company that: (i) the Investor is an "accredited investor" as defined in Regulation D under the Securities Act and the Investor is also 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 securities 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 the signature page 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; (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; (iv) the Investor has answered all questions on the signature page hereto for use in preparation of the Registration Statement and the answers thereto are true and correct as of the date hereof and will be true and correct as of the Closing Date; (v) the Investor will notify the Company immediately of any change in any of such information until such time as the Investor has sold all of its Shares or until the Company is no longer required to keep the Registration Statement effective; and (vi) the Investor has, in connection with its decision to purchase the number of Shares set forth on the signature page hereto, relied only upon the Placement Memorandum and the representations and warranties of the Company contained herein. Investor understands that its acquisition of the Shares has not been registered under the Securities Act or registered or qualified under any state securities law in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of the Investor's investment intent as expressed herein. Investor has completed or caused to be completed and delivered to the Company the Investor Questionnaire attached as Exhibit B to the Placement Memorandum, which questionnaire is true and correct in all material respects.

5.2 The Investor acknowledges, represents and agrees that no action has been or will be taken in any jurisdiction outside the United States by the Company 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.

5.3 The Investor hereby covenants with the Company not to make any sale of the Shares without complying with the provisions of this Agreement, including Section 7.2 hereof, and without effectively causing the prospectus delivery requirement under the Securities Act to be satisfied, and the Investor acknowledges that the certificates evidencing the Shares will be imprinted with a legend that prohibits their transfer except in accordance therewith. The Investor acknowledges that there may occasionally be times when the Company determines that it must suspend the use of the Prospectus forming a part of the Registration Statement, as set forth in Section 7.2(c).

5.4 The 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 Investor will not use any of the restricted Shares acquired pursuant to this Agreement to cover any short position in the Common Stock of the Company if doing so would be in violation of applicable securities laws.

5.6 The Investor understands that nothing in the Placement Memorandum, 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. The 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, all covenants, agreements, representations and warranties made by the Company and the Investor herein shall survive the execution of this Agreement, the delivery to the Investor of the Shares being purchased and the payment therefor.

7. Registration of the Shares; Compliance with the Securities Act.

7.1 Registration Procedures and Expenses. The Company shall:

(a) subject to receipt of necessary information from the Investors, use its reasonable efforts to prepare and file with the SEC, within 10 days after the Closing Date, a registration statement (the "Registration Statement") to enable the resale of the Shares by the Investors from time to time through the automated quotation system of the Nasdaq National Market or in privately-negotiated transactions;

(b) use its reasonable efforts, subject to receipt of necessary information from the Investors, to cause the Registration Statement to become effective within 90 days after the Registration Statement is filed by the Company;

(c) use its reasonable efforts to prepare and file with the SEC such amendments and supplements to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep the Registration Statement current and effective for a period not exceeding, with respect to each Investor's Shares purchased hereunder, the earlier of (i) the second anniversary of the Closing Date, (ii) the date on which the Investor may sell all Shares then held by the Investor without restriction by the volume limitations of Rule 144(e) of the Securities Act, or (iii) such time as all Shares purchased by such Investor in this Offering have been sold pursuant to a registration statement.

(d) furnish to the Investor with respect to the Shares registered under the Registration Statement such number of copies of the Registration Statement, Prospectuses and Preliminary Prospectuses in conformity with the requirements of the Securities Act and such other documents as the Investor may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Shares by the Investor, provided, however, that the obligation of the Company to deliver copies of Prospectuses or Preliminary Prospectuses to the Investor shall be subject to the receipt by the Company of reasonable assurances from the Investor that the Investor will comply with the applicable provisions of the Securities Act and of such other securities or blue sky laws as may be applicable in connection with any use of such Prospectuses or Preliminary Prospectuses;

(e) file documents required of the Company for normal blue sky clearance in states specified in writing by the Investor, provided, however, that the Company shall not be required to qualify to do business or consent to service of process in any jurisdiction in which it is not now so qualified or has not so consented;

(f) bear all expenses in connection with the procedures in paragraph (a) through (e) of this Section 7.1 and the registration of the Shares pursuant to the Registration Statement; and

(g) advise the Investors, promptly after it shall receive notice or obtain knowledge of the issuance of any stop order by the SEC delaying or suspending the effectiveness of the Registration Statement or of the initiation or threat of any proceeding for that purpose; and it will promptly use its reasonable efforts to prevent the issuance of any stop order or to obtain its withdrawal at the earliest possible moment if such stop order should be issued.

The Company understands that the Investor disclaims being an underwriter, but the Investor being deemed an underwriter by the SEC shall not relieve the Company of any obligations it has hereunder, provided, however that if the Company receives notification from the SEC that the Investor is deemed an underwriter, then the period by which the Company is obligated to submit an acceleration request to the SEC shall be extended to the earlier of (i) the 90th day after such SEC notification, or (ii) 120 days after the initial filing of the Registration Statement with the SEC.

7.2 Transfer of Shares After Registration; Suspension.

(a) The Investor agrees that it will not effect any Disposition of the Shares or its right to purchase the Shares that would constitute a sale within the meaning of the Securities Act except as contemplated in the Registration Statement referred to in Section 7.1 and as described below, and that it will promptly notify the Company of any changes in the information set forth in the Registration Statement regarding the Investor or its plan of distribution.

(b) Except in the event that paragraph (c) below applies, the Company shall (i) if deemed necessary by the Company, prepare and file from time to time with the SEC a post-effective amendment to the Registration Statement or a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that such Registration Statement will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and so that, as thereafter delivered to purchasers of the Shares being sold thereunder, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) provide the Investor copies of any documents filed pursuant to Section 7.2(b)(i); and (iii) inform each Investor that the Company has complied with its obligations in Section 7.2(b)(i) (or that, if the Company has filed a post-effective amendment to the Registration Statement which has not yet been declared effective, the Company will notify the Investor to that effect, will use its reasonable efforts to secure the effectiveness of such post-effective amendment as promptly as possible and will promptly notify the Investor pursuant to Section 7.2(b)(i) hereof when the amendment has become effective).

(c) Subject to paragraph (d) below, in the event (i) of any request by the SEC or any other federal or state

governmental authority during the period of effectiveness of the Registration Statement for amendments or supplements to a Registration Statement or related Prospectus or for

additional information; (ii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose; (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; or (iv) of any event or circumstance which, upon the advice of its counsel, necessitates the making of any changes in the Registration Statement or Prospectus, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; then the Company shall deliver a certificate in writing to the Investor (the "Suspension Notice") to the effect of the foregoing and, upon receipt of such Suspension Notice, the Investor will refrain from selling any Shares pursuant to the Registration Statement (a "Suspension") until the Investor's receipt of copies of a supplemented or amended Prospectus prepared and filed by the Company, or until it is advised in writing by the Company that the current Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in any such Prospectus. In the event of any Suspension, the Company will use its reasonable efforts to cause the use of the Prospectus so suspended to be resumed as soon as reasonably practicable within 20 business days after the delivery of a Suspension Notice to the Investor. In addition to and without limiting any other remedies (including, without limitation, at law or at equity) available to the Investor, the Investor shall be entitled to specific performance in the event that the Company fails to comply with the provisions of this Section 7.2(c).

(d) Notwithstanding the foregoing paragraphs of this Section 7.2, the Investor shall not be prohibited from selling Shares under the Registration Statement as a result of Suspensions on more than three occasions of not more than 30 days each in any twelve month period, unless, in the good faith judgment of the Company's Board of Directors, upon advice of counsel, the sale of Shares under the Registration Statement in reliance on this paragraph 7.2(d) would be reasonably likely to cause a violation of the Securities Act or the Exchange Act and result in potential liability to the Company.

(e) Provided that a Suspension is not then in effect the Investor may sell Shares under the Registration Statement, provided that it arranges for delivery of a current Prospectus to the transferee of such Shares. Upon receipt of a request therefor, the Company has agreed to provide an adequate number of current Prospectuses to the Investor and to supply copies to any other parties requiring such Prospectuses.

(f) In the event of a sale of Shares by the Investor pursuant to the Registration Statement, the Investor must also deliver to the Company's transfer agent, with a copy to the Company, a Certificate of Subsequent Sale substantially in the form attached hereto as Exhibit A, so that the Shares may be properly transferred.

7.3 Indemnification. For the purpose of this Section 7.3:

(i) the term "Selling Stockholder" shall include the Investor and any affiliate of such Investor;

(ii) the term "Registration Statement" shall include any final Prospectus, exhibit, supplement or amendment included in or relating to the Registration Statement referred to in Section 7.1; and

(iii) the term "untrue statement" shall include any untrue statement or alleged untrue statement, or any omission or alleged omission to state in the Registration Statement a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made,

not misleading.

(a) The Company agrees to indemnify and hold harmless each Selling Stockholder from and against any losses, claims, damages or liabilities to which such Selling Stockholder may become subject (under the Securities Act or otherwise) insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon (i) any untrue statement of a material fact contained in the Registration Statement, or (ii) any failure by the Company to fulfill any undertaking included in the Registration Statement, and the Company will reimburse such Selling Stockholder for any reasonable legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim, or preparing to defend any such action, proceeding or claim, provided, however, that the Company shall not be liable in

any such case to the extent that such loss, claim, damage or liability arises out of, or is based upon, an untrue statement made in such Registration Statement in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Selling Stockholder specifically for use in preparation of the Registration Statement or the failure of such Selling Stockholder to comply with its covenants and agreements contained in Section 7.2 hereof respecting sale of the Shares or any statement or omission in any Prospectus that is corrected in any subsequent Prospectus that was delivered to the Investor prior to the pertinent sale or sales by the Investor.

(b) The Investor agrees to indemnify and hold harmless the Company (and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, each officer of the Company who signs the Registration Statement and each director of the Company) from and against any losses, claims, damages or liabilities to which the Company (or any such officer, director or controlling person) may become subject (under the Securities Act or otherwise), insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon, (i) any failure to comply with the covenants and agreements contained in Section 7.2 hereof respecting sale of the Shares, or (ii) any untrue statement of a material fact contained in the Registration Statement if such untrue statement was made in reliance upon and in conformity with written information furnished by or on behalf of the Investor specifically for use in preparation of the Registration Statement, and the Investor will reimburse the Company (or such officer, director or controlling person), as the case may be, for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim; provided that the Investor's obligation to indemnify the Company shall be limited to to the net amount received by the Investor from the sale of the Shares..

(c) Promptly after receipt by any indemnified person of a notice of a claim or the beginning of any action in respect of which indemnity is to be sought against an indemnifying person pursuant to this Section 7.3, such indemnified person shall notify the indemnifying person in writing of such claim or of the commencement of such action, but the omission to so notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party under this Section 7.3 (except to the extent that such omission materially and adversely affects the indemnifying party's ability to defend such action) or from any liability otherwise than under this Section 7.3. Subject to the provisions hereinafter stated, in case any such action shall be brought against an indemnified person, the indemnifying person shall be entitled to participate therein, and, to the extent that it shall elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, shall be entitled to assume the defense thereof, with counsel reasonably satisfactory to such indemnified person. After notice from the indemnifying person to such indemnified person of its election to assume the defense thereof, such indemnifying person shall not be liable to such indemnified person for any legal expenses subsequently incurred by such indemnified person in connection with the defense thereof, provided, however, that if there exists or shall exist a conflict of interest that would make it inappropriate, in the opinion of counsel to the indemnified person, for the same counsel to represent both the indemnified person and such indemnifying person or any affiliate or associate thereof, the indemnified person shall be entitled to retain its own counsel at the expense of such indemnifying person; provided, however, that no indemnifying person shall be responsible for the fees and expenses of more than one separate counsel (together with appropriate local counsel) for all indemnified parties. In no event shall any indemnifying person be liable in respect of any amounts paid in settlement of any action unless the indemnifying person shall have approved the terms of such settlement; provided that such consent shall not be unreasonably withheld. No indemnifying person shall, without the prior written consent of the indemnified person, effect any settlement of any pending or threatened proceeding in respect of which any indemnified person is or could have been a party and indemnification could have been sought hereunder by such indemnified person, unless such settlement includes an unconditional release of such indemnified person from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in this Section 7.3 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Investors on the other in connection with the statements or omissions or other matters which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, in the case of an untrue statement, whether the untrue statement relates to information supplied by the Company on the one hand or an Investor on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement. The Company and the Investors agree that it would not be just and equitable if

contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Investors were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Investor shall be required to contribute any amount in excess of the amount by which the net amount received by the Investor from the sale of the Shares to which such loss relates exceeds the amount of any damages which such Investor has otherwise been required to pay by reason of such untrue statement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Investors' obligations in this subsection to contribute are several in proportion to their sales of Shares to which such loss relates and not joint.

(e) The parties to this Agreement hereby acknowledge that they are sophisticated business persons who were represented by counsel during the negotiations regarding the provisions hereof including, without limitation, the provisions of this Section 7.3, and are fully informed regarding said provisions. They further acknowledge that the provisions of this Section 7.3 fairly allocate the risks in light of the ability of the parties to investigate the Company and its business in order to assure that adequate disclosure is made in the Registration Statement as required by the Act and the Exchange Act. The parties are advised that federal or state public policy as interpreted by the courts in certain jurisdictions may be contrary to certain of the provisions of this Section 7.3, and the parties hereto hereby expressly waive and relinquish any right or ability to assert such public policy as a defense to a claim under this Section 7.3 and further agree not to attempt to assert any such defense.

7.4 Termination of Conditions and Obligations. The conditions precedent imposed by Section 5 or this Section 7 upon the transferability of the Shares shall cease and terminate as to any particular number of the Shares when such Shares shall have been effectively registered under the Securities Act and sold or otherwise disposed of in accordance with the intended method of disposition set forth in the Registration Statement covering such Shares or at such time as an opinion of counsel satisfactory to the Company shall have been rendered to the effect that such conditions are not necessary in order to comply with the Securities Act.

7.5 Information Available. So long as the Registration Statement is effective covering the resale of Shares owned by the Investor, the Company will furnish to the Investor:

(a) as soon as practicable after it is available, one copy of (i) its Annual Report to Stockholders (which Annual Report shall contain financial statements audited in accordance with generally accepted accounting principles by a national firm of certified public accountants), (ii) its Annual Report on Form 10-K and (iii) its Quarterly Reports on Form 10-Q (the foregoing, in each case, excluding exhibits);

(b) upon the request of the Investor, all exhibits excluded by the parenthetical to subparagraph (a) of this Section 7.5 as filed with the SEC and all other information that is made available to shareholders; and

(c) upon the reasonable request of the Investor, an adequate number of copies of the Prospectuses to supply to any other party requiring such Prospectuses; and the Company, upon the reasonable request of the Investor, will meet with the Investor or a representative thereof at the Company's headquarters to discuss all information relevant for disclosure in the Registration Statement covering the Shares and will otherwise cooperate with any Investor conducting an investigation for the purpose of reducing or eliminating such Investor's exposure to liability under the Securities Act, including the reasonable production of information at the Company's headquarters; provided, that the Company shall not be required to disclose any confidential information to or meet at its headquarters with any Investor until and unless the Investor shall have entered into a confidentiality agreement in form and substance reasonably satisfactory to the Company with the Company with respect thereto.

8. 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 business day after so mailed,

(iii) if delivered by International Federal Express, two 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:

Neurocrine Biosciences, Inc.
10555 Science Center Drive
San Diego, CA 92121
Attn: General Counsel
Phone: (619) 658-7670
Telecopy: (619) 658-7602

(b) with a copy to:

Latham & Watkins
633 West Fifth Street, Suite 4000
Los Angeles, CA 90071
Attn: John M. Newell, Esq.
Phone: (213) 485-1234
Telecopy: (213) 891-8763

(c) if to the Investor, at its address on the signature page hereto, or at such other address or addresses as may have been furnished to the Company in writing.

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

10. 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.

11. 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.

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

13. 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.

14. Rule 144. The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Investor holding Shares purchased hereunder made after the second anniversary of the Closing Date, make publicly available such information as necessary to permit sales pursuant to Rule 144 under the Securities Act), and it will take such further action as any such Investor may reasonably request, all to the extent required from time to time to enable such Investor to sell Shares purchased hereunder without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any such Investor, the Company will deliver to such holder a written statement as to whether it has complied with such information and requirements.

INSTRUCTION SHEET FOR INVESTOR

(to be read in conjunction with the entire Stock Purchase Agreement)

A. Complete the following items in the Stock Purchase Agreement:

1. Provide the information regarding the Investor requested on the signature page (page 1). The Agreement must be executed by an individual authorized to bind the Investor.

2. Return the signed Stock Purchase Agreement to:

Neurocrine Biosciences, Inc.	Robertson Stephens
10555 Science Center Drive	555 California Street Suite 2600
San Diego, CA 92121	San Francisco, California 94104
Attn: General Counsel	Attn: Richard Innenberg
Phone: (619) 658-7670	Phone: (415) 248-4553
Telecopy: (619) 658-7602	Telecopy: (415) 693-3393

An executed original Stock Purchase Agreement or a telecopy thereof must be received by 5:00 p.m. California time on a date to be determined and distributed to the Investor at a later date.

B. Instructions regarding the transfer of funds for the purchase of Shares will be telecopied to the Investor by the Company at a later date.

C. To resell the Shares after the Registration Statement covering the Shares is effective:

(i) Provided that a Suspension of the Registration Statement is not then in effect pursuant to the terms of the Stock Purchase Agreement, the Investor may sell Shares under the Registration Statement, provided that it arranges for delivery of a current Prospectus to the transferee. Upon receipt of a request therefor, the Company has agreed to provide an adequate number of current Prospectuses to each investor and to supply copies to any other parties requiring such Prospectuses.

(ii) The Investor must also deliver to the Company's transfer agent, with a copy to the Company, a Certificate of Subsequent Sale in the form attached as Exhibit A to the Stock Purchase Agreement, so that the Shares may be properly transferred.

EXHIBIT 5.1

OPINION OF LATHAM & WATKINS

Latham & Watkins
633 West 5th Street, Suite 4000
Los Angeles, CA 90071
(213) 485-1234

January 19, 2000

Neurocrine Biosciences, Inc.
10555 Science Center Drive
San Diego, CA 92121

Ladies and Gentlemen:

We have acted as counsel to Neurocrine Biosciences, Inc., a Delaware corporation (the "Company") in connection with the registration of up to 2,327,777 shares of common stock of the Company, par value $0.001 per share (the "Shares"), under the Securities Act of 1933, as amended (the "Act"), pursuant to a Registration Statement on Form S-3 to be filed by you with the Securities and Exchange Commission (the "Commission"), to be sold by certain selling stockholders.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of rendering the opinions expressed below. With your consent we have relied upon the foregoing and other certificates of officers of the Company and of public officials with respect to certain factual matters.We have not independently verified such factual matters.

We are opining herein as to the effect on the subject transaction only of the General Corporation Law of the State of Delaware, and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or, in the case of Delaware, any other laws, or as to any matters of municipal law or the laws of any local agencies within any state.

Subject to the foregoing and the other matters set forth herein, it is our opinion that the Shares have been duly authorized, and are validly issued, fully paid and non-assessable.

We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm contained under the heading "Legal Matters."

Very truly yours,

Latham & Watkins

EXHIBIT 23.1

CONSENT OF ERNST & YOUNG L.L.P., INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement on Form S-3 and related Prospectus of Neurocrine Biosciences, Inc. for the registration of shares of its common stock and to the incorporation by reference therein of our report dated January 26, 1999 (except for Note 13, as to which the date is March 2, 1999), with respect to the consolidated financial statements of Neurocrine Biosciences, Inc. included in its Annual Report on Form 10-K for the year ended December 31, 1998, filed with the Securities and Exchange Commission.

ERNST & YOUNG, L.L.P.

San Diego, California
January 18, 2000